

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

May 7, 1984

EVENING SESSION

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

TOURISM AND SMALL BUSINESS

Ordinary Expenditure — Vote 45

Item 1 (continued)

Mr. Lingenfelter: — Mr. Chairman, I would like to ask the minister a couple of questions about changes that have been made in his department, the Department of Tourism, as it would regard entrance fees in the winter-time. I believe that in the past, it has been the practice of the department to, during skiing operations, to not charge an entry fee into the provincial parks. Is there a change in that, Mr. Minister?

Hon. Mr. Klein: — Mr. Chairman, again I've got a question directed, not to my department, and . . . The charges that you asked about are the responsibility of Parks and Renewable Resources, headed by my colleague, Bob Pickering, and I think that they would be best answered in his estimates.

Mr. Lingenfelter: — Mr. Minister, I find it interesting that that issue would not be known by yourself, but I will certainly leave it for the moment.

I would like to know, in the privatization of the park operation — and you may want to leave that totally, but it does come under the auspices of Small Business — whether or not you can outline any changes in that area, and if you would rather not and leave it for another minister, that's fine as well, but I think . . . There's a great deal of interest in the small-business community in my area, and I'd like to know whether or not, when that operation opens up, whether your department will be giving assistance to those small businessmen who will want to establish in the core of the parks.

Hon. Mr. Klein: — Mr. Chairman, yes, we would help the small businesses that may be interested in establishing in provincial parks. Certainly any of our programs would be available to them. We have an interdepartmental committee where our department works with the Department of Parks and Renewable Resources, and further, we play the advocate's role for the entire business community, and quite simply, the advocate's role includes working with all the departments in our government.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I want to ask about the department's proposals for destination resort developments in areas generally around Prince Albert, and particularly whether or not your department paid for a marketing study done by Deloitte Haskins & Sells, or another firm, on the Candle Lake development proposal.

Hon. Mr. Klein: — Mr. Chairman, there was a study done by our department and paid. It was not Deloitte Haskins & Sells, however, and we can't find the name of the firm . . . (inaudible interjection) . . . Was it? I stand corrected. It was Deloitte. And it was a market study for Candle Lake, and it was not a developmental study of any type.

And these kinds of studies are, generally speaking, available to anybody in the business community that may be trying to undertake a particular form of activity. And if it falls within the realms of our programs, we would undertake to do that for various interest groups, or else for departmental purposes itself, as we're trying to identify opportunities that may exist in certain areas.

Hon. Mr. Blakeney: — I refer to an article appearing in *Saskatchewan Business* for April of 1984, which has a picture — not a very good picture, but a picture — of the minister. It talks about projects. I won't quote in detail, but I think the minister will know what I'm talking about. Talks about:

. . . the Christopher Lake Land Company want to carry that idea one step further with the development of an all-season destination resort/convention centre . . . at Christopher Lake . . .

A similar project is also planned for McPhee Lake, about 50 miles from Prince Albert, at the edge of the Prince Albert Provincial Park . . .

Saskatchewan Tourism and Small Business Minister Jack Klein is heartily in favour of developments such as those being proposed for Christopher and McPhee Lakes.

Mr. Minister, is that a fair statement of your position, of being "heartily in favour" of the Christopher Lake and McPhee Lake projects?

Hon. Mr. Klein: — Certainly I'm in favour of four-season destination areas. It's absolutely necessary that Saskatchewan develop all the major attractions that can be developed, and we encourage any private enterprise activity to get involved with those developments.

And the . . . A development such as these, where you have a final destination resort area available four seasons of the year, would be a most welcome opportunity to any visitors, or to the local people of Saskatchewan, so that they could in turn go and visit these various areas — and we encourage them heartily.

Hon. Mr. Blakeney: — Mr. Minister, I believe your department will be very familiar with the McPhee Lake project, and what I want to ask you is, with the knowledge that you and your department have of the McPhee Lake project as it now stands, does the department stand in favour of that project, or not in favour of the project?

Hon. Mr. Klein: — Mr. Chairman, certainly the concept of the McPhee Lake project we have to stand behind. Again, what we are looking at there is a four-season destination area, which would include a hotel with all the amenities, so that visitors can go to that area and stay and visit that area, and providing the concept remains in that classification, we would endorse the overall McPhee Lake project.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, you are . . . I don't want to extend your argument, or your statement, farther than I think you stated it to be, but I understand then that you are . . . So long as the concept as it has now been revealed is followed, you would favour that concept being developed on McPhee Lake, on that late in Northern Saskatchewan. Do I state your position correctly?

Hon. Mr. Klein: — Mr. Chairman, I would repeat that so long as the concept is the same . . . And I don't know that he's looking at a different concept than I am, and so I will clarify that.

Firstly, the R.M. of Lakeland must approve of the project, and assuming that they would, then we would endorse it, so long as it does include the four-season destination resort area with convention facilities and so on.

If it does not include that particular portion of it, then I don't know. We would have to have another look at the concept, but certainly all other departmental approvals would be required, such as environment, rural affairs, and health, or any other government agencies. If the R.M. themselves decided that they did not want that kind of a project, then we would not impose

that project on them.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, are you or your department familiar with the proposed Christopher Lake project? The one mentioned in the article as: “The Christopher Lake Land Company want to carry the idea one step further with the development of an all-season destination resort/convention centre complex at Christopher Lake.” Is your department familiar with that proposal.

Hon. Mr. Klein: — Mr. Chairman, as they have been developing their concept, our department is familiar with it in that regard.

Hon. Mr. Blakeney: — So far as the department is advised with respect to it, are you in favour of the Christopher Lake project, as you know it, as it now stands?

Hon. Mr. Klein: — Mr. Chairman, again I would repeat that we are in favour of the concept, again, with the understanding and the provisions attached to it that it would meet all the other governmental department qualifications or criteria, and that the R.M. would be interested in having that concept within their jurisdiction.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I inquire with respect to, I think perhaps a somewhat less developed proposal at the moment, for Candle Lake, and ask you whether you and your department are familiar with a project for a development on what I take to be the north or north-west side of Candle Lake, which similarly proposes a destination resort project.

Hon. Mr. Klein: — Mr. Chairman, at this time we don't have any proposals before us for Candle Lake.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, with respect to the proposal for McPhee Lake, which you have indicated approval in the terms of which you have stated it, is the sponsoring group there the same or essentially the same sponsoring group as had put forward a proposal for Hidden Valley or Snoasis a short time ago, with which I'm sure the minister will be familiar?

Hon. Mr. Klein: — Mr. Chairman, I'm not totally familiar with the two projects that the member referred to, but to the best of my knowledge, no, it isn't the same group.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I'm sorry if I was unclear. I was . . . Hidden Valley and Snoasis are the same project, and I will call it Snoasis. Since that name may well ring a bell with the minister in charge of Sedco (Saskatchewan Economic Development Corporation), even if it doesn't ring a bell with the Minister of Tourism and Small Business . . . And I ask again: so far as the minister is aware, is the sponsoring group the same or substantially the same as for the McPhee Lake group, as the group which approached — I believe Sedco but possibly Tourism and Small Business — with respect to a project at Snoasis for condominiums and the like? Not dissimilar to the one at McPhee Lake, but not, as I recall it, involving a destination resort.

Hon. Mr. Klein: — Mr. Chairman, our department is not involved with anything regarding Snoasis. While I have been the minister in charge of Sedco, I have had nothing brought before me with regard to Snoasis, so that I honestly can't answer that question. However, my officials advise me that the sponsoring group at McPhee is different than the one at Snoasis, to their knowledge, because they have had no workings with that group, either.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, is it the policy of your department, when promoting a destination resort or a major destination resort, such as, let us say, the McPhee Lake one . . . Does it involve a hotel, golf course, many, many dozens of condominiums,

and a wholesale change in the nature of the community which now uses McPhee Lake? Is it the policy of your department to, when promoting that, to provide an opportunity for the people who live or have property in the area to express a point of view before decisions are made on behalf of the government?

Hon. Mr. Klein: — Mr. Chairman, there is an ample opportunity for the public to become involved in the major destination resort areas, surely through the process of the local rural municipality, which is clearly outlined, and the public has as much input as they would like to put in through that process. And as I said earlier, if the particular municipality involved did not want a particular project, we would then simply encourage developers to apply to a municipality where they would encourage that type. There are other methods that the public can use for input, certainly through the Department of Rural Affairs, as well as several other methods that are available to them.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, you are telling me that the present arrangements with respect to ratepayers having an opportunity to be heard is ample, so far as you are concerned, with respect to the development of projects such as that at McPhee Lake. And you are saying that the present arrangements which operate through the Rural Affairs, or through some other agency, are adequate, in your opinion. Is that what you're saying?

Hon. Mr. Klein: — Certainly, Mr. Chairman, the local government, which has local autonomy, have been elected by the ratepayers of that area, and they express all their concerns to their municipal officials, whether it be in the form of development or any other situation that may arise. And when our department is in charge of tourist development throughout the whole province, we believe that the proper input from the ratepayers would be at the municipal level, where they know all the officials that they have personally elected, and where their representations can be made and heard. In a good number of times, they're electing the very people that they live with and beside. And as a result of the way our system works, we believe that that is the most effective method that they can be heard, and when the appropriate governing body dictates to us what the decisions of their ratepayer are, we respect that decision and we won't alter it.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, rural municipalities have necessarily limited resources, since they are not large entities. Is it the policy of your department to make available to the rural municipality all information you have on the likely cost to the municipality on operating service agreements, or the like, for, and providing services to, major projects which you are very clearly promoting?

