

The Assembly met at 2 p.m.

Prayers

## ROUTINE PROCEEDINGS

### INTRODUCTION OF GUESTS

**Mr. Swan:** — Mr. Speaker, on behalf of the member for Arm River, my seat mate, I would like to introduce to you today a group of students from the Simpson School in Simpson, Saskatchewan. These are grades 9 to 12 students, 27 in number, and they're visiting here and taking in the sights of Regina. They are accompanied today by their teacher, Neil Derby, and Ken Koenig.

I look forward to the opportunity to meet with the students at approximately 2:30 for pictures and for a visit and discussing the things that happen in the House. Would all hon. members join me in welcoming these students today.

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

**Hon. Mr. Swenson:** — Thank you, Mr. Speaker. It's a pleasure for me today to introduce to you, and through you to the members of the House, 13 grade 4 students from Bethune School. They're seated in your gallery, sir. They are accompanied by their teacher, Brian Lach, and chaperons, Terry Pollock and Kathy Biccum. These students have been in and had a tour of the Legislative Building and are now here to watch question period and learn about the democratic process as we practise it in the legislature of Saskatchewan. I, unfortunately, wasn't able to meet with them earlier this morning, but I trust that their tour was interesting.

And Bethune, Mr. Speaker, is one of the towns that's very close to where my mother grew up at Dilke, so there's a number of people in the area that either have close family connections or people that we've known for a long time. And I'd like all members of the legislature to help me welcome students from Bethune.

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

## ORAL QUESTIONS

### Contract of President of PCS

**Mr. Koskie:** — Thank you, Mr. Speaker. I'd like to direct a question to the minister responsible for the potash corporation.

Mr. Minister, we have here the contracts of PCS (Potash Corporation of Saskatchewan, Inc.) president William Doyle and also PCS vice-president John Gugulyn, and it's noted that they also received a five-year, no-cut contract; in Doyle's case, for a total of almost \$1.5 million; in the case of Gugulyn's a total of \$1 million. In the next five years, Mr. Minister, over a five-year period, the three individuals, Childers, Doyle and Gugulyn, would receive something in the neighbourhood of \$6 million.

I want to ask you, Mr. Minister, in light of these tough economic times here in Saskatchewan, how do you

justify these high salaries to these individuals?

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

**Hon. Mr. Lane:** — Let me indicate at the outset that when the story was raised the other day, the impression was left that they were leaked documents and that there was a secret information. Mr. Speaker, these are public documents tabled in the United States. Because the corporation is privatized and sells shares in the United States, this information is now public and available to everyone and has been available for some several months.

Having said that, Mr. Speaker, as I indicated the other day, that the potash corporation pays its salary in a very, very competitive potash industry. I acknowledge, Mr. Speaker, that it is a lot of money. The main competitor for the Potash Corporation of Saskatchewan is IMC (International Minerals and Chemical Corporation (Canada) Ltd.). The most people in the province know that. Their salaries, Mr. Speaker, as I indicated the other day, were even higher than those of PCS. It's a difficult situation, Mr. Speaker, when you're in a very competitive environment as the potash is, world-wide, competing with companies world-wide. And to get the best people, they have to pay the income to get those people.

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

**Mr. Koskie:** — Mr. Speaker, a new question to the minister. I guess, Mr. Minister, why worry? The Tory trickle down theory will work and we'll all benefit. My question to you is, Mr. Minister, is that Doyle and Gugulyn, like Chuck Childers, have no-cut contracts. And if they are released, they get the full remainder of their contract paid out. As well, both of them have clauses within those contracts that in the event of incapacitation, in the event of death, in the event of institutionalization, they get the full pay-out of five-year contract.

I want to ask you, Mr. Minister: could you tell us if this five-year, no-cut contract is prevalent throughout the Crown corporations since you birds took over the operation?

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

**Hon. Mr. Lane:** — Mr. Speaker, it's clear from the attacks made during the privatization of the potash debate on Mr. Childers that the opposition is somewhat upset with a five-year contract. The reason is, Mr. Speaker, in the eventuality — which is increasingly unlikely — that the NDP were to win, they would have difficulty firing Childers, Gugulyn, and Doyle. And the real issue here, Mr. Speaker, is the NDP having difficulty wanting to fire somebody.

And that's precisely what they're setting up because I have, Mr. Speaker, a document before me, a document before me, Mr. Speaker, by the New Democratic Party, which says that they will expand the Potash Corporation of Saskatchewan to become the sole provincial producer of potash if they are elected.

Mr. Speaker, they intend to nationalize the potash industry, they want to fire the management, and that is why they're upset with the five-year contract, Mr. Speaker.

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

**Mr. Koskie:** — A new question to the minister. Mr. Minister, you're going to have to make up your mind. On one hand you indicate that you found a document where we were going to privatize; now you've found a document that we're going to nationalize. Make up your mind.

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

**Mr. Koskie:** — A new question to the minister. Mr. Minister, within the contract to Doyle, if you can believe it, it says: merger, take-over, or sale of the corporation. And it goes on to indicate that the corporation, PCS, agrees that in the event of undertaking of the corporation is sold, dissolved, merged, or amalgamated that the guarantee is made by PCS Sales and by the Potash Corporation of Saskatchewan, if it is dissolved, to pay out Doyle the full amount of his five-year contract which would be over a million dollars.

I ask you, Mr. Minister, how can you justify, for instance, preventing the reorganization of a corporation, and secondly, the flexibility of the shareholders in dealing with it, because the contract that you put in place was put in place prior to the privatization?

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

**Hon. Mr. Lane:** — Mr. Speaker, we have just heard the New Democratic Party euphemism for renationalization, and it's reorganization of the potash industry, Mr. Speaker. They said they didn't know which way they were going to go, Mr. Speaker. That's right. They had a share proposal to do some shares; then, Mr. Speaker, the document I have before me that they expand the potash corporation so it'll be the sole producer of potash in Saskatchewan. Then we have the Opposition, I believe, House Leader, the member from Regina Centre, says that he doesn't know whether they're going to privatize it or nationalize it. He didn't know what they were going to do, Mr. Speaker, the next time around.

Here's what's happening, Mr. Speaker. The NDP are upset with a five-year contract because, Mr. Speaker, if by any outside chance they were elected, the first thing they'd want to do are fire the top-flight management from the potash corporation. That is the underlying basis for the question.

Secondly, Mr. Speaker, they are also saying, Mr. Speaker, that they, if elected, want to nationalize, want to be able to fire the top-flight management and go back to the political management that they had under nationalization prior to 1982. That is wrong, Mr. Speaker, it is unrealistic, it is unfair, Mr. Speaker. And what they're telling the people of the province of Saskatchewan is that they haven't changed, Mr. Speaker.

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

## Contracts for Senior Government and Crown Corporation Executives

**Mr. Anguish:** — Thank you, Mr. Speaker. My question is to the Premier and I want to point out that the Minister of Justice is absolutely right. We haven't changed. We're still better managers of the economy of Saskatchewan than you people ever will be.

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

**Mr. Anguish:** — My question to the Premier is this. I don't want . . . the Minister of Justice pointed out that this is an isolated situation with the Potash Corporation of Saskatchewan. I believe that you signed another set of five-year contracts last year with two of your former colleagues, Bob Andrew and Graham Taylor, and you have so far declined to release the details of those contracts. Now, Mr. Premier, do you think you could come clean today and release the contracts with Graham Taylor and Bob Andrew in this Legislature?

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

**Hon. Mr. Schmidt:** — Mr. Speaker, with respect to the two employees of my department, Economic Diversification and Trade, Mr. Andrew and Mr. Taylor, the details of their contracts have already been released publicly. They have been discussed publicly. They're in a similar position as federal government workers in that position, as Department of External Affairs employees. Their contract is similar. They have similar working conditions. Mr. Andrew is sharing office space with the federal government in Minneapolis. Mr. Taylor has moved into our existing office in Hong Kong. Their contracts are similar to the civil servants who work for the Government of Canada.

We do not put the contracts of the civil servants of the Government of Canada or the senior civil servants in Saskatchewan out for display on the Table in this legislature. I can say that they are similar to what other Canadians are being paid in what they are doing in those positions.

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

**Mr. Anguish:** — New question to the Premier, Mr. Speaker. I don't know why, Mr. Premier, you won't table those contracts today in the legislature. We think that Saskatchewan people have a right to know what you're doing with our money, what you're doing with the taxpayers' money in the province of Saskatchewan.

Now we understand, Mr. Premier, that there are other Crown corporation heads, people could be . . . possibly people like George Hill and Oscar Hanson, just pick some of those names out of the air, people that are in chief executive officer positions of Crown corporations and the upper executive, appointed by your government, mostly political patronage appointments, Mr. Premier.

We would like to ask you whether or not it's true that most of those employees have no-cut contracts for long periods of time — up to five years — and will you give us a list of

the employees in Crown corporations that you've appointed with no-cut contracts, Mr. Premier?

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

**Hon. Mr. Schmidt:** — Mr. Speaker, I'll give them a list. Ed Schreyer represented us in Australia. Nobody put his contract on the table. Ian Deans represents us. Ed Broadbent works on a government contract now. Nobody puts his contract on the table. Stephen Lewis was with the United Nations. We didn't put his contract on the table. Why should people from Saskatchewan have their contract on the table?

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

**Mr. Anguish:** — A new question. I point out to the Premier that the difference is that these people were appointed in credible positions that didn't have contracts. They were professionals in their industry, so I would say to you that when you're starting to look at . . .

**The Speaker:** — Order, order.

**Mr. Anguish:** — This new government is supposed to be open and consultative with the Saskatchewan population. You would think after you appoint your friends, Mr. Premier, to high positions at very lucrative salaries, they can't be cut. They have to die in their positions to have them go. They can't be released for incompetence. I mean, if they go insane . . .

**The Speaker:** — Order, order. I'm sure the hon. member will agree with me that certainly we're getting into the debate much more than question and answer. I'm sure there's a wealth of information that can be provided, but that's going to provoke a very, very long response, and then hon. members will be upset about that. So let's shorten our questions, keep our answers reasonable.

**Mr. Anguish:** — Thank you very much, Mr. Speaker. Most of them are brain dead anyway so I won't go through the history.

**The Speaker:** — Order, order. I'm sure that the hon. member from The Battlefords, who has spent considerable amount of time in the House of Commons and also here, knows that referring to his colleagues in that manner certainly isn't conducive to a good legislature. And I'd just ask him to refrain from using that language.

**Mr. Anguish:** — I appreciate that, Mr. Speaker. I wasn't referring to my colleagues; I was referring to some of the people that they've hired.

Mr. Speaker . . .

**An Hon. Member:** — As brain dead. As brain dead.

**The Speaker:** — Order, order. Let's just close the issue and allow him to put his question.

**An Hon. Member:** — He's got to say it outside.

**The Speaker:** — Order, order.

**Mr. Anguish:** — Mr. Premier . . .

**An Hon. Member:** — Say it outside.

**The Speaker:** — Order, order.

**An Hon. Member:** — We'll meet you out front. We'll meet you out front with the press.

**The Speaker:** — Order. Now . . .

**An Hon. Member:** — All the brain dead outside.

**The Speaker:** — The Minister of Justice is interfering, and I think that the issue has been talked about long enough. Let us allow the member to put the question so question period can continue.

**Mr. Anguish:** — Mr. Premier, in your open and consultative new posturing with the public of Saskatchewan, will you release to us all the contracts with Crown corporations and some of your friends like Bob Andrew and Graham Taylor, table their contracts in this legislature to show that some of them have had very extensive severance packages and that some of them have no-cut contracts so you protect your friends long into the future after you're gone, Mr. Premier?

**Hon. Mr. Schmidt:** — Mr. Speaker, we've been quite up front about this. The social democrats, who call themselves social democrats . . . Have you ever heard them use that term recently? Now they're just New Democrats.

Negative democrats like the members opposite raise these matters. They accuse people of being brain dead. And it seems to me that a lot of former social democrats, as I have listed, Dennis McDermott, Ed Broadbent, Ian Deans, Ed Schreyer, some of them successful, some of them not so successful, have served this country and nobody screamed patronage when they served this country. But now they come up and sweetheart deal, everything is a sweetheart deal. If you have to hire the vice-president of International Minerals and Chemical from Chicago and bring him to Saskatchewan to make your company run as good as that private company, how are you going to get him here if you don't pay him? He's not going to come here for the fun of taking garbage from the negative democrats. You're not going to get him to do that.

The bottom line, Mr. Speaker, is you talk about sweetheart deals. What kind of a sweetheart deal do the NDP have with the SFL (Saskatchewan Federation of Labour) and Barb Byers? Why is she spending \$80,000?

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

### Hiring of Polling Groups

**Mr. Van Mulligen:** — Thank you, Mr. Speaker. Mr. Speaker, my question is to the minister responsible for the Crown investments corporation. Mr. Minister, the most recent report of the Provincial Auditor says that the Crown investments corporation contracted with a

research company to complete a post-budget poll, telephone poll, in 1987 at a cost of \$42,000.

Now it would seem to most people, Mr. Speaker, that that sort of poll is political and should not have been paid for by the taxpayers. Can the minister tell this House and explain to the people of Saskatchewan why tax dollars were used to pay for this poll, and why the PC Party of Saskatchewan did not pay for this particular political undertaking?

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

**Hon. Mr. Schmidt:** — Mr. Speaker, I'm the back-up minister for the Crown investments corporation. The minister, who is also the Minister of Finance, has already given an explanation of this very same question. The answer has been given. I will let them ask that question when he is here.