You will know the costs of services. You're getting that from Deloitte Haskins & Sells, or Underwood McLellan, or whoever is doing the studies for you. Do you make that available, generally, to all of the councillors and to the R.M.'s so they will have the facts on which they can make decisions with respect to the implications for them of the projects which you are promoting?

Hon. Mr. Klein: — Mr. Chairman, we would certainly make available any and all information that we would have to the various councils, and surely we would assist them to every extent possible. We would even assist them in their developmental agreements if they, if they asked us for that assistance, but generally speaking, they have their own legal counsel and information available to them.

But there is no question that in the event that they had some problems that they felt that they couldn't handle, we would in all fairness with them and in discussions work together with them to assist them just as much as we could, or even help them with their decision, if that's what information they were looking for — but always based, however, on the instructions of their ratepayers.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, is it within the knowledge of your department whether a servicing agreement has been reached between the developers, Woodlands, and the R.M. of Lakeland, with respect to the McPhee Lake project?

Hon. Mr. Klein: — Mr. Chairman, to our knowledge and understanding it is presently under development, and we don't know what stage it's at.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, are you aware of any other destination or resort projects which are in the process of being assisted — I would say promoted, and I say that in no pejorative sense — promoted by your department at this time?

Hon. Mr. Klein: — Mr. Chairman, there are a lot of people out there interested in tourism development, and investing their dollars in Saskatchewan and becoming involved in four-season destination area. And yes, we are working with a few of these developers, but none involve the use of Crown lands, and are on privately owned land. And here again, as is the norm with us, we work with all forms of business community and groups, and we are working with several of them now. Hopefully, we could get some investment money being put into our province to create these destination resort areas and provide us the badly needed jobs that we require.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, looking at the soaring unemployment figures, no one will challenge your statement about the badly needed jobs. The question I now ask is: in the light of your earlier statement, that you're acting as a clearing house for information and approvals, that developers may need . . . That was what I understood you to say. Are you able to advise me whether or not, in the opinion of the department, the developer at McPhee Lake will need to comply any with any environmental regulations? More particularly, are there going to be any environmental impact studies, with respect to a project of the magnitude of the McPhee Lake project, having regard to the small size of the lake and the relatively undeveloped area?

Hon. Mr. Klein: — Mr. Chairman, we don't act as a clearing house. I like to use the word advocate. Certainly any development, particularly McPhee Lake, will have to — or not particularly, but including such developments as McPhee — will have to comply with the environmental regulations. If those regulations include an environmental impact study, that would have to be done. But we are not at a point yet with that project, where the environment is clearly working with that group, and as we proceed through the processes that are in place, again there are several various steps that must be done to ensure that all these various projects are done with good taste and certainly keeping all of our problems under control. We don't want to make any more . . . Address all the concerns that everybody has, and that particular project, as I mentioned, would have to comply with the environmental regulations, but it has not yet reached that point.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, have your advocacy efforts been successful in producing a purchase agreement between the Minister of Parks and Renewable Resources and the developer, Woodlands, with respect to the McPhee Lake project?

Hon. Mr. Klein: — Mr. Chairman, there is a conditional option agreement in place, but it is subject to all of the various procedures that we've been discussing for the last 10 or 15 minutes.

Mr. Yew: — Yes, Mr. Chairman. I'd like to ask the minister what interest rates . . . If there are changes to the policy with respect to the northern economic development revolving fund, what is the current interest rates charged now to the applicants or clients of the economic development fund?

Hon. Mr. Klein: — Mr. Chairman, I would like to tell the member from Cumberland that, for fishing and trapping loans, the current interest rates are 6 per cent, while for other commercial loans they are fixed at 10 per cent.

Mr. Yew: — Thank you very much, Mr. Minister.

You mentioned earlier that X number of dollars had been given out in terms of funding to various sectors in northern Saskatchewan, related to the renewable resource development areas. I wonder if the minister may be able to provide this information with respect to my need for such as to assess what portion of your government money has supported what resource areas.

Hon. Mr. Klein: — Mr. Chairman, I'm sorry, I don't quite understand the question.

Is it a breakdown of the approved loans that you want? Well, I can repeat what I said earlier, and that is that we have 15 loans that have been approved for fishing, in the amount of some \$54,000; 4 trapping loans in the amount of close to \$5,000; and 10 commercial loans totally over \$532,000. The total is 29, for \$593,000.

Mr. Yew: — I'd like to ask the minister then, with regards to those loans that have been extended — the 15, the 4, and the 10 — is the minister prepared to provide that information, or is that left confidential?

Hon. Mr. Klein: — Mr. Chairman, I'm sorry. I can't supply you that. It's done in the normal banking sense and there is confidentiality involved with clients and ourselves, and I think that you can appreciate that.

Mr. Yew: — Mr. Minister, I want to ask you about the policy for the study that you have initiated. I'm not sure if this is appropriate, but anyway I'll go on. It's in respect to a Ron Johnson of your department — well, the former department of Tourism and Renewable Resources. A study was initiated with respect to the commercial fishing industry versus the tourist industry. In it you talk about diminishing the number of commercial fishermen, and there's some statistics that were printed here in the newspaper, the P.A. *Herald*, and it quotes that the commercial fishing industry only brings in 14 million pounds of fish annual, and that is decreasing down to 10 million, presently.

Then your department goes on to state that further to that, that out of 230,000 anglers, those anglers brought in revenue of \$100 million to the province, which is fine, but that the commercial fishing industry with 1,400 fishermen brought in only 3 or \$4 million.

Your department goes on to talk about replacing suitable jobs and opportunities for the commercial fishermen, but you didn't point out in any detail or specifics the type of training and suitable jobs that you envisage for the replacement or the displacement of those commercial fishermen. I wonder if the minister may want to comment, at this point in time, about that report.

Hon. Mr. Klein: — Mr. Chairman, I would like to inform the member from Cumberland that it is the other department; however, I could give you a couple of observations that might tend to clear up some things for you.

We do work as an advocate with the commercial fishermen, and as a matter of fact, we met with the co-op group about a week ago and listened to their concerns. But as far as Mr. Johnson or his study is concerned, we are not familiar with that at all. He works in the Department of Parks and Renewable Resources and that study is well placed there, so I can't get into that area of it at all — I'm sorry.

Mr. Lingenfelter: — Mr. Chairman, I wanted to spend just a few moments asking the minister about the interest rate program that his government promised at the time of the last election. I know the question was raised by the member for Assiniboia-Gravelbourg, but I would like you to elaborate, Mr. Minister. In your department, and studies and analyses that you have done, what are you predicting the interest rates over the next year or 18 months . . . ? Where do you suppose that they are headed, and what kind of help and assistance are you able to give to

small-business people who come knocking on your door at the present time?

Hon. Mr. Klein: — Mr. Chairman, I wish I was in a position to know what the interest rates would be in the future. I don't think I'd be a politician, but rather I would have stayed in businesses. But to address any uncertainty in that area, the program that we have come up with, that was requested by the business community, that is more important to them at this time than the interest rate itself, is the stabilized interest rate, and we are addressing it in that manner.

Mr. Lingenfelter: — Two parts to the question, Mr. Minister, that I was asking. In April of '82, you'll know and probably your election pamphlets would have carried a nine and five-eighth promise for small-business people.

Can you tell me, now that you're in the driver's seat, so to speak — at least for the next year, this promise is in your bailiwick — can you tell us, have you got any plans to fulfil that promise that you and others made at the time of the next election? Or are you being hung out to dry by the rest of cabinet in terms of dealing with the business people who expect you to fulfil that promise?

Hon. Mr. Klein: — Mr. Chairman, we believe in consultation with the business community, and we have addressed it all the way along since April of 1982. And part of that consultation is the design process that they would like us to use and become involved with.

And I suppose that the nine and five-eighths came about because at that time a pretty attractive offer was made to a group, a big business group from outside of Saskatchewan, by the prior administration. And they seemed to put all their eggs in one basket, with a tremendous amount of dollars, at a very, very low interest rate that didn't really do much for the business community of this province, so that when the 1981 era came along, and interest rates soared to unprecedented heights, and the government of the day still was unable to address those concerns . . .

In our discussions with the business community since April of 1982, and the gradual deterioration of that significant rate, what's done in the past for big business by the prior administration is done, and they would far rather see the future handled for themselves. As a result, the fixed rate financing program is coming into place.

Mr. Lingenfelter: — Mr. Minister, I'm sure that you'd rather talk about someone else's role in dealing with small business than your own, but are you saying, then, that the nine and five-eighths that was promised at the time of the next election will not be coming forward during this term of office?

Hon. Mr. Klein: — Mr. Chairman, again I can only repeat what I've said, and we're not clairvoyant. We don't know what's going to happen with the interest rate. And the business community knows how they would like to address that situation now, which is the stabilized rate, because certainly, if the rate took a drop to 9 per cent, there wouldn't be much use promising nine and five-eighths.

Mr. Lingenfelter: — Well, I'm not asking you to predict what the interest rates are going to be. I'm asking you about an election promise that you made. At the time of the last election, you promised nine and five-eighths money for small-business people.

And what I'm asking you, Mr. Minister . . . And I take it I'll ask you one more time, but if your response is as negative as last time, I suppose then what we'll be informing small-business people, who ask us constantly about this promise program, is that the minister in charge is saying that it's not needed at this time. And what that tells us that, if you're not doing that the year before the election, well, it's a certainty that it's not going to be a promise that you'll keep to the business people of Saskatchewan.

And I think, Mr. Minister, on this one you're playing with a bit of dynamite, because, I can tell you, the small-business people are not impressed with being promised something, gaining their support — and I agree that you did at the time of the last election — but the small-business people in this province were used to dealing with political parties, whether it was the Liberal government, or the previous NDP government or CCF (Co-operative Commonwealth Federation), they had gotten used to believing in promises made to them.

And I can tell you, Mr. Minister, that on this issue, not only your constituency and your position is at stake, but a good number of small-business people on Main Street, Saskatchewan, are asking a serious question: whether you can believe promises made by a government that will promise nine and five-eighths money, and then the minister, two years later, stands in this Assembly, when interest rates are escalating again, saying that he is not going to fulfil that promise. And I just want, one last time, Mr. Minister, to ask you whether or not that program will be forthcoming in this term, in this term of office.

Hon. Mr. Klein: — Mr. Chairman, the business community, prior to 1982, was used to being trampled on, or at best, totally ignored by the government. And there was some kind of a subsidy program that the prior administration was involved with, but it was kept at some \$250 or \$500, and almost a meaningless type of a subsidy. And, you know, what's the magic of nine and five-eighths?

Small business is not asking us for that at all. So that where you have been accusing our Minister of Social Services about saying mistruths, sir, I would say that you are now doing the same when you refer to small business asking for that. They are not asking for that. They're asking for a healthy climate. They're asking for deregulation. They're asking for security for the future. And we believe that our programs are providing exactly that.

Mr. Lingenfelter: — Mr. Minister, I am not saying that the business people are the ones demanding the nine and five-eighths. They are simply saying to us: where is the promise that was made by the Minister of Small Business? What is this about the promise he made prior to the last election, which he is now able in cabinet to fulfil? How is it that the member for Saskatoon can get \$150 for big oil companies, but the Minister of Small Business can't get the nine and five-eighths that was promised for them?

And I say, Mr. Minister, that that kind of a judgement will be made by small-business people who will see the large major oil companies getting tax breaks. But when it comes to fulfilling the promise for small-business people, you, Mr. Minister, are not able to get that program and to get that lower interest rate passed through your cabinet.

I want to refer you back, Mr. Minister, to a statement that was included in last November's throne speech, and in the throne speech you said:

. . . concerned about high interest rate levels . . . (And then) A continuation of high interest rates will weaken the incentive to invest and may impair the strength of the current recovery.

Now I find it interesting that, first of all, we tell the people, the government tells the people, we had no recession. Then after being in it for a year and a half or two years, you say we are recovering from it, but higher interest rates may weaken that recovery. And today we have seen interest rates go up another percentage point since the throne speech, and you sit there and say that it isn't a problem and that you have solved it.

And I want you to tell us, Mr. Minister, because you still haven't: what are you doing about the promise? Not whether or not business people are asking for it, because they would expect their government, who is able to cut the tax for oil companies, that that government would have help

for small-business people. And I would like you to tell not me but the small-business community why the nine and five-eighths is not coming from your government. Why is that not a priority of your department?

Hon. Mr. Klein: — Mr. Chairman, first of all, I'd like to know who the member from Shaunavon is slandering when he refers to a big oil company. Surely it wouldn't be the Co-op refinery out here, who becomes a big oil company because of the upgrader and the tremendous opportunity that that's going to bring, not only to the Regina area, but certainly all of Saskatchewan. And it's really disturbing to see him refer to the Co-op as being a big oil company, and that they're taking advantage of everybody. But we're certainly not going to do what you as a political party are trying to chide us into doing.

Clearly, your programs didn't work in the past; you never understood the problems of small business; you still don't understand the problems of small business. So you're hardly in a position to give us any advice now. And your political programs just have no success, and the small-business community are asking for a whole lot of other situations to be addressed, rather than that interest situation — and we are addressing those problems.

And clearly, the fixed rate financing program that you people couldn't even think of in 1980, when the interest rates were soaring totally out of control . . . You did absolutely nothing, again, for small business, which is what they were used to because that's what had gone on for a decade. They weren't expecting any miracles from you people.

Mr. Lingenfelter: — Mr. Minister, you're going to have a hard time convincing the public and the small-business community that things are booming in May of 1984. All the reports that we receive, and that your government predicts and forecasts, is that the business community is in trouble, and it's in trouble because of the downturn in the economy that began about the time that you came to office.

Now, you can say that that's bad luck, or bad planning, on your part, or whatever. But the simple facts are that we have record numbers of bankruptcies in Saskatchewan today, even with the many new businesses. And you'll remember discussions that have gone on in this Assembly about some of the kinds of new businesses that are being established.

But I would like to quote to you from the *Business Express*, the official publication of the Regina Chamber of Commerce, this month, 1984. And it talks about the downturn in the manufacturing sector in Saskatchewan, which I referred to last Friday.

And in the article, by Roger Sauve — and you may want to run this individual down as you have others who have been quoted, but I doubt that you will — he says, in part: "During the downturn, 2,000 jobs disappeared in the manufacturing sector," referring to the last two years. He says, "The hardest hit manufacturers were the machinery, transportation equipment, and material fabrication." He goes on to say that, "The prevailing view of Saskatchewan's production is pessimistic," and completes the article by saying, "A return to financial (note, Mr. Minister, a "return" to financial) health is still many months away for manufacturing."

Now, Mr. Minister, when your chamber of commerce people are saying things like this about Saskatchewan now, as opposed to what it was two, three, four years ago, when they talk about a return to that kind of health that was here under the NDP government, is many months away, I wonder if they're referring to the next election. Because it just seems to happen that the downturn started in April, 1982, and the chamber of commerce people are predicting that, about the time of the next election, a recovery of some significance will begin.

And I would just like you to comment on what is called slow recovery in Saskatchewan manufacturing by the Regina Chamber of Commerce.

Hon. Mr. Klein: — Mr. Chairman, at the risk of losing my temper, it just simply bothers me that the member from Shaunavon continues to put words in my mouth, and I would like to set the record clear one more time. I have never run down any individual for writing what he chooses to write, but don't be stupid enough to take an individual's opinion as gospel, which is what you do, and then you say I condemn that individual. I don't. They can write whatever they want, but you're so easy to take this one statement made by an individual and fabricate it as though it represents everybody in the province.

All the reports that you refer to, all the reports . . . I can argue reports with you all night long if you'd like to. It's just simply your same old doom and gloom baloney. You guys don't know anything better than doom and gloom. The statements that you make are just not true, and you accuse our other ministers of saying mistruth, and you sit there like you're holier-than-thou and fill up this room continually, time after time, with false statements, and if you think that it's so tough out there for the manufacturer . . . (inaudible interjection) . . . The statements that you make, not the ones that you read, sir. Why don't you go out and take a poll of the manufacturers and see if they're happier now than they were in April of '82?

Mr. Lingenfelter: — Well, Mr. Minister, when you say that I'm misrepresenting the facts by speaking and quoting from a chamber of commerce article, I find that an interesting view, because there's many people in the chamber who accept these kinds of quotes that the prevailing view is pessimistic. This is from the chamber's article: “. . . and a return to the financial health is still many months away for the manufacturing sector.”

Well, these are people who are credible in the business community, Mr. Minister, who you are saying we have to take their word with a grain of salt or that we have to question what's being said here. And I simply say to you, Mr. Minister, that where are your friends? Where are the people who support your view that the nine and five-eighths interest rate that you promised should not be put into place at this time? Can you tell me what groups in the province, small business or otherwise, are telling you and recommending against the implementation of that program you promised?

Hon. Mr. Klein: — Mr. Chairman, since assuming this portfolio, I've had the extreme pleasure of travelling the width and breadth of our province and addressing all kinds of business groups, all kinds of business leaders, and visiting with the ordinary businessman on the street. And I would dare say — and you talk about wild statements made by the opposition — I could make one that's probably closer to the truth. I probably talk to more businessmen in one week than you do in an entire year.

Earlier this afternoon, your cohort from Assiniboia-Gravelbourg, I believe it was, was giving us the doom and gloom about Estevan. Well, let me tell you, if you'd like to visit Estevan with me, we'll go down there and we'll get, we'll talk to some of the people and supporting industries for the oil patch, and just see how doomy and gloomy things are, and just see how much job creation hasn't gone on in that sector, etc., etc.

And you just go ahead and preach doom and gloom without getting out and knowing the real facts. Now all you've got to do is just make yourself available to these people, and they'll tell you what's happening. You didn't understand before because you didn't listen. And you didn't listen because you didn't understand. So I can appreciate what your problem is. And as a matter of fact, I'm extremely surprised that you've been able to question our department for as long as you have. But when you consider the senseless arguments that you've been presenting, I suppose we can stay here for another couple of hours.

Mr. Lingenfelter: — Mr. Chairman, I would agree with the minister on one point: that the minister in charge of mineral resources, or Energy and Mines, has done a good job to get money into the pockets of the oil companies. And I agree that the companies in Estevan, and the oil companies that deal in Swift Current, and especially the oil companies from Calgary and

Medicine Hat and Edmonton, in fact, are doing very well.