**Mr. Van Mulligen:** — Well I have a new question for the minister, Mr. Speaker. I try to keep abreast of what's in the news, and I didn't hear any explanation from the minister. And I'm wondering, in your capacity, sir, if you could just tell us, for example, why it is that you are trying to hide this \$42,000 expenditure in the Crown investments corporation. Only a special audit, a special audit by the Provincial Auditor uncovered that this expenditure had in fact been made.

Why is it that you are trying to bury this expenditure in the Crown corporation? Is it because you know that it's PC political work and should not be paid for by the tax dollar, that it can't be justified? Can you, for example, also tell us today who it was that undertook this poll on your behalf? What it Tanka from Regina? Was it Decima from Toronto? Can you give us those answers now today, Mr. Minister?

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

**Hon. Mr. Schmidt:** — Mr. Speaker, I'm a lawyer, not an accountant. These are accounting technicalities. The minister responsible said he would look into it. He is. He should ask the question when he's here.

**Mr. Van Mulligen:** — Mr. Speaker, it seems to me that we're here to ask the government questions and it's their job to answer the questions, not to give a bunch of excuses to us and to the taxpayers of Saskatchewan as to why questions can't be answered.

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

**Mr. Van Mulligen:** — Now I have another question, Mr. Speaker. Now I'd like to know, inasmuch as the taxpayers of Saskatchewan shelled out \$42,000 of their money for this particular poll, it seems to me that since their money paid for it, they have a right to see what they paid for. And my question is: will you table this poll in the Legislative Assembly? And if not, why not?

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

**Hon. Mr. Schmidt:** — Mr. Speaker, polling is very simple and it's very democratic. Everyone agrees that we should follow the wishes of the people; therefore, we have to

ascertain their wishes and now we are following their wishes. Time will show that we are doing exactly what they want.

**Mr. Van Mulligen:** — Mr. Speaker, a new question. I would like to, then, return to my initial question; if the minister is trying to justify this particular poll, can he now justify for the people of Saskatchewan why it is that taxpayers' dollars, \$42,000, had been used to pay for a poll that to most people would seem blatantly political. Can you explain that?

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

**Hon. Mr. Schmidt:** — The question has been answered, Mr. Speaker.

**Mr. Van Mulligen:** — Mr. Speaker, I beg to differ. We haven't had the answers to any questions today.

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

**Mr. Van Mulligen:** — Mr. Speaker, I have one more question to the minister, one more question to the minister and that is simply this. It took a special audit, a special audit by the Provincial Auditor, Mr. Speaker, to uncover the fact that this expenditure had been made. It shouldn't have been made. There's a lot of confusion and there's some real doubt about now your government taking tax dollars to pay for political work. And this happened in 1987.

Will you clear the air on this question? Will you give the Provincial Auditor the extra resources to conduct special audits for the year 1988 and 1989 to make sure that there had been no other blatant political expenditures, to make sure that there hadn't been more millions of taxpayers' dollars paid for straight political work. Will you agree, Mr. Minister, to such an inquiry?

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

**Hon. Mr. Schmidt:** — Mr. Speaker, the member for Regina Victoria is quite clearly confused. And when the minister responsible is present, as I indicated earlier, he will give a further explanation. My understanding is he's already explained it once to the media. He will give a further explanation. If he will only be patient, his confusion will be resolved in due course.

### Use of Crown Corporation Profits

**Mr. Solomon:** — Thank you, Mr. Speaker. My question is to the Premier, and it deals with the government's, your government's practice of pulling out cash out of Saskatchewan's Crown corporations, not to improve services or to create jobs for our young people or to keep taxes down, but to make interest payments on the huge budget deficit.

Mr. Premier, SGI (Saskatchewan Government Insurance) had a profit of \$22 million last year and you stripped away \$20 million to help pay for the deficit. SaskTel had a profit of \$77 million and you stripped away \$70 million of that in a dividend towards your deficit.

Will the Premier not agree that without these Crown corporations' dividends, and your budget deficit being where it's at, that your deficit would be millions of dollars higher; and in light of that, how do you explain your continuing attempts to sell off the very companies that are helping to pay the bills?

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

**Hon. Mr. Lane:** — Mr. Speaker, the NDP . . . if the Crown corporations lose money it's bad management, and if they make money it's bad management, Mr. Speaker. That's one of the difficulties the New Democratic Party is having with the people of this province, is they see them taking so many different sides on issues the public don't know whether they have a policy, no policy, what their position is, Mr. Speaker. And the New Democratic Party should get its act together.

Now, Mr. Speaker, certainly if the Crown corporations make money they can pay a dividend to the province of Saskatchewan. I happen to think that that's an appropriate expenditure of their money. But to say, as the hon. member did, that the Crown corporations are not supplying needed services, let me talk about the rural natural gas, Mr. Speaker, individual telephone service to the people of this province. And I can go on with cellular; I can go on with fibre to the home, Mr. Speaker; I can go on with lower telephone rates, Mr. Speaker, amongst the lowest in the country.

And I contrast that, Mr. Speaker, to what the hon. member said earlier when he said, you're right, we haven't changed. To go back to . . . you couldn't even buy a telephone in this province under the New Democratic Party.

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

**Mr. Solomon:** — Mr. Speaker, I have a new question to the Premier. Before you privatized the potash corporation last year, you dipped into it for \$106 million dividend. Now that the corporation has been privatized, you won't have that source of cash any more that the minister refers to. Now most of the PCS dividends, if there are any, will be going to out-of-province and foreign shareholders.

How can you call this loss of revenue and this loss of control a benefit to the people of Saskatchewan?

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

**Hon. Mr. Lane:** — Mr. Speaker, again, if we recall the debate on privatization, the NDP stood up in the House and said, don't leave the money in the corporation because it's just the shareholders who will get all this money and the profit from the corporation.

So we take the dividend out before it was privatized. Mr. Speaker, now they're against that. Now they're against that, Mr. Speaker. Would you please make up your mind because you're proving over and over and over again that you don't have an economic plan for the people of this province. You criticize no matter what the action is taken. If the government did what the NDP wanted, as with farm loans for spring seeding, they'd still criticize that, Mr.

Speaker. You've crossed the line. People want to see your policies.

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

## MINISTERIAL STATEMENTS

### Grant to Centre of Excellence Program

**Hon. Mr. Schmidt:** — Before orders of the day, I'd like to make a ministerial statement, Mr. Speaker. I'll be brief, Mr. Speaker.

**The Speaker:** — Order, order! I think we're going to have to co-operate and allow the minister to make a statement so that we can all hear the statement.

**Hon. Mr. Schmidt:** — Well thank you, Mr. Speaker. Last week the members of the opposition asked the question about finding money for the assistance of research at the University of Saskatchewan under the network centre of excellence program. And I had indicated at that time that if we could find the money for this program we would turn the money over to the university and proceed with it.

I'm pleased to say that we have been able to locate this money and put it in our budget. And therefore I can say today that the University of Saskatchewan will be receiving \$600,000 per year for the next four years to participate in the federal networks — our centres of excellence program. This is a four-year program to support advanced technology research and development in Saskatchewan. Over that period of time the Saskatchewan taxpayers will spend \$2.4 million on this research, and the federal government will spend \$10 million on research.

Mr. Speaker, I agree with the members opposite that this is a worthwhile project. It is one of those worthwhile projects for which we do really not have the money but we went and found it, or we might say looking at the circumstances, we went out and borrowed it for this worthwhile project. And we will be proceeding with it to access the \$10 million of federal funding.

So in total in the next four years, the University of Saskatchewan will, through the science and technology branch of my particular department, the Department of Economic Diversification and Trade, will be able to access a total of \$12.4 million for research in Saskatchewan. This will create jobs; it will develop some technology for the future. This will ensure that Saskatchewan can progress with the world.

I know the members opposite were anxious about this expenditure, and I can say to them today that we have found the money and it will be proceeding.

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

**Mr. Rolfes:** — Mr. Speaker, we certainly welcome the reversal of the decision that is made by the government, but, Mr. Speaker, I think it speaks well of the opposition here that we had to embarrass them into coming forth with this money . . .

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

**Mr. Rolfes:** — Mr. Speaker, it tells the people of Saskatchewan really where their priorities are at. Why wasn't that money forthcoming in the first place? If they knew the priorities of the people of Saskatchewan and what is good for Saskatchewan, what is good for the universities, that money would have been in the budget to begin with.

I don't believe for one minute that the minister said that they had to borrow that money. That money was sitting somewhere in the government and they wanted to simply say to the people of Saskatchewan, well, now we are going to reconsider because we're listening to the people of Saskatchewan.

That's nonsense, Mr. Speaker. That money should have been in the budget, should have been forthcoming. If the government had been honest with the people of Saskatchewan, they would have had that money there to begin with.

And I welcome the reversal of the decision. But, Mr. Speaker, it tells us something about this government. It tells us that unless you put pressure on them and unless you embarrass them, the government will not straighten up its priorities.

But I think the people of Saskatchewan should be reminded that the budget for SRC (Saskatchewan Research Council) has been dramatically cut, dramatically cut in this budget, I believe by about 22 per cent. So we will have to study this thing further and see whether or not the universities actually come out to the plus on this one or whether they're still minus.

Having said that, Mr. Speaker, we welcome, as I said, the announcement today; but I am sorry to say that it had to take this pressure from the people of Saskatchewan and the opposition to force this government to come to its senses.

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

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

#### COMMITTEE OF FINANCE

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

#### Item 1 (continued)

**Mr. Pringle:** — Thank you very much, Mr. Chairman. Mr. Chairman, as critic for families and youth and for co-ops, I would like to make a few comments for the minister's interest and then ask him a question that I think is very important.

Mr. Chairman, I've been fortunate in that I've had the opportunity as the critic for youth and families and co-ops to have been across the province quite extensively over

the last couple of years as I know the minister has. I've talked to many farmers and many small-business people on main street Saskatchewan. I've talked to many representatives of RMs and town councils as well as representatives of hospital boards and ambulance services and doctors and public health nurses, teachers, government employees, and so on. And I've also had the opportunity, Mr. Minister, to speak to many managers of co-ops and to many board reps of the co-op and credit union movement across the province. And I guess as a matter of fact I'm going to Redvers tonight, down to Souris-Cannington to a banquet to talk to some of the rural people there.

And over that period, Mr. Minister, I've gained some appreciation — I'm obviously a city boy but my parents farm, many of my relatives farm, and many of my friends are farming that I went to school with — but I've gained an appreciation for some of the risks in farming, some of the risks in having small business in a small town. I've gained some appreciation for the impact of drought on rural Saskatchewan, for low prices, high input costs, and so on. Certainly I had some relatives experience the pressures of high interest rates, and also my family recently sold their farm, but I am aware of many other friends of theirs across the province who have had trouble dealing with land transfers. So I have some appreciation for those.

A particular concern I have is for the number of young people who are having to leave rural Saskatchewan, and those young people, Mr. Minister, I am sure you know, are likely never going to go back and that's a concern that rural people have. I also have some understanding of the hard work that is involved in trying to run a farm today, and also the tremendous anxiety and stress in terms of whether or not they're going to manage. And so farming is very tough, especially today, and I know you are aware of that.

Being a small-business person in small town Saskatchewan or anywhere in Saskatchewan is very tough today, and you know that, particularly given that we've got a high rate of taxation; we've got a high rate of government debt and we've got a high rate of government waste, which is something that comes up time and time again when I go out to rural Saskatchewan.

So I'm aware that it's tough to keep people in rural Saskatchewan. It's a major challenge to do that. And it's also tough to keep services in rural Saskatchewan.

I am also aware as a critic for co-ops of the success to some degree of the co-op and credit union movement in these tough times; the success that the co-op movement's had in pulling some towns through these very difficult times where people, as we have so often done in the past in Saskatchewan, have pooled their risks, we've pooled our resources, and we've been able through the co-op movement to maintain some level of democratic control over our economic destiny.

And so I am aware of the value of the co-op sector in helping to some degree to destabilize . . . to offset the destabilization of rural Saskatchewan depopulation.

Mr. Chairman, I was also fortunate to be able to have the opportunity to co-chair one of our policy development commissions in the area of youth, education and family life, and in this regard I had the opportunity to a public forum in Yorkton and Shaunavon and Foam Lake and Corinne and Kamsack, as well as receiving many briefs from our members from across Saskatchewan.

So that was a good learning experience for me and it . . . of course many of those were, many of those briefs were from rural Saskatchewan, highlighting the concerns and the hardships and the stress and anxiety as it related to the impact on families in our current situation.

So across Saskatchewan, as I heard you acknowledge last week, there's a lot of worry; there's a lot of stress; there's a lot of pain. There's a lot of anxiety and uncertainty. Families are literally being torn apart as young adults come to the cities. In fact a lot of the young adults are leaving the province to find opportunities that aren't in the cities, that aren't in Saskatchewan at all.

Mr. Minister, farm families are telling me that there's a lot of heartache as well in that because of no land transfer program. There's a heart-break because the families' style of life is coming to an end and they're worried about the future of their young people off the farm.

Now obviously your government is not to blame for the debt. Rural families are fair and they're not suggesting you're responsible for the drought, but they do have a sense of abandonment. If there's one theme I'm getting across the province is this sense of abandonment by your government — not just your government but also by the government in Ottawa, but also, you know, a Progressive Conservative government — that the two levels of government are in a sense leaving Saskatchewan families abandoned.