But it proves the point that I'm trying to make, Mr. Minister, that you in your role in charge of small business have failed to get the same kind of commitment from this government, in terms of nine and five-eighths money that was promised by your government, for the oil companies.

I don't remember any promise in any of your pamphlets that said that there was going to be an oil royalty holiday. I don't remember that being part of your election campaign. And I find it interesting that in the first year, in the first year after the election, you find \$150 million for oil companies but the promise that you made, Mr. Minister, of nine and five-eighths money, you have no money for. And that is the discretion that I'm trying to get at. Yes, you can try to take credit for another minister's role in getting money for oil companies. But that wasn't the question.

The question was: what have you done lately . . . What have you done lately to get nine and five-eighths interest rate money for small-business people? That's your job. Your job is not to ride on the coat-tails of the minister in charge of oil wells, to try to take credit for the money that's going to Calgary oil companies. Your job, Mr. Minister, is to help our small-business people, and in that you failed.

And I recited off a list of companies: one in Shaunavon, where the Sedco operation was charging them 19 per cent interest, when the bank rate had gone down to 14. When they came in to see you, you wouldn't give them a lowered interest rate. They closed the door and put 10 people out of work. Tell me how that is in the best interests of small business, when at the same time you have no money for them, the minister in charge of energy has money for oil companies. I would just like an explanation of that, because it's hard to explain to the small-business people. And I would like to take your message out there and explain it to the small-business people, but I don't know what it is, because it's hard to understand.

Hon. Mr. Klein: — Mr. Chairman, it's obvious that the opposition is staying away from our programs. They're ashamed and afraid to get into them and understand what they're all about. I really have to compliment the member from the North, from Cumberland. He asked some good, honest, sensible questions relating to his area, expressing the concerns of his business community as it related to Small Business and Tourism. But it seems that you want to get into a political harangue, and I think I'm a big boy and I can handle that.

We've got a host of programs available to the business community. Who was in power, who was in power at the time that Sedco wrote all these 18, 19, and 20 per cent loans? Wasn't us! It wasn't us that was, that set up those loans at that. So don't start telling me . . . And what did you do about those rates when you were in power? Nothing. You went ahead through Sedco that you operated and you charged that kind of a rate to that small-business community. You should be ashamed of yourself for doing it. And what did you do to address those rates? Not a thing. Now you go out, you talk about doing stuff for the big oil companies. Let's go out to . . . Let's go out to Estevan, or Swift Current, or Kindersley area; let's talk to all the small businesses actively involved in the support industry of the oil production. And you tell them, sir, you tell them how all this activity for their little manufacturing plants, their little support businesses, are not helping our economy and that they're not happy with the programs that we're putting in.

At least when we came to power, we had the flexibility and the foresight in our government to understand how to develop this province, and we are setting about that task, and we will find out in the next couple of years just who's done the best job.

Mr. Lingenfelter: — Mr. Minister, I would like to say that you can't be talking to very many small-business people in Regina, in Moose Jaw, in Prince Albert. I don't think that you can be talking to very many, because the people that I talk to, and I don't have thousands of people I know in the small-business community, but I do talk to the operators of restaurants, and I do talk to the business people who run clothing stores in Regina. And they say that times have never

been tougher — that's what they tell me. Not only me, but they tell my friends, and they tell other people who shop in the stores. They say very clearly that business has never been so bad as it is over the last two years.

And, Mr. Minister, you talk about the 19 per cent interest rate that was charged when the prime rate was 20 and 21, and I'll say to you that we charged 2 per cent below the prime. And I want you to know, Mr. Minister, that when you refused to lower the 19 per cent rate, the prime rate was 15. And if you're comparing to our record, the rate for those small-business people should have been 13 — 2 per cent below the prime.

So I say to you, when you promise nine and five-eighths, that's the issue that we're talking about. When you go out on the political campaign, Mr. Minister, and you promise something to the business community, and you promise nine and five-eighths money, then you have an obligation, sir, to fulfill that promise. And I would like you to tell me why you think that it's all right to go out and promise nine and five-eighths, and then come in here and some say, in your short career as a politician, believe that you have the right to break that promise and not introduce the program that would give them that kind of an interest rate.

Hon. Mr. Klein: — Mr. Chairman, I am not sure that there was a question there. I think that he was going on . . . (inaudible) . . .

An Hon. Member: — How do you get away with it; how do you get away with it?

Hon. Mr. Klein: — And you're lying again; you're lying again, when you're saying that you're out at all the Regina business community and that they're not happy with it. That's not a true statement.

Mr. Chairman: — Order!

Mr. Shillington: — Mr. Chairman, point of order. I thought I heard the minister . . . I thought I heard the minister say that one of the members is lying. I believe, Mr. Chairman, that is unparliamentary.

Mr. Chairman: — Order, order! Order, order! I would ask the minister to retract that statement.

Hon. Mr. Klein: — Mr. Chairman, I will retract the statement of lying. I guess it's fair to say, however, that I hardly think that you've been talking to all the people and all the small-business community in Regina, because that's a pretty big statement.

And you know you talked about the fact that when you were in power and your administration was charging 19 per cent, that that's a good deal — 19 per cent, Mr. Member, is not a good deal for anybody. And I don't care what it was below prime, the fact is you were charging 19 per cent. And later on in 1982, these people couldn't afford that kind of a rate, and they started going under.

Now, what did we do? We've addressed it, and we've come up with the stabilized interest rate. Now, we haven't quit listening to the business community, nor will we. And in consultation with the business community, what they need rather than nine and five-eighths is venture capital, and they will get that. What they need is industrial incentive plans, and they will get that. What they need is reduced income taxes; manufacturers have that. And what they need, more than anything, is fixed rate financing, and they will get that.

Mr. Lingenfelter: — Well, Mr. Minister, you may think that politically you can, in the confines of this room . . . And I suppose with 55 members sitting over there you feel very secure but I'll tell you, we're going to make a point of making every business person in this province

aware of the promise that you made, if they're not already. And we are going to make them aware of the fact that you, Mr. Minister, believe that you can politically get away with not fulfilling that promise.

You believe that you can depend on their support, even though you have done nothing, and I'll tell you that when you look at what other ministers have done for their clientele . . . No promise made to the oil companies during the last campaign; there was no promise made about year holiday, or royalty holiday to the oil companies. That was put into place months after you came to office.

And if you think you can take for granted, Mr. Minister, the small-business people of this province, that you can go out and promise nine and five-eighths money — go out and promise it, and then come in here and renege on it — I'll tell you you're sadly mistaken, because those business people will not vote for the Conservative Party at the time of the next election.

Hon. Mr. Klein: — Mr. Chairman, again, I don't believe that there was a question, but rather a statement.

The business community won't be duped by your supposed interest in small business. You never ever had any interest in small business; you never will have any interest in small business; you don't understand small business and their problems; you never cared to understand small business and their problems; you never did anything for small business and their problems; and for 10 years they will never ever forget what your administration did for them, which was nothing except give them harassment; give them legislation they didn't want; give them regulation they couldn't live with.

Mr. Lingenfelter: — Well, Mr. Minister, out of the last 40 years, the business people of Saskatchewan have supported a government of a different nature than yours. And you not only insult them here tonight by saying that you don't have to fulfill your promise of nine and five-eighths money; you insult them by saying that the decision made in the 1970s, when they supported very clearly the NDP party on the main streets of Shaunavon . . . They supported the NDP on the main street of Humboldt. I'll say to you, Mr. Minister, that after the next election, they will not be supporting you. They may support other political parties as well as the New Democratic Party, but your assumption that you have the business community shows how far out of touch you have got in two years.

When the Chamber of Commerce will write an article like this about the Conservative government, two years after the election, that says: "The prevailing view of manufacturing in Saskatchewan is pessimistic," where they say: "A return to financial health is still many months away," meaning the next election, I'll tell you, Mr. Minister, you're sadly mistaken; and the voters of Saskatchewan will decide your future in Regina North, because I can tell you, you don't have much chance of being back here after next election.

Hon. Mr. Klein: — Mr. Chairman, if I didn't love my constituency of Regina North, and the people as much as I do, and I live with them and I work with them every day, I would love to accept a challenge to run in your constituency and go strictly on the small-business programs and principles that we've got. You would be so . . . Your eyes would open up so big that your head wouldn't be big enough for size of your eyes, because your head is too big now. But how you ever figure that small business enjoyed what they had to put up with over the last 40 years is just purely a figment of your imagination.

You don't have the slightest idea of what they had to struggle with and what they had to put with. And there was nothing there for them, and they invested their dollars all on their own. You figured a solution to somebody's problem was throwing them a \$200 bone and saying, "Keep your mouth shut." We don't believe in that, small meaningless grants or band-aid solutions to small business that don't address the problem. But I am delighted that for the first time in the

history of your political party, you do recognize that small business is out there. Small business does exist.

Have you taken the time to read any of the other statistical information that's available to you? That is the last decade in North America, small business was responsible for creating 85 per cent of the jobs, and that last year in Canada, small business created 100 per cent of the jobs. You can't even begin to realize the importance of their value, but finally, finally, we are getting through to you, because you are finally talking about small business, and those must be two new words for you people to use over there, because I seriously doubt that you've ever used them before.