And they look at the accelerated depopulation, some 1,000 family farms per year. They're looking at the ever increasing rail line abandonment, the closing of rural post offices, the eroding of orderly marketing, which is supported by your government and the government in Ottawa.

And they're particularly concerned in rural Saskatchewan. At least this is what they tell me, and it isn't surprising about the tremendous loss of services, whether it be the dental program, which I know is creating hardship for many, many Saskatchewan communities. Some 200 communities that now do not have a dental services as they did in the past, but they're concerned about the cuts to technical school programs which affects young people off farms trying to go into the trades or the university underfunding. It profoundly affects rural Saskatchewan.

They're concerned about the fact that your government in eight years has continued to freeze the child care budget and the child care subsidies. I just met with a group last week, SWAN (Saskatchewan Women's Agricultural Network), who's concerned that there are no child care arrangements or funding for farm families during seeding and harvesting time. Particularly are concerned when now many of the family spouses are working off the farm

in order to make ends meet. And so child care, there's been no movement on child care, no support to child care.

(1445)

Most of the families, many of the family support services have been cut by your government. So rural people are concerned about that. They are concerned about the *ad hoc* money. Money, that's for sure there's been some money, but it's been of an *ad hoc* nature provided by your government, sort of thrown at them. But by and large, in terms of the stability programs, they've been left on their own.

In eight years, Mr. Minister, almost one decade, you've had to deal with some of these problems. Five years the federal government has been a partner of yours, two Tory governments. That should have been the opportunity, if you were serious, to deal with some of the very real problems in agriculture. But in eight years that you've been in power, five years since the federal government has joined you, there's still no long-term income stabilization programs. There's still no debt restructuring program for farmers. In fact, the two levels of government, your government and the federal government, families tell me are putting more stress on families than easing the stress and so the pressure there, there's no serious attempt to help restructure farm debt, no land transfer program.

I know that you would be aware of many farmers who farmed for many years, who are ready to retire, and just simply can't afford to give their land to their children, can't afford to sell. The children can't afford to buy it. There just simply is no mechanism to transfer that land. You've had eight years to deal with that problem and still no movement on that yet, Mr. Minister.

High interest rates, Mr. Minister, continue to go up, I think three times — the Farm Credit Corporation, three times they've gone up recently. Crop insurance is not properly in place yet. So, Mr. Minister, those very real problems in agriculture, in almost a decade have not been dealt with by your government. I guess I'm wondering just how patient do you expect the farm families to be? How long do you need in order to work out some of these long-term programs, Mr. Minister?

You said last week in this House that we've made representations to Ottawa regarding the high interest rates. As I said, the Farm Credit Corporation has raised interest rates recently three times. Almost every time that the Premier goes to Ottawa to discuss interest rates, he comes back and they go up again. And so, as my colleague from Quill Lakes said, making representation isn't enough. Obviously you've not been effective.

You have refused in this House, your government has refused, to join in an all-party motion to give the federal government the clear message about bringing down interest rates and the harsh impact of high interest rates on Saskatchewan agriculture. You've refused to do that.

You've also refused in this House to support an all-party resolution on the VIA Rail cuts last session. You refused this session to join us in an all-party resolution regarding

the goods and services tax, Mr. Minister, which is going to put tremendous, have a tremendous negative impact on rural Saskatchewan. You refused in all three of those areas — interest rates, VIA Rail cuts, and the GST (goods and services tax) to join us in an all-party resolution to Ottawa. Your policy . . . you support the policies of deregulation; you support the policies of free trade; you support the policy of privatization, and you support the policy of erosion of the wheat board, Mr. Minister.

Now you must agree that all of these, despite your alleged support to rural Saskatchewan, all of these policies are connected and they undermine small town Saskatchewan, they undermine agriculture; they undermine rural Saskatchewan farms. And I would submit, Mr. Minister, that they have accelerated depopulation. Farm families are telling me this. That those policies that you support, that the federal government supports, have accelerated depopulation and have accelerated young families not being able to live on the land.

All of these negative trends that you and your federal colleagues support are placing great stress on young people, great stress on farm families, and great stress on small-business people in rural Saskatchewan. So you have placed additional stress on these families.

And, Mr. Minister, I guess the question that rural people keep asking me is, where is it going to end? You continue in your budget to cut grants to municipalities. You continue to underfund education. Your budget recently only added more debt to farm families.

You continue to support megaprojects that take money away from needed services and small towns, that continue to erode the support to small-business people who, incidentally, are the backbone of our economy and create many more jobs than the large megaprojects of Cargill where you put up all the money virtually, take all the risks. And you won't give the same consideration to small-business people and to rural Saskatchewan. So you continue to support megaprojects in the face of the lack of support to do that. They're very high-cost propositions and they do very little to destabilize rural Saskatchewan's out-migration and depopulation.

Mr. Minister, one of the critical failings of your government has been in the policies where you accelerate depopulation and accelerate stress on family farms, then you have taken away their social supports, the family supports.

There's been a loss in rural Saskatchewan since your administration came here in terms of counselling supports to families in rural Saskatchewan. The safe house program that was announced in 1985, some \$800,000, never got off the ground. We continue to turn away some 500 women every year from transition houses. You cut the dental program.

Your government phased out 100 staff for the mental health department in 1986, '87 and '88. You took away 100 staff members from the field of mental health. And is it any wonder we see the Red Cross saying, a couple of weeks ago now, that this lack of support is clearly creating

many hardships for rural Saskatchewan families.

And Mr. Speaker, you also — or, Mr. Minister, — you also continue to underfund the Department of Health in terms of the public health nurses. And you continue to underfund groups like SWAN who are trying to support women and families in rural Saskatchewan. You continue to underfund them or give them funding in an *ad hoc* basis. And so you continue to deny funding for needed child care in rural Saskatchewan.

Your priorities, Mr. Minister, your priorities are Cargill, GigaText, spending, as we saw today, spending lots of money on polling and advertising, \$740,000 a year for Chuck Childers, \$3.5 million over five years whether he performs his job or not, or whether he even lives or not, he still gets the money. So, you continue to support your big corporate friends.

But, Mr. Minister, you're not supporting farm families with long-term income programs, debt transfer, high interest rates and so on. You . . . (inaudible interjection) . . . Yes, no income, no-cut contracts for farm families as my colleague from Humboldt aptly says.

Mr. Minister, rural people are fair minded but they see the unfairness and the unjustness in those kinds of priorities. No support for them, no support for small business, and no support for ordinary workers in rural Saskatchewan. No money for health care and no money for hungry kids and no money for education. We saw the galleries full here last week. It's not just a matter of lack of funding for teachers, it's a matter of continual underfunding of education over the years, Mr. Minister.

Mr. Minister, and we now see we've got a Family minister — six months on the job now. He's gone to the Grey Cup. He's basically . . . he's published a report that is factually incorrect in many areas. Nothing has really changed. The minister of families has made no difference to the kind of patronage that goes on.

The Graham Taylor, the Bob Andrew deals, were struck after this Family minister became the minister. The Childers deal was established. I haven't heard the Minister of the Family saying, look, we should divert some of that money to hungry kids. The Cargill arrangement, I assume the Minister of the Family supports that. The crisis in education, I've not heard the Minister of the Family express his concerns over that or the loss of the dental program, Mr. Minister. Nothing has changed.

So here we see the man that was supposed to oversee the impact of government policies on rural Saskatchewan, on Saskatchewan generally, and we've heard him bring forth nothing in the last six months to convince Saskatchewan people that anything is going to change, which leaves people in rural Saskatchewan feeling that this is just a PR gesture, Mr. Minister.

As I said earlier, Mr. Minister, in my travels throughout rural Saskatchewan, and my background, my parents farming and my relatives farming and a number of my friends, I'm well aware that these people are reasonable, they're trusting, and they're patient. But, Mr. Minister, their patience is getting thin — patience is getting thin.



They want honesty and straightforwardness by their government. They want fairness. They want to play by the same rules as Cargill and Chuck Childers and others. They want some positive leadership by the federal and provincial governments. They want a Premier, Mr. Minister, who stands up for Saskatchewan. That's the least they have the right to expect, Mr. Minister.

Mr. Minister, Saskatchewan rural people and all of Saskatchewan people want some security, they want some opportunities, and possibly most of all, Mr. Minister, they want some hope. They want a government that works for them, Mr. Minister, not against them.

You've had eight years, Mr. Minister. The Premier's been the Agriculture minister for many of those years. You've had eight years; you've had federal people in for five years; yet the situation continues to worsen for Saskatchewan small towns and for families. Out-migration continues to be worse, not better. Farmers continue to have more debt.

The last three years in a row, there have been record numbers of small-business bankruptcies. There are fewer services in small rural communities. We've got the fastest growing rate of family poverty in all of Canada. Businesses are closing on Main Street, Saskatchewan. And you are putting more pressure on farm families by your foreclosures and legal actions.

Worst of all, Mr. Minister, is the kind of hypocrisy that we've seen by the Premier. This Premier who isn't standing up for Saskatchewan farmers. This Premier who is leaving small communities exposed to the world market-place. This Premier who's telling farmers in Saskatchewan, small farmers, that look, I'm in the same boat you are. I've got a permit book. I'm a farmer; I'm a small farmer.

And, Mr. Speaker, comparing himself to small farmers when he makes \$100,000 a year in salary and 40 or 50 or \$60,000 in interest, some \$1.5 million in off-farm income since he's become Premier, for that Premier to compare himself with the plight of small farmers is blatantly dishonest, Mr. Minister, and deceitful. And that's why farmers are beginning to see the double standards set by this government and beginning to lose hope. After all, this Premier has had almost a decade to deal with their issues.

Mr. Minister, I would say that this government's record is shameful. Rural people are not fooled. Your consensus initiative is seen for what it is. Farmers have seen it before, but they continue to lose their farms while you go through this charade of so-called consensus and listening as if you're interested in the average family.

My question, Mr. Minister, to you is this: what discussions have you had with the minister of the families regarding rural issues, and what is his advice to you regarding the plight in rural Saskatchewan of small family farmers, of small-business people, and average wage earners? What is his advice to you?

(1500)

**Hon. Mr. Hardy:** — Mr. Chairman, I'll just run through . . . it was a whole series of comments he made and I'll try to answer the question the best I can.

The member from Saskatoon Eastview was talking about the encouragement of people out there; what do you do in rural Saskatchewan in regards to development and diversification and some of the other issues as he's travelled around, the concern of the farmers.

I can say one thing, that I've been very encouraged by the number of people that have come forward to assist in their community and with different projects in their community. I could read some of the ones off, but just to give you an idea, we have 23 rural development corporations now have been formed. They involve 60 rural municipalities, 90 urban municipalities, with 102,000 of rural population. They're working on in the neighbourhood of an excess of a hundred different projects. That's just in one area.

Another area that we have out there that we work with through Rural Development is the community economic development committees. We have 55 of them in the province that are formally funded. We have others that are formed that are not being funded.

We have 55 urban municipalities that we fund and they have been working on over the last . . . since 1982 they've worked on about 400 different projects.

Since 1989 the RDCs (rural development corporations) and the community economic development committees have formed 102 small-business associations where they fund small businesses up to \$5,000 at either interest-free loans or at the rate they want to set, but at a very low rate. We encourage it. They get the money from the Government of Saskatchewan through SEDCO, interest-free, and they can then . . . any money they make, either on the interest they decide they want to charge their small-business person in their community in their decision, or interest-free, whichever the case. If they accumulate any interest off the moneys, it goes back into their own local development. So that's one area.

Another area that they were talking about funding for rural people, another area, we have a rural economic development grant funded through RMs, through either the RDC, the rural development corporation, of which I mentioned there was 23, or through the ADD (agricultural development and diversification) boards, which there's 43 of them, or through their ADD committees, which is 299 of them out there. So any one of those could access the funding.

There's about \$25 million over five years . . . over six years, I'm sorry, Mr. Chairman. That is available. And we have, I believe right now, in the number of about . . . since it come in place to January 1, have about 30 projects either approved or in the process of being approved. Those are economic development all the way from the peola chip plant to dehy plants to eviscerating plants to alfalfa seed-cleaning plants to organic food seed plant — many, many of those.

We also have the small business incentive grant available

for small business. Now that's a 25 per cent rebate back to those who take risk . . . who have risked an investment in a project. That's available through the small business . . . grant is available through the government.

We have the western economic diversification, which have put a good deal of money, and it's available now much more readily than it was. It's a federal grant, but much more . . . loan in most cases, not a grant, available interest-free for a small business setting up. That has been available, particularly where there's a small industry involved.

We have SEDCO financing, about \$300,000 interest-free money that's available. It's based on . . . on the first five years, you pay 25 per cent of a profit, if you show a profit, or you can pay it off any time that you wish. That's available.

So there is a considerable amount of money available in different ways out there for small business, and particularly small industries, to establish in rural Saskatchewan.

We've also brought the individual telephone line service to all of rural Saskatchewan, completed this year. And one of the very important features, as well as individual line service, is also the natural gas rural distribution system which brings cheap energy to those who may need it for industry out there. And that's a real plus when you try to establish an industry in a cold province. You need it for heating and you need it for the industrial development.

He talked a little bit about land transfer programs, and he said there wasn't any. There is an intergenerational land transfer program available through ACS (Agricultural Credit Corporation of Saskatchewan) where they guarantee the loan up to 80 per cent of the value. It's available there for those farmers who wish to sell lands from one farmer to another; it's available to them, particularly in the family where you know the principal is guaranteed and you can set either a very low interest rate when you're selling to a family, or maybe no interest rate if that's your decision. It lets that young farmer start out and still the principal, the retiring farmer, has the opportunity.

Saskatchewan Crop Insurance — we're going to deal with it later here. We made many, many changes to Saskatchewan crop insurance. Ninety per cent of the farmers are now going to individual coverage because the range is there, the opportunity is there. We're getting lots of good reports back on that.

He mentioned interest rates. I believe we did have a motion in this House, an all-party motion in regards to interest rates, and it was part of a bigger motion requesting money.

The Canadian Wheat Board, he mentioned that. He said we're out to do away with the Canadian Wheat Board. I think the Canadian Wheat Board can be enhanced. I think we can become not only a seller, a marketer. I've talked to them about it. I believe they can; I believe we have the highest quality grain in the world right here. I

don't know if we've really marketed it. We've been sellers, but I believe in today's age we have to market. And a good example would be such as John Deere that don't sell; they market and then they sell through the dealers.

And I think the Canadian Wheat are looking at that. I think they have a real opportunity to do it in some of the European countries where our grain can mix with so many different products, and it will enhance our price if we enhance our sales.

He mentioned such things as Cargill and we're giving away all the money to Cargill, whatever, I forget the exact dollars he quoted. We talked about that here last week. Cargill was . . . we said we put up \$65 million. I believe I quoted it out of the paper here, out of the rate, what we had. For 49 per cent of the investment that we . . . we guaranteed somewhere in the neighbourhood of \$300 million, and I don't remember the exact figure, where we get three-quarters of 1 per cent for guaranteeing the loan, and it's built here in the province with 60 to 70 per cent of the export to go out of the country. I think that's a good move, similar to what the Canadian . . . or Sask Wheat Pool did up at Biggar, at the malt plant. They invested, together with a major brewery, as an opportunity to ship it in, outside our province and beyond, and enhance us as farmers our opportunity to get a better price for our barley.

He mentioned that we don't fund such things as SWAN. He didn't mention Saskatchewan Women's Institute; we do assist those people and work with them continuously. Saskatchewan Women's Agricultural Network is funded federally. I met with them here a couple of days ago, in fact last week, I believe it was on Thursday. I had the opportunity to meet with them, to talk with them about what they were looking at and where we could work them. They are federally funded, they said, and they really didn't ask for funding. I suppose they would accept more funding, but they didn't ask for any funding. They were here; we had a long discussion with them.

I think that covers most of the area. You talk about what we're doing out there in rural Saskatchewan, and I . . . a lot of other things I could read into the record, but I won't have the time.

**Mr. Upshall:** — Thank you, Mr. Chairman. Well, Mr. Minister, I just want to make a comment on the Saskatchewan Women's Agricultural Network. My information is that they have asked you for funding, and so I don't think you can get away with saying they haven't. They're always asking for funding. In fact it was reported to us that they spend most of the time fund raising instead of doing the job they hope to accomplish, and that is inform women of rural Saskatchewan and improve conditions out in rural Saskatchewan. So, Mr. Minister, I don't think you can get away with that.

What I want to talk about, Mr. Minister, today, is the 4-H regional program that you announced in 1987 would be cut by 25 per cent each year until it disappeared in 1990-91. Have you completed that cut, Mr. Minister?

**Hon. Mr. Hardy:** — Number one is, we haven't cut them

in the last two years at all, and second point I want to make is that last year — and I don't know about the year before; I believe the year before also — that we funded them in excess of \$400,000 in real because we assist them in many ways through the rural service centre network, both with people and paying for some of their specialists out there.

We have worked with them. We meet with them . . . or I meet with them at least two or three times a year. Department meets with them whenever they request it. We've been working with them.

They'd all like more money, I'm sure, but at the same time we have been funding them even more than the 271,000 through other avenues. That has helped them greatly, so they wouldn't have to lay off any of their 4-H specialists and some of those things.

**Mr. Upshall:** — Thank you, Mr. Minister. Mr. Minister, could you provide for me the detail. I see in the budget you have budgeted \$271,000 for 4-H, and now you said that it's in the range of \$400,000 with other support programs. Could you give me the detail of the \$130 million that you say the 4-H programs have received benefit from through other areas?

**Hon. Mr. Hardy:** — Mr. Chairman, they'll write it out and I'll give it into the record in a few minutes, as soon as we're done.

**Mr. Upshall:** — Okay, Mr. Minister. The grants under 4-H program, as I said, was \$271,000. That's . . . a quick calculation there would show you it was about four months of Chuck Childers' salary going to children in the rural communities through a program that provides leadership, it provides activities, and simply encourages them to become more organized in dealing with their lives.

Mr. Minister, I ask you: have you given consideration, and has the 4-H program been considered as an area whereby funding could be improved to develop other areas, through the 4-H program, that would actually organize the leaders and the children in the direction of . . . actually giving them more funding to allow them to enlarge their area of their field by developing more programs? I know there's several beef programs and other programs going on. Have you thought about expanding that area?

**Hon. Mr. Hardy:** — The particulars on the dollars we were talking about here a moment ago, the third party grant, direct grant from the government was 271,000. We gave them . . . or let them use CVA (central vehicle agency) cars. There's office rental, clerical support, telephones, photocopiers, and office equipment. And we estimated it was just a little over \$120,000 last year in value.

We also camp sponsorship for \$10,000. And we contracted with a regional specialist so they wouldn't be laid off for any period of time, and it cost us a little over \$15,000.

**Mr. Upshall:** — Mr. Minister, are these services that were

not provided by your department in years previous?

**Hon. Mr. Hardy:** — Some of it was paid before. The CVA rentals was not paid before. The office rental was not paid before. The regional specialist that we paid, the over 15,000 was not paid for before. And only in some of the areas did we pay for the telephones or the photocopiers or the fax machines and that before. Just where there was a regional office. Now it's wherever they're located.

**Mr. Upshall:** — Mr. Minister, who are the regional specialists that you talk about?

**Hon. Mr. Hardy:** — Mr. Chairman, there's four of them. They're hired by the 4-H. But we could ask 4-H for the names. We don't have them.

**Mr. Upshall:** — Mr. Minister, do they have any other duties but dealing with the 4-H program?

**Hon. Mr. Hardy:** — No, they're directed by 4-H, the director of the 4-H, and by their executives. So no, we don't tell them what to do.

**Mr. Upshall:** — And the CVA cars. Could you explain to me what exactly they are used for and who uses them?

**Hon. Mr. Hardy:** — They're for the 4-H specialists so they can travel around to all the different meetings and wherever they deem they should go to.

(1515)

**Mr. Upshall:** — Well, Mr. Minister, basically what you're telling me is that you're trying to justify a cut in the 4-H program from year to year. And over the years it's been cut by about . . . by my figures, about 10 per cent a year since 1985-86. And I mean you can tell me all you want about the extra costs that are incurred by some of the support staff, but four specialists and four cars and some office space is I'm sure welcomed, but I think that could have been done at any time to the department. What we have though is the simple fact that 4-H programs have been cut over the last number of years, and you simply stand there and say that's good enough.

Well, I think it's a bit of a hypocrisy when you are so proud of developing a Cargill plant in Belle Plaine and saying how great it's going to be for Saskatchewan, and yet the young people who are coming up and being influenced and trained and moulded by a 4-H program, with leaders dedicated to ensuring that those young people have a good grip on life when they go out to pursue a career, you're simply cutting it back from year to year. And I don't think that's . . . I think that's a double standard when we see the salaries that you're paying with no-cut contracts. I bet the 4-H program wished it didn't have a no-cut contract for five years to ensure its funding.

Mr. Minister, can you just explain the double standard that you're putting forward here with, on one level, where you have . . . with the corporate level with people guaranteed hundreds and thousands and millions actually of dollars, and you just allow the 4-H program to go along, and basically the people that I've talked to are saying that you simply have no thoughts of increasing the

funding. Can you explain that double standard, Mr. Minister.

**Hon. Mr. Hardy:** — Mr. Chairman, there's no double standard. Since I took over 4-H and I met with them the day right after that it became my responsibility, I assured them there'd be no cuts, that we'd work with them where they needed some extra dollars. We've done exactly that. We've held the line on the budget as we've held on every other one.

So I would think, and I was just talking with my staff here, and they informed me that they worked with the 4-H this year for 1990 budget. The 4-H certainly would always like a little more. But they're, I think it's fair to say, relatively satisfied that we'll be there with them if they need a few extra dollars and that we managed to work . . . that they've worked out a budget that is good for them and certainly meets the expectations that they have and that we can work with them to achieve those goals.

**Mr. Upshall:** — Well, Mr. Minister, the double standard I was referring to of course is the fact that whenever somebody comes to this government for money, it makes quite a little difference who you are or who you represent, to determine what amount of money you will receive. And just because the 4-H program is not on what you call the leading edge of technology, but I think maybe they are if you look deep at it, deep down through it

If you come to this government and ask for money pursuant to building a fertilizer plant or buying a pulp mill or being a manager of a Crown corporation, well then you're welcomed with open arms and you write your own contract. You absolutely write your own contract, and your government signs it.

But when it comes to groups like 4-H, I think it's a little different story, and you know it's a little different story simply because they aren't in the big leagues, as it's so-called, of this corporate world that you live in.

And, Mr. Minister, will you undertake to review the 4-H program, or I should say have you undertaken a review of the 4-H program in order that the leaders of that program can outline, view, and detail exactly what they would like to see, where they would like to see the 4-H program going for the next five years?

**Hon. Mr. Hardy:** — Well, Mr. Chairman, we did that last year and we did it again this year. We worked with the 4-H and I think that they were aware exactly where it was at. They certainly, like anybody else, would like a few more dollars, I'm sure.

One of the areas we've been working with the 4-H on is trying to find an additional major sponsor in regards to the 4-H movement in Saskatchewan. We have approached some pretty well-respected corporate groups such as Saskatchewan Wheat Pool, Petro-Canada — and I say Petro-Canada because I'm a dealer with Petro-Canada. He mentioned about my big corporate friends, and my biggest corporate friends or competition I have in my town is my local co-op, and I don't see them being major corporate in the sense of competition.

I want to say in regards to the 4-H, that I've been involved with the 4-H at a local level; I've been a sponsor of the 4-H at a local level; I sponsor it every year. I also have a granddaughter that's involved in the 4-H movement and in the area. So I'm very much aware of it. I don't know what else I could say except that the 4-H . . . and I know and have met with the executive of the 4-H at least two or three or sometimes even four times a year personally, and the staff meets with them whenever they're requested.

**Mr. Upshall:** — Mr. Minister, you talked about private funds for the 4-H. Does that mean that you're going to be pursuing a line of privatizing the 4-H program in Saskatchewan? It seems to me that when you go out to, as you have in the past, whenever you get the corporate sector involved in any program, that means eventually that you hope that they will take over the funding of that program. Mr. Minister, can you give this House the assurance that you will not be reducing your share of the 4-H program? In fact will you increase it regardless of any corporate sponsorships?

**Hon. Mr. Hardy:** — Well basically we've been increasing it the last couple of years, indirectly in some of the areas I mentioned, and certainly I'll give you my assurance I won't cut back on the provincial share. But if we can get a major sponsor such as the Saskatchewan Wheat Pool, who are very much interested in Saskatchewan; United Grain Growers is another example; Petro-Canada, which I said, I believe, are one that we should be looking at — those kinds of people could also bring into there another whole area of development that the 4-H could get involved in.

And they're interested. We've been working with them over the last year to try and add to their extra dollars, which would give them another whole area to work in.

**Mr. Upshall:** — Well, Mr. Minister, my fear is that, knowing your track record with privatization in Saskatchewan, I do not think anything is on safe grounds when it comes to you reducing your funding for the purposes of redirecting that funding for . . . along the lines of your initiatives of the megaproject large corporate sector.

And we know that's a fact. And you can stand up there and tell me all about your concern about the 4-H program, but, Mr. Minister, it's simply nothing is sacred in your hands when it comes to Saskatchewan and Saskatchewan people unless you belong to the corporate sector. And you know that.

I want to talk now, Mr. Minister, about asking you a few questions about the community pastures. We saw a number of changes in the community pasture system. Mr. Minister, can you tell me what percentage of number of bulls that you now have in community pastures as opposed to two years ago?

**Hon. Mr. Hardy:** — Mr. Chairman, approximately the same number, percentage-wise; same number of bulls in the province as there was two years ago.

**Mr. Upshall:** — Mr. Minister, at one time you had said that you were going to cut back the number of bulls that

you were supplying to community pastures. Have you abandoned that thought, or are you still going to pursue that possibly in the future?

**Hon. Mr. Hardy:** — If the patron wants to bring in his own or she wants to bring her own bulls into the pasture, or bring a special type of a breed of animal into the pasture, then we allow them to do that. And then certainly we'd cut back for that number, but only on their request.

**Mr. Upshall:** — So you have abandoned the thought that you had a couple of years ago that you were going to get right out of supplying bulls; have you abandoned that completely?

**Hon. Mr. Hardy:** — Well I guess the patrons will decide that. If they want to have their own bulls in the pasture, that will be their decision and they will cut back by the number. If they don't, then we'll maintain the percentage of bulls that we've had.

**Mr. Upshall:** — Mr. Minister, are you pursuing any routes with the patrons to encourage them to put their own bulls in the program?

**Hon. Mr. Hardy:** — Well we have meetings during the spring, particularly in the winter, and if they wish to do that, we have discussions with them about if they want to bring in a special breed into the pasture; if they want to bring their own bulls in, we talk with them about it. If they want to do that, it's certainly fine with us; that's their option.