Mr. Koskie: — I want to follow this up, because the minister stands there and thinks he's going to provide a lecture in this House. The problem that we have in Saskatchewan, Mr. Minister, is a problem of the neglect of the small-business community during the past two years. There is absolutely no doubt that your government launched a campaign with open for big business conference here in Regina. You invited the international bankers from across the world, and what you have done in the form of open for big business is to pour millions and millions of dollars into the hands of the foreign oil companies.

And during those two years, not one single direction of help for the basic structure of our society, that is the small businessmen, and the small businessmen which do create the jobs. Let us take a look at Saskatchewan, and let's look at the economy of Saskatchewan, and why do we have so much unemployment among our young people? Why do we have so much unemployment? Why do we have so much welfare?

Obviously the problem that has been confronted in Saskatchewan is that the small businessman is in serious problems in this province. And it was the design of your government to neglect the small-business community at the expense of millions of dollars of hand-out to the oil companies.

There is no doubt, Mr. Minister, that one single promise that you made to the small-business community is that you would provide them with long-term, nine and five-eighths interest loans. That was an unequivocal promise that you made to the business community, and simply put, if indeed you have millions of dollars to give to the multinational oil companies, money flowing out of this province, no benefit to the small community, small businessman, very little employment in the major cities of this province.

I want to ask you, how can you say that you have, indeed, contact with the small-business community, when the evidence before us is that there is unemployment, that in the manufacturing that the number of people employed in manufacturing has gone down? In the service industry . . . Go into your cafes and the businesses throughout in this city itself, and find out what's going on in this province. And I'll tell you. You made a major commitment to the small-business community of this province, of nine and five-eighths interest per cent loans, interest loans, and I want to ask you specifically: will you deny having made that promise; and why haven't you fulfilled it?

Hon. Mr. Klein: — Mr. Chairman, the member from Quill Lakes was actually done five minutes ago, but didn't realize that his mouth was still in motion, but his brain wasn't working.

You know, first of all, I'd like to correct . . . I'd like to correct one statement, and I have to be careful with my choice of words, so I . . . Rather than, you know, say something that I would have to withdraw, I would simply correct you.

Small business hasn't had two years of neglect; they have had 40 years of neglect. The past two years — they've never had it so good. And, you know, I wish you'd take a little time to explain what you mean by big business. You sure don't understand what you mean by small business; I seriously doubt that you understand big business at all.

Now, you want to know about our pledges? I could go over a whole pile of our promises, but something that we have done for small business that you don't really get the connection, but it's there — and the small-business community recognizes it.

Now, pay attention, because they all realize that we've removed the gas tax. You're going to say that doesn't help them? We've developed the oil industry. You're going to say that that doesn't help them? We've renegotiated the federal-provincial oil agreement. We're on expanded hospital construction, and I guess that's not going to help small business. We've launched a major nursing home construction program. We've created thousands of jobs, and have the lowest unemployment rate in the country. We've stimulated the housing industry. We've provided assistance for irrigation to the farmers, and I guess you think you can't get the connection of how irrigation helps the farmers. Well, there happens to be some manufacturers of irrigation equipment close to your constituency. Why don't you go and tell him we're not helping him?

We've marketed Saskatchewan internationally. We've promoted our exports. We're rebuilding the tourism industry. We're building a heavy oil upgrader plant. We're encouraging profit through investment incentives to create jobs.

We've developed a range of youth employment programs. We've told Crown corporations to buy in Saskatchewan wherever possible. We've listened to Saskatchewan people, and we will continue to, through hearings on many issues and cabinet meetings throughout the province. Now, I don't know what you people are talking about.

Mr. Koskie: — Let me ask the minister a simple question. Mr. Minister, will you agree that at the present time, or the latest statistics at the end of March, 1984, that there was indeed 44,000 people unemployed in Saskatchewan? Would you agree with that?

Hon. Mr. Klein: — Mr. Chairman, I'll agree with the fact that the labour force in Saskatchewan is the highest that it's ever been in our history. And the reason that it is is because of the programs that we've introduced so far and that we're continuing to. Now, if you'd like to listen, I can go through a whole host of other programs that we've got.

And there is a curious little thing. There is a curious little thing. And you may be half right, because small business and the combination thereof certainly totals big business, doesn't it?

Mr. Koskie: — Forty-four thousand people unemployed, Mr. Minister, and you can't deny it. I'd ask you, Mr. Minister, will you agree that there are 21,000 young people unemployed in this province?

Hon. Mr. Klein: — Mr. Chairman, the unemployment rate in Saskatchewan is the lowest in the country last year by a long shot. We have more people than ever in the Saskatchewan labour force. So what more proof do you need than a low unemployment rate, and the biggest work-force ever in the history of our province? I mean, you just don't make any sense with your argument.

Mr. Koskie: — Mr. Minister, you have acknowledged that there are 44,000 people unemployed at the end of March. You have acknowledged and your other minister, the Minister of Advanced Education and Manpower has indicated, that there's 21,000 young people unemployed. And I want to ask you a further question: is it true in fact, Mr. Minister, that there are 60,000 people beneficiaries of welfare at the end of March of '84?

Hon. Mr. Klein: — Mr. Chairman, they really don't understand, and I hope that he would listen. We've got the lowest unemployment rate in the country. We've got . . .

An Hon. Member: — You have not. Manitoba does.

Hon. Mr. Klein: — All right, except last month, but they're leaving there in droves. It only understands that their unemployment rate would improve slightly. If everybody's leaving, of course their unemployment rate is going to drop down.

But Saskatchewan is growing, and our labour force is growing. But still, we do recognize that Saskatchewan is not totally employed. We're not fools. So that as a result we have implemented all of these employment programs that will, in fact, hopefully usurp some of the unemployed; that will, in fact, take some of our unfortunate people off of the welfare rolls and train them into some of the positions that are going to be created as a result of the various programs that we've got in place right now.

And if we could have got Tourism going about 10 years ago, instead of this year for the first time, I don't know how much more money, dollars, businesses, and employment would have been created, if you would have addressed that situation 10 years ago. But then again, you couldn't because you didn't understand, and you don't understand now. So I don't know when you're ever going to learn.

Mr. Koskie: — Mr. Minister, I'm only going to repeat once more for the business community of this province: that 44,000 unemployed; 21,000 young people; 60,000 people on welfare receiving their benefits. And here you're standing up and your words, in your words you said, "That small business never had it so good." I want to say to you, Mr. Minister, will you agree with the fact that if, indeed, small business was in fact at full gear; if the manufacturing was increasing; if the other segments of the small-business community was in fact having it so good as you indicated; do you agree that there would be far fewer people unemployed, and far fewer people on welfare?

I want to indicate to you that when you took over there was less than 6 per cent — 5.2 per cent unemployment, and during the early '80s and the latter part of the '70s was down at 4 — 4.2 per cent. Then is when the small business in this province was in fact fully occupied. They were growing, expanding. And today, the statistics clearly indicate, will you not agree, Mr. Minister, that if this small business in this province was in fact expanding and growing, that those figures would in fact be much reduced?

Hon. Mr. Klein: — Mr. Chairman, no, I won't agree with that. They are ridiculous statements that he's making. We're the only province with a net gain of income and employment. We have more people working now than ever before. So that obviously, job creation and our job creations are working, and, you know, why don't you start asking us . . . You don't understand small business and you didn't care about them, and I guess you still don't.

Why don't you start asking about our programs? You're going to learn something. We've got a whole host of excellent programs that you people couldn't even dream of putting in place. And that's why we're here tonight, and have been in the other day with our officials. We'd like to help you learn something. We'd like you to help carry the message back to your constituents, that we have got plans and programs in place that will help them. But it's the same old baloney. You didn't pay attention before; why should you pay attention now, when things are going good?

Mr. Lingenfelter: — Mr. Minister, that is what we would like to know, is when the small-business people ask about nine and five-eighths, which you've promised, what are we to tell them? I tried to find out earlier. The member from Quill Lakes has tried to find out. What I would like to know is: what message do we take back to our constituents when they ask about your promise? First of all, Mr. Minister, is it true that you promised the nine and five-eighths money for small-business people at the time of the last election?

Hon. Mr. Klein: — Mr. Chairman, again I guess I can only stick to my reply, that, in consultation with the business community, we have discovered that there are more important programs to put in place. Small business had been neglected for so long that, when we took over the administration, they said, “We really don’t know where to begin because” . . . (inaudible interjection) . . . I can’t say that. “We really didn’t know where to begin because we needed so much help.” So we said, “Well, I’ll tell you what. Why don’t we all get together, and take, you know, a form of action that you would like to use?” So we did that. And that’s why I question your statement, and without going further, I’ll just simply say I question your statement that you are talking to the small-business community that are giving you different representations.

They wanted venture capital. They’ve been after venture capital in this province for 10 years, but you didn’t listen, and I guess the reason that you didn’t listen is you didn’t understand what venture capital was all about. Venture capital is another way of addressing high interest rates, in case you aren’t aware of that. Venture capital does effectively deal with high interest rates because it provides more equity for the small-business people. As a result, they don’t need as high a loan to start up a business. I mean, just that simple. Do you understand that?