**Mr. Upshall:** — Mr. Minister, what I was talking about earlier is the fact that we have seen you try to withdraw the bulls that you put into the pasture. Now the problem the patrons were bringing up is the fact that there is no control of quality. If I wanted to put in a bull of a lesser quality, then there is nothing to stop me. Are there any guide-lines or criteria involved as far as quality of bulls or segregating the animals to ensure that the breeding stock remains on a very high standard?

**Hon. Mr. Hardy:** — Mr. Chairman, if they're running their own pasture, they can put in whatever quality bulls they so desire. If they're mixing them in with ours, then they've got to have a veterinarian's approval that that's a qualified bull to go into there.

**Mr. Upshall:** — So then just to make sure that I hear you correctly, Mr. Minister, you are guaranteeing this House that you are not pursuing any longer the reduction of the number of bulls that you have in the community pastures.

**Hon. Mr. Hardy:** — No, what I said, Mr. Chairman, was that if the patrons so desire to put their own bulls in, then we reduce it by that number, and that's the way it is. If they don't request it . . . and some pastures want only their own. Some have went that way, only their own. So if they do that, then we would gradually phase out. But it may be a long time; they may never request it; I don't know.

**Mr. Upshall:** — Well you're getting close to what I was asking you. And I understand the program, Mr. Minister, because it worked that way in years past if people wanted to put their own bulls in. But there's a number of people

who are concerned about the fact that you were going to try to get right out of supplying the bulls, and there's a whole number of complications that arise with that — you know, getting good managers for the winter season and maintaining those managers over the season. The added cost to farmers who did not want to put their own stock in, it means buying another bull at the cost of 3 or \$4,000.

What I want out of you, Mr. Minister, what I want out of you, Mr. Minister, is an assurance that you and your government will not pursue the direction that you were going in before of reducing, instigating the reduction of the number of bulls in the community pasture program that you supply.

**Hon. Mr. Hardy:** — Well, Mr. Chairman, we spent about \$450,000 on purchasing of bulls each year, and we will continue to purchase them as required if — I'll make this very clear now — if the patrons want to have their own bulls then we reduce the amount in that pasture by that amount because that's their decision. Until such time as they do that, we're not actively pursuing, saying you can or cannot have them in there.

Sometimes — to make it very clear — sometimes the patrons will bring their own bulls in, they did in the past, and then want to come back into the program and that's not acceptable. And then we've already had our limits set.

But it's been maintained very basically over the last two years. To my knowledge I haven't had one letter about them. It seems to me that we've dealt with them in a fair way and they seem to feel it's right. I asked the department and they said they had very little requests or discussion on it. The patrons believe that we've got it the way they'd like to see it, and we'll continue that way.

**Mr. Upshall:** — Well I hear what you're saying, but I don't hear any assurance that you will not be in the future moving towards reducing the bulls that you have in the program.

Now you said that if a patron puts his own bull in, then he no longer qualifies to use a government bull. Is that what you're saying? If a farmer is in a situation where he supplies a bull and then he has financial difficulties or something and the next year he cannot do that, is he then disqualified from participating in your program?

**Hon. Mr. Hardy:** — It doesn't happen very often, but sometimes when they bring in that special breed and they don't really want it or decide it isn't in their best interest, then we've allowed them to go back to the pasture bulls instead of their own.

**Mr. Upshall:** — So that applies to anybody who brings their bull in, or just special breeds?

(1530)

**Hon. Mr. Hardy:** — Yes they can, provided that it's at the level of provision of number of bulls that we have across the province, which has been maintained over the last two years and will be maintained.

**Mr. Upshall:** — So in other words you will not increase your portion if someone decides that . . . If a number of people decided that — let's use this scenario — if a number of people decided that because of economic difficulty, whatever, that they could not supply the bulls that they had been in the past, would you replace those bulls as needed?

**Hon. Mr. Hardy:** — It hasn't happened. I don't mean to say it wouldn't happen, but like I said, we have X number of bulls out there that we supply across the province, and that's being maintained. If somebody was in the pasture that had half patron bulls and half government bulls, we may not have the extra bulls to supply it. We may have somebody that's dropped out, went the other way, and we would have some left over. We'd have to look and see how many we got left in the province, just maintaining the level of bulls that we've had.

**Mr. Upshall:** — That's what I was understanding, Mr. Minister. What you're saying is that you don't have any plans to increase the number of bulls. And I wish that you would look at that provision because I think there are a number of farmers who may be looking at wanting to use some government bulls in the future.

Mr. Minister, has the fee structure remained the same this year?

**Hon. Mr. Hardy:** — Yes.

**Mr. Upshall:** — Mr. Minister, will the goods and services tax apply to the fees that farmers pay with regards to using the community pasture?

**Hon. Mr. Hardy:** — We have no idea. We haven't been told that they will or will not. That's, as you know, it's federal.

**Mr. Upshall:** — Mr. Minister, it seems to me that if you were looking at the whole area of community pastures and, you know, looking down the road a few years as to who was going to be able to use the facilities, what facilities you have, how they're going to be upgraded . . . Maybe I could ask this question. Mr. Minister, have you any plans on expanding the community pasture program — that means getting more land or operating new pastures?

**Hon. Mr. Hardy:** — No, we have no plans at the present time to do that. We were doing a lot of rejuvenation this year, a lot of grass seeding. Some of our pastures over the years have gradually went back, and so we're in the process now of rejuvenating many of the pastures or reseeding where we did the work last year.

**Mr. Upshall:** — Just getting back to the goods and services tax then, Mr. Minister. You obviously have communications with the federal government. Have you not looked into the aspect of whether that tax will apply? I mean, it will be an income for you. And on the goods and services tax, if it would apply to community pastures, will you undertake to . . . have you had any discussions with the federal government with regards to that tax on the community pastures?

**Hon. Mr. Hardy:** — Mr. Chairman, no, we haven't had no discussion directly, but my understanding is . . . my understanding would be that it's an agricultural process, so therefore it would not be taxable as we'd been led to believe. It would not be.

**Mr. Upshall:** — Mr. Minister, if that were to be the case, then is it true that all agricultural processes — as you have termed it — will they be exempt from the goods and services tax?

**Hon. Mr. Hardy:** — I don't know. As far as we know, agriculture will have . . . a good portion will have exemptions. You know probably about as much about it as we do. They have never give us the details on what will or will not be in. GST has not yet been passed yet, officially. Until it does, I would assume that they will not be notifying any governments of what they would expect in or out.

And at that time we would . . . if anything on agriculture is in, then I think we'll have to take a serious look at having it exempt.

**Mr. Upshall:** — Well, Mr. Minister, it seems to me that we have a sort period of time, relatively speaking, until this goods and services tax is implemented, and you, at this stage of the game, have not even talked to the federal government with regards to your department, how it affects rural affairs and all the RMs and the community pastures and lands branch and other areas that are of concern under your department.

Mr. Minister, perhaps you can tell me this then: will the goods and services tax be levied against those people who are renting lands branch land?

**Hon. Mr. Hardy:** — I'm sorry, we wouldn't have . . . we don't know. Again, going on the assumption that agriculture would be exempt, we would assume that would be exempt too.

**Mr. Upshall:** — Mr. Minister, you say you're going on the assumption that agriculture is exempt. Now could you provide . . . do you have any documentation to support your claim the agriculture sector is exempt from the goods and services tax?

**Hon. Mr. Hardy:** — No, we don't.

**Mr. Upshall:** — Well, Mr. Minister, you are making some statements in this House and we're talking about the state of agriculture as it relates to rural affairs; as it relates to lands branch leaseholders; as it relates to community pasture fees, and you're telling me that you know nothing about the process that you're going into?

You're the people who tell us that you're so closely involved with the federal government and how they listen to you so closely on matters of getting payment to farmers. In fact you take credit for that, saying you're constantly negotiating with Ottawa. And when it comes down to the goods and services tax, all of a sudden . . . well, you're saying two things: first of all, you're saying that you assume that agriculture is exempt, and then you say you

don't know if its exempt. Mr. Minister, could you clarify that for us?

**Hon. Mr. Hardy:** — Well, Mr. Chairman, from the seminar that's been held, where we've had folks at it, again the assumption is that either agriculture be exempt or it be refunded, whichever the case. And either case it wouldn't be . . . it's not a taxable . . . If it's taxable, it would be refunded. So assumptions is that either it wouldn't be taxed, but if it is, that it would be refundable.

**Mr. Upshall:** — Mr. Minister, I have been led to understand that by just reading in the media and listening to people who are involved in the goods and services tax that . . . for example, land. If I were to sell my farm as a block, I would be exempt from the goods and service tax. That's what I'm led to believe. But if I were to parcel that land out, if I had a couple of sons that wanted to farm and I split that land in half, then I'd be subject to the goods and services tax. Is that your understanding, Mr. Minister?

**Hon. Mr. Hardy:** — Mr. Chairman, I think he's assuming, as I was. I'm not sure, and I made that very clear. It was an assumption of mine that agriculture would be anything to do with agriculture, leasing the lands, purchasing of stuff required for the agricultural process would be exempt or tax rebated, one or the other. He may know more than I do in regards to the selling of lands. We haven't had and haven't been informed of what the position is on that.

**Mr. Upshall:** — Well, Mr. Minister, I find this a little bit unbelievable. When you were handling a department, lands branch, and if a farmer had, let's say, a \$10,000 lease, then — and he was subject to the goods and services tax on that lease — then that's going to be a substantial amount of money extra that he's going to have to pay. And you're standing here telling me that you don't know.

Well, Mr. Minister, I think that you should know or maybe you do know. Can you explain to me, Mr. Minister, what representation you have made to Ottawa or what inquiries you have made to find out whether or not the goods and services tax applies to your department, and if you haven't, why haven't you?

**Hon. Mr. Hardy:** — Well, the negotiations, as you know, are with the Department of Finance and certainly they would have been down there and talked many times with them. And when the Department of Finance estimates come up it would be a good time to ask them.

I give you my best assumptions on it. We have had some meetings in regards to it, but we don't have anything finalized. We don't even have anything to the point where we could even say it's yes or no. And the federal government, I don't know if they have — we are unaware of it — made up their minds how it will be.

**Mr. Upshall:** — Well, Mr. Minister, what about . . . let's take another example. What about services contracted by RMs? Will they be subject to the goods and services tax? Have you any understanding of that aspect?

**Hon. Mr. Hardy:** — We have a concern about it but as I was talking to the staff here, when we contacted them two

weeks ago they wouldn't give us a direct answer, yes or no, and they said if there was somebody there that knew about it, the group that we were talking to through municipal affairs didn't know either.

**Mr. Upshall:** — Well, Mr. Minister, you're really concerned about the goods and services tax. You stand here in this House saying last week that you're opposed to the goods and services tax, and you don't even know how it affects your department. I mean you're right on top of your department, aren't you.

For somebody who says they're concerned about the goods and services tax, I would be led to believe that you'd be looking into it and trying to figure out how it affected your department; how it affected community pasture leases; how it affected lands branch leases; how it affected RM supply contracts.

Mr. Minister, I think that's appalling. I have seen, Mr. Minister, a list, a preliminary list of tax-free items for farmers and this is a list provided, I suppose, by the federal government. And there are a number of articles on the list that will be tax-free items.

But there are several things missing from that list. And let's use the example of chemicals; it is not on the list. Now if a rural municipality had to purchase chemicals to spray roadsides or whatever they have to purchase for, or for control of rodents or any of that type of chemical, whether it be insecticides or rodent control or weed control, surely you have some idea of whether or not they're going to have to pay goods and services tax on that. Because that reflects directly on the cost to the farmers in that area will have to pay through their taxes. So, Mr. Minister, can you tell me whether or not the chemicals used by RMs will be included under the goods and services tax?

**Hon. Mr. Hardy:** — Well I'm told by the staff that those that we've been negotiating with or discussing with in Ottawa, that if they bring it in, that it would be one of two things. Either they assured us that they won't increase the price of the product to the RMs, and if it is added to it, it would be a rebatable tax. Now I don't know . . . and they haven't told us which one, or if either one it would be.

**Mr. Upshall:** — Well then, Mr. Minister, let's look at a little different area. What about livestock medication? You have a number of bulls under the community pasture program, and livestock medication of course is very important when it comes to maintaining herd quality. Will the purchases that you make to supply livestock medication to the bulls in the community pasture program, will that be subject to a tax?

**Hon. Mr. Hardy:** — We don't have it with us — all the proposals that they have sent us in regards to whether it might or might not be in, or what their thoughts are. And again . . .

**An Hon. Member:** — What's your latest guess?

**Hon. Mr. Hardy:** — My latest guess, he says. Well my latest guess says that if it's in, it would be rebatable. I have more concern with it coming in than whether it's in or not.

**Mr. Upshall:** — Well I think the problem is, Mr. Minister, is that you're just guessing. And a person in your capacity in charge of a department, I think would be, with any responsibility and any integrity, would be doing a little more than guessing. Because there are a number of things, fencing and spraying equipment, cash rent or share rent.

(1545)

Mr. Minister, I guess the farmers are asking the questions: will I have to pay the goods and services tax on lands branch leases? I mean, that's one question they're asking. They have to budget for next year. They have to know whether that lease is going to be affordable or not. So, Mr. Minister, what can you tell those farmers who are asking those questions about leases from lands branch with regards to the goods and services tax? You simply can't stand up there and say, I don't know, maybe they'll be refunded, maybe they won't.

**Hon. Mr. Hardy:** — Well I think, Mr. Chairman, it's very clear. When the federal government has made up their minds and has negotiated with the provinces through the Department of Finance, which we will have representation on, then we'll all know. Until such time, we don't know. We can assume, and I can assume whatever I wish. Assume will not . . . assumption will not be the answer.

That's the position we'd like to see. Number one, the position is that we would believe it should be exempt. Number two, is anything that isn't exempt that relates to farming better be rebatable. Those are the two positions that we have to have in this province as farmers and as lands branch lessors or community pasture operators.

**Mr. Upshall:** — Well, Mr. Minister, there are just hundreds of questions being asked by RMs, by farmers who will be affected directly by this goods and services tax. And I don't think it's good enough for you to simply stand here and say, well they haven't told us yet, because that's not what I'd call being on top of your department.

And as I say, you can stand up there and say you're opposed to the tax, but when you're not looking into it, when you're not nailing down the federal government and fighting for the RMs and the farmers in rural Saskatchewan, then I just have to assume that you really are saying one thing and believing another. And I think that's a hypocritical stand to be taken by you, the minister in charge of rural affairs.

Mr. Minister, let's just pursue this for a little bit further. If a rural municipality were to purchase a grader or mower or earth-moving equipment, will they — in your understanding — will they be exempt from the GST? Will it be rebated, or will they have to pay the goods and services tax?

**Hon. Mr. Hardy:** — Well, Mr. Chairman, again I would have to do an assumption because all we got is discussions with them. My discussions, or the staff discussions at that level, says that they would be charged it and they'd be credited back for it.

Now that's the position so far. I don't mean to say that . . . That's the federal government's position; that's not our position. And it will continue through the Department of Finance to negotiate what is needed for what we believe is right for the municipalities and for our farmers.

**Mr. Upshall:** — Mr. Minister, have you done, on behalf of the RMs, a calculation of an average annual cost to RMs — whether it be gravel hauling, weed control, purchasing equipment — have you done an analysis of the actual cost of the goods and services tax to that RM, whether or not they have to . . . what it would cost them to have to pay the goods and services tax on that annual cost; what it would cost them to carry that if it was rebated to them? Have you done any analysis of that on behalf of the RMs?

**Hon. Mr. Hardy:** — Mr. Chairman, the department haven't done one, but as I said on treasury board, we had the Department of Finance do an estimate on what it would cost per RM, and we did an estimated value, and I don't remember what it was. I would have to go back to the department the time and whether it be rebatable or up front and what would be the extra mill rate. That was all done, but I don't have it here with me.

**Mr. Upshall:** — Mr. Minister, could you undertake to supply that information to this House? You said that you've done it; I'm sure it would simply take a phone call in order to pull that out of the file so that we would know. And actually I find it surprising that you wouldn't know the figure because this is a very important budgetary item that may be inflicted upon the rural municipalities of this province.

I don't think it's good enough for you to stand up there and say, I don't know, because they are very concerned about and should be very concerned about it. They know what it cost them when you eliminated the fuel program for them. They know what it's costing them for taxes to schools because of your cut-backs. Mr. Minister, can you provide that information to this House in short order?

**Hon. Mr. Hardy:** — Well, Mr. Chairman, I would have to go back and look through my records of treasury board, or go back to Finance to get it.

But one thing that, you know, he's says you would just have it at your fingertips. Everything is based on what the RM may do. Does the RM buy a new grader this year? That has to be considered. If they don't, then the GST probably has no effect on that. Do they have to buy parts, and how many part do they need? What about the grader blades? What about do they contract or do their own work? I mean, there's a difference there.

How much gravel do they put on? What about the pest control. Do they buy the product for the pest control? Do they do bridge maintenance? Do they put in new bridges? Do they buy new culverts? I mean, there's a whole . . . It depends; every RM will be different every year, and substantially different every year, so it will all depend on that.

So to say this is what an RM will do or wouldn't do, it would be an unfair analysis to give this House. It's quite simple analogy to do if it's 7 per cent, and if that's what



you're talking about if they put it on there, it's 7 per cent across everything and whatever they do. If it's 7 per cent on whatever, you know, that's the same thing.

So without knowing exactly what is going to be exempt and what isn't, but knowing how it's going to be handled and it's a rebate or not, whether it's a credit or not, all those kinds of things, they're unknown and the federal government hasn't told us yet. So there's no way I can tell this House how it would be.

**Mr. Upshall:** — Well, Mr. Minister, surely you have an idea on an annual basis what it costs the RMs to maintain their equipment, to purchase new equipment and repairs and road maintenance and weed control and pest control over the whole province in one year.

Mr. Minister, have you in your great wisdom conveyed that information to the federal government just showing how much it would cost the rural municipalities, basically the farmers of this province, to add to it another 7 per cent through the goods and services tax? Have you taken that down to Ottawa and outlined to them or to the Department of Finance? Have you given that information to the Department of Finance in order that they should have some ammunition to discourage the federal government from implementing this tax?

**Hon. Mr. Hardy:** — Mr. Chairman, one of the areas that might be a plus for the RMs is if the thirteen and a half federal sales tax comes off and they get the 7 per cent GST rebated, I mean, the RMs could in fact have a lower cost to them. And that's the ideal situation. Some of the others that fit in, that I mentioned before, may or may not be a cost factor. So, you know, those are the kind of things that you have to look at as a department. We've been looking at it all the way through but, you know, without having some direct knowledge of what the federal government intends to do, it's pretty hard to make an assumption.

**Mr. Upshall:** — Well, Mr. Minister, how naïve can you be? You're assuming that the manufacturer's sales tax saving is going to be passed on. Well I'll tell you, I don't believe it will be passed on, and I think that the federal government has already stated that there's no guarantees that that saving will be passed on. And you're assuming that it's going to be . . . that there's a potential rebate of the 7 per cent goods and services tax.

Mr. Minister, that is a pretty weak defence by a minister who should be on top of the goods and services tax as it relates to your department. And I think that you should be, Mr. Minister — and I'll ask the question again — making representation either to the Department of Finance or directly to Ottawa with the projected potential cost of the goods and services tax if it were applied across the board, if it were . . . or if it were rebated.

Mr. Minister, have you given those numbers to the Department of Finance or the federal government? You said you had them. You said you had the numbers. Now can you tell us, Mr. Minister, if you have; and why haven't you if you have not?

**Hon. Mr. Hardy:** — Well, Mr. Chairman, it's fine to say that I'm naïve, but . . . you know, and that's . . . if he wants

to say that, I guess that's his prerogative. But I'll say this much, that he's making assumptions too, that it wouldn't be coming off, the thirteen and a half per cent wouldn't come off. And I don't know if it will or wouldn't. And I'm not naïve enough to say it would or it wouldn't. I would hope that it comes off; that would help our RMs and our farmers. I would hope that, particularly on some of the half-tons and some of the grain trucks and a lot of other things, tires and all the things that that could affect and could help a little.

I would also hope that the federal sales tax . . . the GST, if and when it comes in, is rebated to our farmers if they charge it. So we need all those kinds of breaks. So I'm not sure that it's being naïve; I think it's being up front. We've worked with the departments. We've worked with Department of Finance. Treasury board has looked at it from the point of view of all different departments, not just one. We looked at what it would cost, and what it would cost governments, what it would cost farmers. And you have to look at that. But not knowing exactly what they're going to bring in, there's no use putting that kind of figures into the House because they would not be, and may not be relevant. Who knows?

**Mr. Upshall:** — Mr. Minister, a simple question. Can you tell me, and I can only guess but I'm sure you know the approximate cost of a road patrol, just the basic cost. Would it be a couple of hundred thousand dollars? Is that close?

**Hon. Mr. Hardy:** — Well it depends. It could range from 120 to about . . . say a Caterpillar at about \$150,000.

**Mr. Upshall:** — Well, Mr. Minister, if you assume that the manufacturer's sales tax is going to come off, assume that for a moment. That is on the manufacturer's price of that machine. And then if you turn around and put the 7 per cent on the retail price, have you done a calculation as to if there's any cost saving on the difference?

**Hon. Mr. Hardy:** — Well the federal government, when they've been talking with our department and through their officials, have said that if there's any additional cost to the RMs that they would be . . . they'd rebate, if the GST came on they'd rebate it back. Again, that's only officials talking, so that's an assumption.

One of the things that I may have not said just correctly in here, Mr. Chairman, is that . . . I think I said that the graders — I don't know how many specifically graders — but graders are not federal sales tax now. So therefore if they're going to make sure there's no additional cost, then if there's no federal . . . if they're federal sales tax exempt now, then they would be either GST exempt, and they've assured us they would not increase the taxation on it, or else refund it, one or the other.

**Mr. Upshall:** — Well, Mr. Minister, I think that we've determined today that you certainly do not or have not made many representations on behalf of the rural municipalities and indeed farmers. And it's obvious that you're not prepared to state the impact whether you know or know what the impact will . . . do or do not know what the impact will be.

I find it just appalling, Mr. Minister, that you simply do not come up with any answers. And it's fine to say that the negotiations are still on or that you don't know, but, Mr. Minister, I think that the rural municipalities and the farmers of this province have a right to know, and I think you have an obligation to put forward a case for them in Ottawa. And it's obvious that you have not done that. And you have all the numbers, you have all the statistics available to you as to what the potential cost of the goods and services tax will be, and you have not made that representation to Ottawa.

Mr. Minister, I just will simply wind up this section on the goods and services tax as it relates to your department by saying that I think that you have fallen down; that you have not stood up for Saskatchewan farmers and rural municipalities. Because this potentially has a great impact on the tax paid by farmers to RMs or for any other service that they might use.

This goods and services tax is going to be wide ranging. Whether it's rebated or not, the general consensus is that is not a good tax. And I don't think that you're being quite honest with this House when you say that you're against it and yet you make no representation to fight against it. And if you have, Mr. Minister, I don't think what you're saying today is good enough.

(1600)

But there's a couple of other points, Mr. Minister, that I want to touch on briefly. I would like to know whether or not the revenue from oil leases is going to continue to be paid to lands branch lessees?

**Hon. Mr. Hardy:** — Well at the present time, they get one-third of the royalties back to whoever's been renting the land. That's been there for years.

I just want to make one final mention on the GST, and I think it's important that we all, we all are part of it. We've made a lot of representation at different levels through our department. The Minister of Finance, and the finance department have been working on it continuously, representing, I believe, trying to get the best we can for our farmers if they're going to bring it in.

But we have 10 federal NDP MPs and we have four Conservative MPs, and I believe they have a responsibility, those 14 people who represent our province federally, to put up and do the best they can to help us down there. And I haven't seen very much from any of the 14 to be honest with you — any of the 14 to be honest with you. And they have done absolutely nothing so far. So I think they have some responsibility down there . . . (inaudible interjection) . . . No, I said all 14. I didn't leave anybody out.

I want to just mention one other thing about the oil leases. Some of the oil leases have been exceptionally, or fairly high, I know. But that was an agreement set out by the previous government and we've been honouring it and we'll continue to honour the third of the amount of royalties that come in, back to those who lease those property. And many of them are co-op pastures that's out there, owned and operated by the local people.

**Mr. Koskie:** — Thank you, Mr. Chairman. Mr. Minister, I want to follow a little further about the GST and some of the comments that you made in respect to the MPs' position in fighting the GST.

And I'll tell you this, Mr. Minister, that there are 14 MPs from this province, and I'll tell you, 10 voted against the GST and four of your colleagues voted for it.

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

**Mr. Koskie:** — And I'll tell you something else, Mr. Minister, that it was your Tory cousins in Ottawa that put in closure in respect to it. It was the NDP that kept the debate going night after night, in order to try to stop the GST. That's the position; that's the fair position.

I ask you, Mr. Minister, have you made any particular representations to your Tory MPs that are sitting here and have voted in fact in favour of the GST? Did you make any representation to the member from Regina? Did you make any representation to the other lonely three? Have you made any representation stating your position, your alleged position, that you're against the GST?

You can't stand in this House, Mr. Minister, and start tying the New Democratic Party in the fight against GST to your counterparts here in Saskatchewan, I'll tell you that. Your boys voted for it. There were only two Tories that have the intestinal fortitude to vote against the GST, and that was two members from Calgary.

This is a Tory scheme, supported by the provincial Tories, and you can't deny it. And you know what you're hoping? You're trying to skate lightly over this issue today. That's your problem. That's what you want to do. And you know what else you want to do desperately, is you want to try to have an election before the implementation of this GST. That's of a concern to you.

You on the surface are going to pretend that you're fighting the GST, while all the time your brethren, your Tories that you support to get elected in the federal House from Saskatchewan, and most of them from western Canada, are indeed voting in favour of it.

I always said, a Tory is a Tory . . .

**An Hon. Member:** — Is a Tory.

**Mr. Koskie:** — And is a Tory, that's right. And I'll tell you, Mr. Minister, their actions in Ottawa represents indeed the actions of the Tory government here in Saskatchewan. And don't tell me that you sit here and don't know the implications of it. For Heaven's sake, the Bill has been passed. Closure was used by the Tory government to cut off debate on one of the most rejected tax invasion on the private citizens of Canada. Tory government used a closure. And the only conceivable hope that we have is with the non-elected Senate to stop this vicious taxation, because Tories across this nation are supporting it, or otherwise it would have been defeated.

So that's the truth of the matter, Mr. Chairman, and the minister is trying to likely say, well, he doesn't quite

know. Well there's a lot of things you don't know, but I'll tell you, Mr. Minister, you know the impact of the GST on farmers, on small-business men, on municipalities, on rural Saskatchewan. You know it, but you don't have the intestinal fortitude to stand up here and say, I'm fighting it and this is the impact and we can't stand it. That's what you should be saying, but you won't do it.