“That’s what,” they said, “is one program that we would like. We’ve been asking for that for 10 years.” We’re giving them that. They said, “We need some type of industrial incentives so that we can broaden the economic base of Saskatchewan.” So clearly we have developed several industrial incentive plans. Also, to assist them, they said, you know, “We would like a little relief in our income tax burdens.” So we provided them with that. Now they said, “More than interest rate, Mr. Government, what we need is to avoid another 1981.” So we said, “Well, how can we go about doing that?” That’s how the fixed interest rate stabilization plan came about. This is what they want. All in conjunction, in the meantime, with our existing framework. Our regional officers have become business consultants, that they go out on main street with the business community; they listen to their concerns; help address their concerns; provide them with up-to-date information.

You know, when a business wants to make a decision, they have to make it now. They don’t want to wait for six or seven or eight months, and so, important, good access to solid information is needed, now.

That information is available to them. We’ve got the community economic development program, so that we can go out into the smaller communities like the Shaunavons of this world, or any of your other small community representations. And we can get them involved with the community economic development programs. We’ve got management assistant programs in place, where the small-business person can eyeball-to-eyeball with a consultant. Things that he may not ordinarily be able to afford or, for that matter, information that he might not even know where to get, or access that information from.

So what those small-business communities said is, “We want simply a way to make a profit (and profit is not a dirty word) and to create employment.”

So we’ve set about the task of allowing them to do that. And one of the first jobs that we did and that we are still doing is we’ve knocked out over a thousand regulations.

Now, obviously those regulations were meaningless, because they’re still functioning — functioning in a better, more healthy climate, enjoying business . . . (inaudible interjection) . . . That’s right. Who cares? You would have had another thousand regulations in there for them to deal with. And that was exactly your attitude.

The member from Shaunavon says, “Who cares? Who cares about small business?” That’s a real good statement to make. We happen to care about small business. That’s why we knocked out those useless day-to-day regulations.

Mr. Lingenfelter: — Mr. Chairman, I find the minister rather humorous when he talks about all the things that he has done to create employment.

We went over last day, Mr. Minister, where you have increased employment. You've increased it in the public service sector, by your own statistics; you've increased it in the banking and financial institutions; but in the area of transportation and communications, in manufacturing, and in construction, there have been distinct decreases. Construction is down, this year over last year, from 22,000 to 20,000; in transportation and communication, from 78,000 to 74,000; and in the area of manufacturing, down by 5,000.

Now, Mr. Minister, when you talk about the incentive that it would be needed on the nine and five-eighths interest program, you are fooling yourselves if you think that the machinery implement dealers in our province couldn't use a nine and five-eighths program to stock their shelves this year. You're kidding yourself if you somehow think they're going to forget about your promise.

There was one other promise made in my constituency that, I believe, helped you in the last election, and helped you in many business communities across the province. And it had to do with a 5 per cent sales tax, Mr. Minister.

You will remember going around the province to the doorsteps of the small business in Shaunavon, and the next premier was down there, and the other members of your caucus were in Shaunavon and in Maple Creek. And do you know what they promised on every doorstep of every small-business person? They said, "Elect Grant Devine." They said, "Elect Grant Devine, and we will take the sales tax off so you can compete — so that you can compete with the Alberta businessmen." That's what you talked about in Maple Creek. That's what you talked about in Shaunavon. And, Mr. Minister, on that promise — this is promise no. 2 for the small-business people — how are you making out with getting that sales tax removed in the first term?

Hon. Mr. Klein: — Mr. Chairman, we have made some moves in the direction of removing the sales tax, and we have done that in research and development projects. But let me tell you that, again, the real domestic product in Saskatchewan will outstrip the Canadian average in 1984. Saskatchewan is up over the national average. Investment in Saskatchewan last year increased by 10.3 per cent, while Canada went down 3 per cent. The investment growth will exceed the Canadian average in 1984. We are expecting to increase by 3.5; Canada expects to go down by 0.8.

Last year in 1983, Saskatchewan's unemployment rate was the lowest in the country at 7.4; Canada was 11.9. Again, you won't understand this — and I hate rubbing this one at you — but we had a lower rate of business failures than Canada did. Saskatchewan's business failure was 1.2 per cent, while Canada's business failure rate was 1.7. Manufacturing shipments were up 18.7 per cent in January.

And, I don't know, I suppose it all depends on how you want to read the different figures. These are all questions that you were asking last Friday, and I'd be prepared to go through the same line of questioning. It might be easier for me to just pull out *Hansard* and repeat my answers, but none the less, I'll try to make it interesting for you, and we'll go over it again.

Mr. Lingenfelter: — The one question that you didn't answer, Mr. Minister, was the nine and five-eighths promise that you made to the business community. The second one that you didn't answer was the 5 per cent sales tax that you, Mr. Minister, are responsible for in dealing with small-business people. What I would like to know is whether or not you have taken a proposal to cabinet, yourself personally, for the removal of the 5 per cent sales tax. Have you done that?

Hon. Mr. Klein: — Mr. Chairman, if what the member from Shaunavon says is true, I can imagine the reception he must have got at that client of his that was paying 19 per cent interest rate. What I have carried to cabinet is a new idea for Tourism, if you'd like to talk Tourism for a while. It's criminal how the past administration for the last decade simply didn't do a thing for Tourism, provide any form of incentive for Tourism at all, or, you know, just neglected the whole industry.

Now, if you get involved in tourism, do you know that for every million dollars that we take in in tourism, we create 33 jobs? I doubt that you understand that. And if you do understand that, then my question to you would be: why didn't you do something about the tourism business when you were in power? And I can tell you why you didn't. You didn't do anything about tourism then because tourism is simply a collection of small businesses; and being that you don't understand small business; you never cared about small business; you didn't have any ambition to help small business; how could you expect tourism to grow? And I suppose that that's a simple answer for you.

Mr. Lingenfelter: — Well, Mr. Minister, you've skated around the issue 10 different ways, trying to say that the sales tax is not an issue for small-business people, and I can tell you that while it's a burning issue in Shaunavon, and Maple Creek, and Kindersley, and places like that, and a very important issue in places like Quill Lakes, and northern communities, in Regina and Saskatoon . . . You may not think it's important to small-business people, but I want to tell you that every business person in Saskatchewan is concerned about the fact that you made a promise, Mr. Minister, on the sales tax, which you haven't fulfilled.

And I'll ask you again, because I'm going to keep asking you until you give me an answer: have you taken a proposal to cabinet to help out the small-business people in terms of the sales tax, and how have you made out with it? Have you got a warm reception from cabinet, or a cool one, and what are we to tell the business community on this issue?

That promise you made, along with the nine and five-eighths, got you a good number of small-business people's votes, as well it should. But I want to tell you that at the time of the next election, if you don't clear this up for us tonight, you're going to get a lot less. Now, how are you making out in getting rid of the 5 per cent sales tax? That's the question, and I'd like an answer.

Hon. Mr. Klein: — Mr. Chairman, I've been addressing that answer all night. You didn't listen before; you're not listening now. Will you pay attention, for crying out loud, or I'm going to be here telling you the same stuff over and over?

You never had the small-business votes in the first place, so don't worry about it, because you didn't lose anything. And you're never going to get them, because they recognize that your party is the last party in the world that they would ever vote for.

But I'll tell you, if there's anything in the small-business community that they want, they know that all they have to do is make the recommendations to us, and we will listen. They have brought forward a host of different avenues that they would like us to explore, and those are the avenues that we have taken. And certainly, as they express their concerns to us, we will advance those concerns to cabinet and deal with them accordingly. But I can assure you that there is no way that we will ever take the recommendation from your political party into account, because you never had any credibility with the small-business community before, and you certainly don't have any now.

Mr. Lingenfelter: — Well, Mr. Minister, I will ask you one more time about the 5 per cent sales tax, because I think it, along with the nine and five-eighths, are two important business promises you made. But there was one other promise you made that I want to remind you of.

In the April, 1982 election campaign you promised every small-business person that you would

reduce their income tax by 10 per cent. You promised that you would reduce their income tax by 10 per cent — personal income tax.

Now, I want to ask you, Mr. Minister, on the third important small-business promise, how are you making out in getting rid of that 10 per cent on the income tax? You have avoided constantly the nine and five-eighths question. You've avoided constantly, five or six times, the sales tax. I want to ask you the third question.

Tonight, there are three important questions for small-business people to know where your government is at. How are you making out in reducing the personal income tax of small-business people by 10 per cent, which you, Mr. Minister and Mr. Devine, and others in this group, promised at the time of the last election? How do you make out on no. 3 promise?

Hon. Mr. Klein: — Mr. Chairman, just excellent. We've started implementing the program now. We didn't stop at 10 per cent. Don't you watch the programs? We took off the Saskatchewan portion of income tax to all small manufacturers and food processing establishments. So that's a start. And you can sit there and laugh and call us a joke, but I ask you, sir, all the 10 years that you were there . . . We have implemented more programs in the last six months than you implemented in 10 years. And don't for one minute . . . (inaudible) . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Klein: — Don't for one minute even try to figure that the small-business community is going to figure that you're really on their side. You were a joke with them for 10 years, and with the questions that you're giving us now, you're even a bigger joke. And if there's anybody in small business on television-land watching, they've got to figure that you're the best comedy act since they watched their last one.