I want to ask you, Mr. Minister, have you in fact . . . as my colleague from Humboldt indicated, obviously you have done an impact study in respect to the RMs, from your department. I want to ask you, Mr. Minister, are you prepared to table that and provide the opposition with a copy of the total impact that it will have in rural Saskatchewan — on the RMs, on the small business, on the farming community — on the information and on the basic assumptions that you made? Have you done some analysis and can you indicate and provide this House with the analysis that you have done to date?

I mean, certainly the people of Saskatchewan can expect that, not sitting there just waltzing around and trying to get rid of the issue. This is going to have a devastating effect on rural Saskatchewan at a time when they can't afford it, and I think it's incumbent upon you to come forward in this House and indicate what your analysis will indicate.

I ask you and I challenge you to bring forth your analysis in respect to the RMs, in respect to small business in rural Saskatchewan, in respect to the impact it will have in rural Saskatchewan, agriculture included.

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

**Hon. Mr. Hardy:** — Well, Mr. Chairman, I said the Department of Finance has been working on it. I'm sure when the Finance is up here, they'll deal with it.

**Mr. Upshall:** — Well, Mr. Minister, you can't get out of this one this easy. You know, we have questioned you before this House for many hours now and you have had ample opportunity to respond in a manner that would satisfy some of the questions asked by RMs and asked by the rural community.

Mr. Minister, you were asked by my colleague from the Quill Lakes to table your analysis. And when I questioned you just earlier, you said that you had some of the numbers of the impact on the rural RMs. Let's specifically talk about RMs. Have you or have you not done a detailed study of the potential costs of the goods and services tax to the rural municipalities?

**Hon. Mr. Hardy:** — I told them earlier, Mr. Chairman, that we had done it in treasury board and that it'd been done through the Department of Finance, which work on it all the time.

**Mr. Upshall:** — Well, Mr. Minister, will you provide us with that . . . the House with the details of that analysis?

**Hon. Mr. Hardy:** — Mr. Chairman, it's in Finance and they'll have to . . . They can talk to Finance, which will be up, I'm sure, shortly.

**Mr. Upshall:** — Well, Mr. Minister, have you indicated to any of the RMs or their executives as to the impact . . . or the impact of the GST on the rural municipalities? Have you told them what your studies have shown?

**Hon. Mr. Hardy:** — Mr. Chairman, again, we're assuming that the GST is coming in, first. Second of all, we don't know what the federal government, I said earlier, what they're going to put in or out, so . . . And third, the Department of Finance, who is the lead agency, has been handling it.

**Mr. Upshall:** — Mr. Minister, rural affairs is your department, rural municipalities. I asked you the question, have you told . . . shared the information with the rural municipalities on the impact of the goods and services tax, yes or no?

**Hon. Mr. Hardy:** — We would work through the federal department in a lot of areas in regards to the Department of Rural Development — Rural Development, not rural affairs. And we've been, as I said earlier, and I've said the Department of Finance has been the lead agency.

**Mr. Upshall:** — Well, Mr. Minister, you can't weasel out of this one because you stood in this House last week saying that you were opposed to the goods and services tax. Surely if you were opposed to that tax you would share the information. Share the information with the rural municipalities, if you were honest with what you had said last week, because then the rural municipalities would be able to have added information whereby they could make representation, based on information that you provide with them, on the added cost due to the goods and services tax. Mr. Minister, why have you not shared with the RMs the fact, the information that you have on the added costs the goods and services tax would incur upon them?

**Hon. Mr. Hardy:** — Mr. Chairman, when the GST was . . . The last opportunity that I had to meet with RMs was at the annual convention. We meet with the board of directors of SARM (Saskatchewan Association of Rural Municipalities) once a month. They have district meetings coming up, and at that time we may have an idea from the federal government and through the Department of Finance what might or might not be taxable if they're bringing it in, how it may come in. At that time we can do some analysis for the RMs of the impact on it.

**Mr. Upshall:** — Mr. Minister, have you had any representation from the RM executive or any rural municipalities as to . . . Have they provided you with any information as to the impact of the GST on their particular RM?

**Hon. Mr. Hardy:** — We're not aware of any letters or requests from any RM in regards to the GST.

**Mr. Upshall:** — Mr. Minister, has the SARM provided you with an analysis of the potential impact of the goods and services tax?

**Hon. Mr. Hardy:** — My department says no, and I know they haven't directed me.

**Mr. Upshall:** — Well, Mr. Minister, the rural municipalities, as I said earlier, are going to be greatly affected by this. And what I can't get over is the fact that you stand in this House and say you're opposed to it. And yet . . . and you have a study, you've indicated that you have a study as to the potential impact; you've given it to the Department of Finance. And when we asked you to provide that study, you say it's in the hands of the Department of Finance.

Yet you haven't made representation to the rural municipalities, showing them the potential effect. That tells me, Mr. Minister, that you really are not trying to create an atmosphere of opposition to the goods and services tax. You simply think it's good enough for you to stand in this House and say yes, well, I'm opposed to it.

But all the facts point to the reality that you are not undertaking, through your powers as minister, to promote opposition to the goods and services tax through the rural municipalities. You have, I think, an obligation to let them know what the potential impact is.

I ask you again, Mr. Minister, why you've not made representation to the RMs to the impact, and, Mr. Minister, why you will not table before this House the information that you have put together as to the impact of the goods and services tax on RMs.

**Hon. Mr. Hardy:** — I think I've said earlier that we don't know what the federal government is going to do; that Finance is the lead agency and we work through Finance. They've been working on a continuous basis, every province in the country has been doing the same thing, working with the federal government.

I think most of us that come from the rural end of it have a deep concern of what might or might not be taxable and how it would affect our individual farmers, business people, and the RMs and urban municipalities. So it's not just a very localized thing. It's across the province, across the country.

To the best of my knowledge and to the best of the department's knowledge, in fact I can't speak for Finance, but we don't . . . we haven't got any clear indication exactly what's in and out.

(1615)

**Mr. Upshall:** — Well, Mr. Minister, I think it's been proven here quite clearly today that your position on the goods and services tax is waning quite substantially when you say that you're opposed to it. As I said, if you were actually opposed to it, there's many, many things that you could be doing to let the rural people in rural municipalities know as to the potential impact of this goods and services tax, and you have failed to do that. Therefore you have failed to live up to your commitment as minister to ensure that the costs to the rural municipalities are maintained at a reasonable and adequate level.

I want to go back, Mr. Minister, to the question of leases just for one second. And you said many of the oil well leases rather were on lands branch land. You said many

of them were on community pastures and such; I understand that.

The question I ask you specifically is, do you plan, does your government plan to reduce or eliminate the amount of dollars going to lessees from the revenues generated from oil wells on lands branch land?

**Hon. Mr. Hardy:** — In the budget for this year, it maintains the same as it was last year, which is one-third of the oil royalties goes back to the lessee holder.

**Mr. Upshall:** — We already established that, Mr. Minister. My question was, does your government plan in the future to alter that structure in any way? Does it plan to reduce the number of dollars obtained from oil leases? Right now it's paid on a one-third share basis back to the lessees. Does your government plan to alter that structure at all in the future? Are you discussing that? Is it probable that that structure will be altered?

**Hon. Mr. Hardy:** — Well, you know, to the best of my knowledge we will not be changing that. It's been in place for a number of years. But you know, I don't know what in the future, you never know; you can never say it will never be changed. It may be increased; it may be decreased. We have no plans to do anything with it, just leave it alone at the present time and that was the decision.

**Mr. Upshall:** — Okay, Mr. Minister, I'll have to take you at your word on that one. We'll see.

Mr. Minister, I would like to now ask you some questions with regards to lands branch as it relates to the Cargill deal or the Saferco corporation. Will there be in your the negotiations . . . Mr. Minister, in your negotiations with Cargill to establish a fertilizer plant at Belle Plaine, will there be any lands branch land incorporated into the deal to provide Saferco with land that lands branch now holds?

**Hon. Mr. Hardy:** — That's a new one to me, Mr. Chairman. I never heard of that one at all. I don't know if he's proposing that or he's just asking the question. If he's asking the question, certainly, no. And if he's proposing it, I would still say no.

**Mr. Upshall:** — Well, I'm certainly not proposing it, Mr. Minister. But the question has been asked to me whether or not Saferco will be acquiring lands branch land. So you're telling me that nowhere in the negotiations, nowhere in the contract between the government and Saferco that there will be any agricultural land that is now presently owned by lands branch incorporated as part of the contract between Saferco and the Government of Saskatchewan?

**Hon. Mr. Hardy:** — Well lands branch has had no request or contact or anything so it's totally new to me — even this suggestion. And I'm sure he's not suggesting we do it, but I don't, I'm totally unaware of . . .

**An Hon. Member:** — It's not the first thing that you're unaware of.

**Hon. Mr. Hardy:** — No, it probably isn't. It won't be the last, either.

I just want to say that no one in the department of lands branch . . . that we haven't had nobody even suggest anything like that.

**Mr. Upshall:** — Mr. Minister, how much land will there be involved in the building of the Saferco plant at Belle Plaine?

**Hon. Mr. Hardy:** — I wouldn't know. You'd better ask the minister responsible.

**Mr. Upshall:** — Mr. Minister, I would like to ask you another question on lands branch. Can you tell me, Mr. Minister, how many lands branch leases were cancelled in 1988 and in 1989? And could you break them down in those respective years, please?

**Hon. Mr. Hardy:** — In 1988-89 there was 108, and in 1989-90 there was 25.

**Mr. Upshall:** — Well, Mr. Minister, how many lands branch leases are now . . . are currently in arrears?

**Hon. Mr. Hardy:** — Total in arrears is between 50 and 60. Don't have the exact number there, we're trying. But it's somewhere between 50 and 60.

**Mr. Upshall:** — How many leases, Mr. Minister, have been cancelled due to arrears in '88-89, in '89-90?

**Hon. Mr. Hardy:** — I read that out to you. I'll do it again: '88-89 was 108; '89-90 was 25.

**Mr. Upshall:** — Those were all due to arrears, just so I'm clear on that?

**Hon. Mr. Hardy:** — Yes.

**Mr. Upshall:** — Mr. Minister, I understand that the arrears in lands branch have . . . you've been calling land that has been arrears more than one year. Am I correct when I say that this has been extended to one year and six months now?

**Hon. Mr. Hardy:** — That's correct.

**An Hon. Member:** — What? You want to get by the election?

**Mr. Upshall:** — Mr. Minister, that's the next question all right. It seems that when it comes close to election time we see some activities in departments, and I'd just like to say though that simply extending it by six months is not going to solve the problem. I hope you don't think that that's going to be a solution to keeping farmers on the land. You will know that many lands branch lessees are having a very hard time, as other people are, in making ends meet and paying their arrears.

Mr. Minister, can you outline to me what steps that you will be taking to ensure that lands branch lessees can maintain their leases during these difficult times? Are you going to be putting forward any other provisions, any

provisions that will allow them to offset some of the expenses incurred, or are you going to simply maintain your current policy, if they're in arrears more than 18 months, that you will be calling the lease?

**Hon. Mr. Hardy:** — Well we've changed quite a few things over the last year or two in regards to we realize there's a lot of hurt out there and we're working individually, one on one, with many farmers. There's a couple that has made the news media which we have spent a great deal of time working out, and have resolved all but one of those, and it's still in a negotiating stage I guess.

There's many ways if a farmer's having trouble with his land lease rent. We have a minimum payment policy now that will allow you to pay up half of what you owe and then you reinstate it even after you've been cancelled, and we allow that for you to continue on.

We have a partial reinstatement. In other words, if you want to just pay up for some reason, you say that quarter away over in the far corner over there — it's cost me a lot of money; I'm behind; will you let me pay up just a partial of mine and not make me pay out that one? And you'll take that one back, and we're doing those kinds of things.

And if you really want to give up and you have a yard site and you really feel strong that you want to give it all up and don't want to make the payments, we have a yard site sale program.

So we have a lot of ways that we sit down one on one with the lessee holder, in fact to work out to their . . . and 99 per cent of the time to their advantage, and certainly to an agreement to process that has certainly worked really, really well over the last year or so.

**Mr. Upshall:** — Well it seems to me, Mr. Minister, that the way you operate is if it does get in the news media you'll do something about it, and if it doesn't, well then it's a little different story. It's nice to negotiate one on one. It's too bad you couldn't negotiate with the federal government to ensure that the farmers get the \$500 million that they so desperately need right now to ensure that some of these leaseholders can pay their leases. Mr. Minister, of the 50 to 60 that you have in arrears right now, how many of those, how many pending actions are there with regards to cancelling leases, of those 50 to 60 people?

**Hon. Mr. Hardy:** — There's been about 19 that have been cancelled, which they still have all these other options I just mentioned to still be reinstated, either through minimum payment or through all the three options that I listed out here. So those are available even yet for reinstatement, even after we've cancelled. And we have only a total of 19 out of the total number of lessees we have out there.

**Mr. Upshall:** — Mr. Minister, could you outline for the House the . . . and provide us with a list of . . . or the procedure that you go through to determine whether or not a lands branch lessee has his lease terminated? Could you provide us with that, with the criteria that you go by?

(1630)

**Hon. Mr. Hardy:** — Mr. Chairman, I got the policy here but I could just send it across to him. Because I could read it in, but it would take considerable length of time. If I just send it over to him, he would . . . I'd give it to the member from Humboldt.