Mr. Lingenfelter: — Mr. Minister, if there's any joke in this Assembly tonight, it has to be you. Because I can tell you that those three promises made to the business community to get their votes were not looked at as a joke. The nine and five-eighths that you promised to get the business people to vote for you was not considered to be a joke. You may consider it to be now, now that you won their vote. The 5 per cent sales tax removal, which you promised, and got a good number of votes across Saskatchewan, was not thought of as a joke. It was thought of as people voting for a party they trusted at the time, and it wasn't a joke. It was thought of as people voting for a party they trusted at the time, and it wasn't a joke. The removal of the 10 per cent on their income tax was not considered to be a joke, either.

And, Mr. Minister, I want to say to you that you may be right. You may be right in the fact that the business people who voted for you last time will not, en masse, vote for the NDP as they have done in the past, but I'll give you a commitment and I'll predict that they will not vote for a government that has broken three major promises — broken — not saying that they're going to do it next year or the next year after. But you, Mr. Minister, tonight have said you're not going to do them.

And I want to say to you that the business community, while they may not vote for our party . . . I don't know how they'll vote, but I'll tell you, they will not vote for a Conservative Party who has taken them to the cleaners in the last election in terms of getting anything out of them and giving it to the oil companies. That the small-business people will understand: they will remember; and at the time of the next election, you, Mr. Minister, will suffer for those promises that you made and didn't keep.

Hon. Mr. Klein: — Mr. Chairman, one more time, the member from Shaunavon is putting words into my mouth, and I can't say what I'm thinking, but I'll change it. You know how they're going to vote next time. Don't kid yourself. You know — just get that clear in your head right now.

I didn't say that we weren't going to address those problems at all . . . (inaudible interjection) . . . I didn't, so don't say that I did. I did not say those. So that we'll deal with those things as they come up, and you know, I really find it unique, and you can't even keep a single line of thought going in your questioning, because you're preaching doom and gloom; you're saying how bad it is out there for small business, how lousy it is. Nobody's making money and you're worried about income tax. If they're not making money, they don't pay tax.

Item 1 agreed to.

Items 2 to 5 inclusive agreed to.

Item 6

Mr. Yew: — Thank you, Mr. Chairman. Under item 6 here, I have a question again with respect to the northern economic development, and a question I have for the Minister is this: I have a proposal here that was submitted to both the federal and provincial governments. It's referred to as the Saskatchewan Native Economic Development Foundation, and it's presented to both levels of government by the Association of Metis and Non-Status Indians, associations. I wonder if the minister, at this point in time, would like to state his department's policy or position with respect to this document.

Hon. Mr. Klein: — Mr. Chairman, I'd like to thank the member from Cumberland for his question. Unfortunately, we haven't received that submission yet. It was made to another department, but as soon as we have received it in our department, we will study it and deal with it accordingly.

Mr. Yew: — Would the minister confirm that the provincial government, although your department hasn't received a copy of this proposal, proposed program . . . Can the minister confirm, then, that the province has received it, although it hasn't gone to your department?

Hon. Mr. Klein: — Yes, Mr. Chairman, I understand that that's what is true, but I don't have a copy of it, so it's difficult to say whether it has been formally given to any other department as well, but I understand that that has occurred.

Mr. Yew: — And, Mr. Minister, the copy then would probably logically have went to the Indian and Native Affairs Secretariat. Am I correct?

Hon. Mr. Klein: — Yes, that's right.

Mr. Yew: — With respect to the position paper proposal submitted to your government, how soon does the minister expect to have a response to the Association of Metis and Non-Status Indians of Saskatchewan?

Hon. Mr. Klein: — Mr. Chairman, I understand that that very topic will be dealt with in the estimates of that department. So that I'm sure that at that time, you can get all of the questions that you have specifically replied to during that time, and we would still like to get a copy of this report for our use and see where we can take it.

Item 6 agreed to.

Items 7 to 11 inclusive agreed to.

Item 12

Mr. Yew: — Mr. Chairman, and Mr. Minister, I wonder if you may want to comment . . . I certainly would like to hear your rationale for the huge decrease in this particular budget here —

grants to local authorities and other third parties. That's direct grants to the communities. It's down from 1,424,700 — which is a cut of 85.96 per cent — down to 200,000. And the reaction I'm receiving from the communities back there is that you just absolutely cannot do any economic development programming with a mere \$200,000.

Hon. Mr. Klein: — Mr. Chairman, I can understand the member's concern. But I would like to advise him that when that program was transferred it was split up into three departments — Agriculture, Urban Affairs, and ours — and this represents our portion of that split.

Mr. Yew: — Okay. It's been broken down into three various departments, Mr. Minister. Can you elaborate as to what lump sum, or if you amalgamate those three budget allotments, can the minister advise the Assembly and myself, and the people out there, just what total budget allotment is with respect to this portion of the budget?

Hon. Mr. Klein: — Mr. Chairman, I don't believe that I can supply the total of the three departments. However, I can tell you that if you look further into our estimates, we have \$1 million available through the Special ARDA program for the North, coupled with the 200,000 to which you're referring to, for a total of 1.2 million, and the total in the past was only 1.4 million. So my department alone is only a couple of hundred thousand dollars short, and we know that Agriculture has some and Urban Affairs has some. So I don't know; I would just be speculating, but it could very well be over the total that was spent last year.

Item 12 agreed to.

Mr. Chairman: — Item 13 can't be called, because there's no legislation covering it, so therefore we'll move to item 14, but the department won't be able to be finished.

Items 14 to 22 inclusive agreed to.

Mr. Chairman: — It was moved by the member from Kindersley, seconded by the member from Meadow Lake . . . Order, order, order! There was an error in the *Estimates* in the *Supplementaries*, and was moved by the member from Kindersley, seconded by the member from Meadow Lake . . . The error to vote 24, Urban Affairs, moved by the member from Kindersley, seconded by the member from Meadow Lake:

That the following erratum which corrects Vote 24 of the 1983-84 *Supplementary Estimates*, which has been tabled in the Committee of Finance, be adopted.

Due to a clerical error, the following correction should be made: in the *Supplementary Estimates* of the Department of Urban Affairs, Vote 24, page 9, the description of Item 6 should read as follows:

To provide for the net expenditure (recovery) of (from) Northern Construction Revolving Fund (Statutory), subvote 14.

Motion agreed to.

SUPPLEMENTARY ESTIMATES

CONSOLIDATED FUND BUDGETARY EXPENDITURE

TOURISM AND SMALL BUSINESS

Ordinary Expenditure — Vote 45

Items 1 to 15 inclusive agreed to.

Item 16

Mr. Yew: — Mr. Chairman, Mr. Minister, I wonder if you may provide information with respect to no. 16, “To provide for a net expenditure (recovery) of the Northern Construction Revolving Fund,” an allotment there of \$2,800,000.

Hon. Mr. Klein: — Mr. Chairman, that’s simply a book entry, and it involves a pay back to the consolidated fund from the revolving fund losses of previous years, when it was administered through DNS. It’s just simply a bookkeeping entry.

Item 16 agreed to.

Vote 45 agreed to.

CONSOLIDATED FUND LOANS, ADVANCES AND INVESTMENTS

SASKATCHEWAN ECONOMIC DEVELOPMENT CORPORATION — Vote 148 — Statutory

Item 1

Mr. Koskie: — Mr. Minister, we have raised in the House the problem that surfaced in respect to Raymond Construction Ltd. and the contract in Saskatoon relative to a number of subcontractors, which held a press conference, as you are aware, and indicated that there was no payment, in fact, made to any of them.

I wonder if the minister could, in fact, give us an update in respect to whether the subcontractors have, in fact, received payment for their work — work progress payments.

Hon. Mr. Klein: — Mr. Chairman, that question doesn’t really have anything at all to do with the estimates at hand. It deals purely with Sedco, and if you would like to ask me that in question period that we have daily, I’d be glad to address it then, but I don’t think I have to deal with it now.

Mr. Koskie: — Mr. Chairman, I want to raise a point here for clarification. Throughout the estimates, when we refer to Sedco, it allows us to go into questions relating to the Saskatchewan Economic Development Corporation. And I’m rather surprised that the minister now is taking the position that he will not answer questions relating to it. It always has been, Mr. Chairman, the tradition of this House to be able to ask and address this questions in relation to this. And I like your ruling on it, because the minister feels that we are not entitled to ask questions.

Mr. Chairman: — The questions . . . Order. The questions are in order. The minister has the right to refuse to answer.

Mr. Koskie: — I would, therefore, address the question again to the minister. We have raised with you the problem that has surfaced in the city of Saskatoon with a contract, through Sedco, being performed by the main contractor, Raymond Construction Ltd., a company from British Columbia, and the problem that arose is that there was a very substantial amount of money paid to the main contractor and some 16 subcontractors had not, in fact, received any payment whatsoever. I’d like to ask the minister: could he give us a progress report in respect to whether the subcontractors have now, in fact, been paid?

Hon. Mr. Berntson: — I would recommend and ask that we hold the statutory vote at this time. It hasn’t been the practice of the House to . . . (inaudible interjections) . . . Oh, fall on your funny little head! It hasn’t been the practice of the House, Mr. Chairman, to deal with statutory votes, and I can give you a couple of citations, if you like. But the fact is the minister . . . (inaudible)

interjections) . . . Mr. Chairman, if you can call . . .

Mr. Chairman: — Order, order! The Deputy Premier has the floor.

Hon. Mr. Berntson: — Mr. Chairman, the fact is the minister doesn't have his Sedco officials here. It's improper to question the minister without his officials here. I move that we pull the statutory vote and move on to the next order of business.