**Mr. Upshall:** — Okay, just while we're looking at that, Mr. Minister, can you tell me how many lands branch lessees had their crop insurance indemnity garnished last year because they had lands branch arrears?

**Hon. Mr. Hardy:** — We don't have the exact number — we'll get it for you — but it's around three or four. It's one of those.

**Mr. Upshall:** — Mr. Minister, I see that lands branch received an additional \$40,000 in this year's budget. Could you explain exactly what that was for?

**Hon. Mr. Hardy:** — Mr. Chairman, there's one additional position. There was some increased wages under the SGEU (Saskatchewan Government Employees' Union) agreement. And basically that was the \$40,000.

**Mr. Upshall:** — Well, Mr. Minister, under your lands branch lease agreement there's an appeal process that people can go through. Can you just explain to me how that appeal procedure works and the criteria on which an appeal may be based?

**Hon. Mr. Hardy:** — Well, Mr. Chairman, in regards to an appeal for land cancellations, it's only other than tax notices by the RM and lease rentals. You can't appeal either one of those two. If it's cancelled for any other reason, whether it's because somebody decided it wasn't being farmed properly or for whatever reason, other than those two — taxes and lease rentals — then you can appeal at the lands appeal board and they will make a decision and we're bound by that decision.

**Mr. Kowalsky:** — Mr. Chairman, thank you. I would like to ask the minister a series of questions with respect to foreclosure of farm land and the involvement of RMs in the foreclosure of farm land. Mr. Minister, you understand that there are some cases where the Farm Credit Corporation is owed a lot of money by a farmer and where that farmer may also owe money to the municipality for taxes and where foreclosure action is imminent and is about to take place. And the procedure would be that the Farm Credit Corporation would foreclose upon the land and then offer the land up for sale.

After the land is put up for sale, they have to accept the bids, take a look at the bids, but before they're able to grant the land to anybody, they have to allow the farmer the right of first refusal. Would you first of all confirm that procedure, Mr. Minister?

**Hon. Mr. Hardy:** — I assume that that's probably correct, but we're not farm credit and I'm not sure what their regulations or legislation says that they must do because, as you know, we brought in the farm security Act and under that act the farm credit was a federal responsibility.

**Mr. Kowalsky:** — Now if, on the other hand, the municipality is given the right to take the land instead of having Farm Credit Corporation do the foreclosure, if instead of that the municipality takes the land in lieu of taxes, under that condition then the Farm Credit Corporation is sold the land, or buys the land from the municipality for the tax after the taxes have been paid. And what happens in that particular case is the farmer then loses his or her right of first refusal by the municipalities to take it over. Is that your intent and is that the intent of the government to have the laws set up so that this can be done?

**Hon. Mr. Hardy:** — My understanding is that as soon as . . . you're correct, as soon as the municipality has title to the property they assume clear title. And at that time the farmer does not have a recourse to come back to the municipality for the rights of first refusal.

**Mr. Kowalsky:** — Well there you have it, Mr. Minister. There you have it in spades. The farmers' rights can be very easily averted.

We talk about the farmers having the right of first refusal and that they should be able to get the land. You take a case of a parcel of land that may have \$100,000 mortgage on it, just for a sake of a figure. The municipality takes the land for taxes. There may be as much as 10,000 owing on taxes, although it's rather doubtful it would be that amount. They can turn around and sell it to the mortgage company, whatever that mortgage company can be. It can be for something as low as \$10,000; it could be for \$20,000 or \$30,000, name your price, but the farmer has no chance to get that land.

Everybody else has a chance to bid on it and to take it for the low bid. But the farmer at that stage has no chance to come around and pick up the land. The whole thing . . . It makes your other law into a complete sham when you can bypass it.

**An Hon. Member:** — There's no appeals process then?

**Mr. Kowalsky:** — No appeals process whatsoever. Is that the intent of your government? Is that what you wanted it to do? Is that the way you meant to set it up?

**Hon. Mr. Hardy:** — The Tax Enforcement Act has been in this province for municipalities since 1905 and it hasn't changed, number one.

Number two is that anybody losing land through tax arrears to a municipality has the right to bid on that property, himself or herself, or whatever it is, so they always have those rights. Those provisions have been in this province for 85 years now, and they continue to be there because the municipality has to have some way of collecting their taxes.

In regards to what the rights of first refusal under the municipal Act and under The Tax Enforcement Act, the municipal Act, the municipality can then list them for sale, and they do not have to take the highest . . . or accept the rights of first refusal, which would be the highest bid, the highest bid to the guy who lost the land . . . (inaudible) . . .

**Mr. Kowalsky:** — Well let's look at it this way, Mr. Minister. You know that there has never been a crisis of this type before in the province with the amount of foreclosures that we're seeing now. We have identified here a loophole that people are using, where farmers . . . and farmers are losing. What we have is a situation where the farmer, as you identified, loses his right of first refusal; we've established that.

Now, my question is: in view of that, and in view of the crisis, do you feel that this is something that you should continue to uphold and that it should stay the same? Do you not take a look at it and say, we should have a real good look at that and make sure that this isn't happening, so that this law is consistent with the other processes that would take place? After all, what's the purpose of the other process? Just a decoy? Do you not agree that you should take a look at this and close this particular loophole?

**Hon. Mr. Hardy:** — We're not aware of any case where that has taken place. Two reasons: one, in most cases the financial institution, whether it be a credit union or whatever, it has always, as far as we know, taken the land back where they have been in a repossession, paid up the taxes to the RM. So the RM has not acquired any lands that way.

I'd be really hard pressed to know when and if a situation could arise where the taxes on the property, the property would go back to the value of the taxes against it. When you get two years in arrears, the municipality usually starts issuing liens or notices, so you only have two years taxes. The taxes are always based on the assessment value of the property.

So I don't know of any case where anybody would ever let the land go back to taxes for tax purposes only. It would have to be where the financial institution was involved where there was . . . And in those cases and every case that we've known or we're aware of, the financial institution has paid up the taxes because, again the taxes are based . . . When it gets two years in arrears that's when the municipality start to move on them. So I just don't know of any case where that could ever happen.

**Mr. Kowalsky:** — Well something isn't very clear here, Mr. Minister, because in the first place, you agree that those things are happening, that they're bypassing this right of first refusal, and now you say you don't know of any cases. Mr. Minister, I can assure you that there are cases. I agreed with you in the first instance. Cases involve rulings by the Provincial Mediation Board where they grant the municipality permission to take land for taxes on the condition that the land they're after be sold by the municipality to either the Farm Credit Corporation or some other mortgage company.

So my question to you is: do you intend on letting this procedure continue? Is that the intention of your government? What I want here, is I want to know the intention of your government on this matter.

(1645)

**Hon. Mr. Hardy:** — Mr. Chairman, again we're aware of, absolutely aware of no such cases where the Provincial Mediation Board has ordered it to be sold to a financial institution. If there is a case out there, such as the member brings to the Legislative Assembly, we're totally unaware of it and certainly we'll take a look at it. But I laid out the scenario. I don't believe it can happen through taxes because the taxes would be moved on within two years. We don't know of any provincial mediation ruling that has said that the RM must sell it to a financial institution.

And so we're just totally unaware of that, if that's happening out there. And if it is happening, then it's the first time it's been brought to my attention that it is, either by the RMs or by anybody else — the first time it's been addressed any place to me.

**Mr. Koskie:** — Thank you, Mr. Chairman. Mr. Minister, I want to just in respect to the lands branch which was taken over by your department from the Department of Agriculture, what is the total number of acres that is held by the lands branch at this present time?

**Hon. Mr. Hardy:** — There's twelve thousand, three hundred-and-some odd lessee holders, and there's 8.7 million acres of land.

**Mr. Koskie:** — You indicate 8.7 million. I presume that's reasonably accurate because I look at your annual report. Maybe you're just rounding it off, Mr. Minister, but I guess what I'm getting at is, as of March 31, '89, lands administers 8,668,850 acres. That's March 31 of '89. Are you saying that there has been additional land added to bring it up to 8.7? What is the actual number, say as of this date? I mean you should have that information.

**Hon. Mr. Hardy:** — That's right. That was the actual total in March '89. We don't have the actual total for March 1990 with us. We can get it for you; we just don't have it with us. It'd be a little bit less than that because a bit of land has sold to either lessee holders in some cases, and some has been taken back and put through the public tender process.

**Mr. Koskie:** — Well you've indicated that in '89-90 that there were some 2,500 cancellations. I guess that wouldn't necessarily just by cancellation, necessarily increase it because that was the acreage before.

But I guess the question I want to ask you: lands branch did in fact incorporate under their jurisdiction all lands that were held previously under the land bank corporation. And what I want to ask is could you indicate the number of lessees that exist at the present time in respect to those contracts which were initiated under land bank? Could you indicate how many of those are at the present time operative?

And in respect to agricultural land that was initially taken in under the land bank, transferred over to the lands branch, could you indicate the number of lessees that exist in respect to that?

**Hon. Mr. Hardy:** — As you know, there was a little over a

million acres of land or thereabouts under the land bank. There was in the neighbourhood of 3,000 lessees involved with that, and we believe there's 2,700-and-some left, but we'll get the exact figures and send over to you. We'll have to go back to the department to get them.

**Mr. Koskie:** — There were some 3,000 approximately, you indicated, and there are still existing some 2,700 operating essentially under the same terms as was in respect to the land bank. I am wondering, in view of the allegations by your party that land bank land may turn them into share-croppers and tenants, why there has not in fact been such a great rush for the cancellation of these contracts which was previously under the land bank and subsequently the purchase of the land.

You indicated there were some 3,000 at maximum and now at 2,700. It seems to me that it seems to indicate that somebody must be reasonably happy with the arrangement. I just wonder, have you initiated any programs which would help to alleviate these poor people from being share-croppers and tenants of the land? Have you in fact brought about any program initiatives which would in fact get rid of those 2,700 that are out there farming under what is essentially a land bank lease?

**Hon. Mr. Hardy:** — Mr. Chairman, we have put together a policy that I think will be good for those who are leasing lands out there in rural Saskatchewan, whether they be land bank or otherwise. In due course we'll be announcing it to this legislature or to the public, probably in the next couple of months.

**Mr. Koskie:** — Well obviously . . . well I don't know if I could assume that you may have some of the details in respect to what you are thinking of doing. I want to ask you: can you, in respect to the lessees that are dealing with lands branch land, have you got any program proposals of change which will affect the basic structure that they're operating under now?

**Hon. Mr. Hardy:** — Mr. Chairman, I said a moment ago that we have put together a program that I believe will be received well by those who are leasing lands, from either through lands bank or land bank land or agricultural lands. We'll be announcing that, as I said, in a couple of months.

**Mr. Koskie:** — Mr. Minister, could you indicate the existing formula in respect to previous land bank land that was taken over by lands branch. What is the basic formula of the rental that is required in respect to that?

**Hon. Mr. Hardy:** — My understanding, Mr. Chairman, is basically the same formula that was set out when lands bank land was there, when it was leased. And it's in lands regulations which is certainly available to everyone in the Legislative Assembly. So, it's there. It's in regulation and it's available. You can get a copy of the regulations, if you want.

**Mr. Koskie:** — Well, you say "basically the same," Mr. Minister. You're the minister. I'm asking the questions. When you say "basically the same," what is the formula

that you have in operation in respect to land bank land that was taken over by lands branch? Surely, you can outline it here, if you have that knowledge.

**Hon. Mr. Hardy:** — Mr. Chairman, I can read it in if he wishes for me to do so. It's two pages, or I could sent it over to him.

**Mr. Koskie:** — Mr. Minister, in respect to your approximations that you gave, in respect to land bank land, you've indicated there was slightly over a million acres at the time that you took office, that there was some 3,000 at that time — your figures — and currently there are 2,700.

I want to ask you, during that period of time, those which you classified as share-croppers in the land bank, how many of them opted to purchase the land in respect to what was previously called land bank? Can you indicate during your tenure — that I guess seems like a long time ago to a lot of people, back in '82 when you took over — can you indicate how many have opted to purchase outright portions or all of the land that was previously under the land bank?

**Hon. Mr. Hardy:** — Mr. Chairman, we'll have it here for after supper.

**Mr. Koskie:** — I thought you would be here sitting with that information, going to tell us, Mr. Minister, how those share-croppers, after you got into office, suddenly became capitalists and went out and purchased all their land because land bank was destroying them, you said.

And today you come into this House, you don't even know how many purchases. Why didn't you put into effect a purchase program for them if you wanted to take them out of the misery of being share-croppers? You tell me that there were 3,000 at the time that you took office. And you've been here for eight years, and now there are 2,700 share-croppers continuing to exist on what is essentially under a land bank program. Someone must have their priorities kind of screwed up, Mr. Minister, because the great success that you were going to free these people of their drudgery of having leased back land seems not to have been the highlight of the performance of lands branch. And I was wondering, Mr. Minister, make sure that you provide that information.

And I want to go further into another aspect of this and ask you how many of the current 2,700 are in arrears in respect to the lease rental?

**Hon. Mr. Hardy:** — We don't separate them out between lands branch and the old land bank land, but as I said, there was somewhere between 50 and 60 of a total all together in arrears, and that's all of the number of lessees. So it'd be some portion of that I would assume.

**Mr. Chairman:** — Order. Order, please. It being near 5 o'clock, this committee will recess until 7 o'clock tonight.

The Assembly recessed until 7 p.m.