Mr. Koskie: — I am very, very surprised that the Deputy Premier would stand up and ask to pull a statutory vote in respect of Sedco, because I, in fact, addressed the question to the minister. And the minister did not, in fact, raise any objection to answering the questions. Nor did the minister indicate to the House that he did not, in fact, have staff to provide answers.

Rather, it looks as though what we want to do is to get further information. And now the House Leader or the Deputy Premier is intervening and wanting to shut off the flow of information to this House. And I think that we should be prepared to go ahead, because the minister has offered no objection to answering these questions.

Hon. Mr. Andrew: — The long-standing tradition in the House has always been that the estimates are such that a minister comes in with the officials. The officials that minister has in the House today are Tourism and Small Business.

As everyone in this Assembly knows, Sedco is a Crown corporation made up of a board of directors, and a president, and various members from it. And in order to answer those questions, the minister obviously needs the officials in to go through that full detail. We also go through that full detail in the committee of Crown corporations.

It was ludicrous for the opposition to suggest somehow there was ever be anything different but that. In fact, not more than two to three days ago, when the same matter was here before Saskatchewan Power Corporation, the members opposite were requesting the officials from Saskatchewan Power Corporation to be there. No minister is expected to know every detail about his own department, or certainly about a Crown corporation.

I don't think we would be doing the estimates justice not to do them in front of, or while the officials from that given Crown corporation was present. That would be very foolish for us to do, and I don't think it's even worthy of the requests being made by the opposition.

Mr. Lingenfelter: — Mr. Chairman, I would like to make a point that it's interesting that everyone except the minister over there is not willing to allow him to answer the questions. What I would like to ask the minister, and have him put clearly on the record, that if he is the . . . (inaudible interjection) . . . Do I have the floor or has that man over there on his feet got the floor? . . . (inaudible interjection) . . . I'm speaking to the motion.

Mr. Chairman: — Order, order.

Hon. Mr. Andrew: — The point of order, Mr. Chairman, is that you cannot, when there's a motion before the floor, go back as if it was estimates and start asking the minister questions. You have to speak with regard to the motion.

Mr. Chairman: — The member from Shaunavon can speak to the motion.

Mr. Lingenfelter: — Thank you very much. In placing my words of remarks — short remarks — on the point of order, I will be phrasing some of it and asking questions, as speaking to any point of order you can.

I question, and I will put the question as to why the Deputy Premier and the Minister of Finance

are saying the minister doesn't have the officials here when the minister was willing to get on his feet and answer. And I will very clearly . . . The member from Quill Lakes and I will agree that minister should be allowed if he says he doesn't have his staff with him. He hasn't told us that.

And I don't think it's up to the Minister of Finance to come around and defend the ministers and tell them whether they have their staff or not. And if the minister wants to answer the questions, he doesn't need you to cover up and assist in muzzling the opposition. And I will put it to the minister, in part of the operation that if he says that he needs more staff, we will agree to it. But we won't agree with the Minister of Finance getting up to bail out a person, a minister who is in an embarrassing position. This simply isn't the way this Assembly has worked, and nor should it work. If the minister says he doesn't have the answers, about Raymond Construction in Saskatoon, then we'll agree to it to let him get his help here.

But I don't think it's appropriate that the Deputy Premier, or the Minister of Finance, should jump in and say the minister knows nothing about whether or not subcontractors have been paid in some sort of a deal in Saskatoon. That's not your role; that's the minister's role, and he will stand and tell us. And we will either agree or disagree with him. I think that's appropriate.

Hon. Mr. Berntson: — Mr. Speaker, Mr. Chairman . . .

An Hon. Member: — Why are you speaking a second time?

Hon. Mr. Berntson: — I may even speak three or four times, whatever it takes to get through to you guys. Obviously, normal penetration doesn't work with members opposite.

Mr. Chairman, at no time in this House has a minister ever been asked to defend his estimates, statutory or otherwise, without his officials.

Secondly, Mr. Speaker . . . (inaudible interjection) . . . Secondly, Mr. Speaker, Mr. Chairman, I believe, I believe the long-standing tradition has been to deal with Crown corporations' questions in the Crown Corporations Committee.

I think the members opposite, for any thinking person in Saskatchewan, Mr. Chairman . . . The members opposite are being totally unreasonable and wasting the time of this Assembly by even pursuing this debate. It makes absolutely no sense to anyone here to pursue this line of questioning without the officials.

Mr. Chairman, I have once moved, I have one moved that in order to get on with the business of this province, that the vote, the statutory vote on Sedco, be pulled, and brought back at a later date to be dealt with and that we get on with whatever it is, Culture and Youth, and Mr. Speaker, I would urge all members to support the motion. It seems quite reasonable to me.

CONSOLIDATED FUND LOANS, ADVANCES AND INVESTMENTS

TOURISM AND SMALL BUSINESS — Vote 167 — Statutory

Item 1 agreed to.

SUPPLEMENTARY ESTIMATES

CONSOLIDATED FUND LOANS, ADVANCES AND INVESTMENTS

TOURISM AND SMALL BUSINESS — Vote 67

Item 1

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, we're talking about item 1, \$27,000. Would the minister care to explain what the \$27,000 was for?

Hon. Mr. Klein: — Mr. Chairman, that's the estimated amount on the principle that was paid out for the three month period from January 1 to March 31, 1984.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, to whom were these loans and advances paid out pursuant to The Northern Saskatchewan Economic Development Act?

Hon. Mr. Klein: — Mr. Chairman, that was the estimate that we had drawn up for that time frame, and as a result of it being an estimate, there's no way in the world that you could attach any names or clientele to it.

Hon. Mr. Blakeney: — Let me take a small swing at this. This is for the period ended March 31, 1984. Now would you then . . . Not for 1985, but 1984. Could you tell me how close your estimates was to the facts, then, because it's all over? We're dealing with last year, and not the current year.

Hon. Mr. Klein: — Mr. Chairman, although we approved an awful lot more, the actual amount of dollars paid out during that period was 64,890.

Hon. Mr. Blakeney: — With respect to this 64,890, I'm not sure whether I understand what the minister is saying. Is he saying that there was a supplementary estimate of 27,000, which together with previous, the amount which was the regular estimates amounted to 64,000; or that the 27,000 was exceeded and 64,000 was in total paid out?

Hon. Mr. Klein: — Yes, Mr. Chairman, the 27,000 was exceeded and the 64,890 was paid out.

Hon. Mr. Blakeney: — Why then, Mr. Minister, under what, under what authority would that be paid out? It's not paid out under the regular estimates; it's not paid out under the supplementary estimates. Under what authority would you be paying out the difference between 27,000 and 64,000?

Hon. Mr. Klein: — Mr. Chairman, that was paid out under the authority of the northern economic development act that was transferred to us January 1st, 1984.

Hon. Mr. Blakeney: — Well, Mr. Chairman, and Mr. Minister, why did you bother showing the 27,000? If you say that it was all statutory and you don't need this vote, why do you bother putting in 27,000 if you're spending 64? What is the purpose of this sort of cosmetics with the accounts?

Hon. Mr. Klein: — Well, Mr. Chairman, when you're advancing loans, the practice is to estimate what's on the table before you, and that was an educated guess when we set up the 27,000, which we had to do in preparation for the blue book. But I guess some of our economic development plans must be taking place and there was more activity than we estimated. And as a result, we had to pay out more.

Hon. Mr. Blakeney: — Is the difference between 27,000 and 64,000 ever to appear in any estimate at any time? Or is this going to be spent, not subject to regular estimates, not subject to supplementary estimates?

Hon. Mr. Klein: — Mr. Chairman, it would have been a part of the original estimates for the Northern Economic Development Act.

Hon. Mr. Blakeney: — I'm going to have the minister go give me that once again. If it was part of the original estimate, why did you need a supplementary? You just told me you

overspent by 64, not 27.

Hon. Mr. Klein: — Mr. Chairman, it was — I guess it was originally set up under DNS, and then transferred through our subvote subsequent to that.

Hon. Mr. Blakeney: — Mr. Minister, you are here answering in the House for the money, and the transfers were doubtless explained to you or your staff by the staff of DNS. The minister of DNS is here and can clarify the matter if it needs clarification. But I'm frankly puzzled by the answers I've been getting. Either . . .

An Hon. Member: — That's not the only thing you're puzzled about.

Hon. Mr. Blakeney: — No, that's true. But I've been puzzled even more by the answers I'm not getting. But that has become all too characteristic. But I'll have a little try at 27,000. And . . . (inaudible interjection) . . . whatever I may say about the Minister of Tourism and Small Business, when it comes to answering questions, his answers are models of clarity and total disclosure compared with those of the member for Meadow Lake. I asked the minister whether he wishes to shed any further light on this?

Hon. Mr. Klein: — Mr. Chairman, this item is statutory, and as a result that means that any variation between the estimate and actual does not require further appropriation. And the procedure of setting that up in the subvote was the recommended procedure from the comptroller's office.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, you said that in effect earlier, or I suggested it, and therefore I ask: — what caused you to use this figure of 27,000? Obviously, it could have been five or 500,000. It has no relevance to the facts, as you freely admit. Was it something that the finance suggested as a balancing item? That they wished . . . that's the figure they wanted to use for cosmetic purposes? Or was there . . . or was there some other reason why you used 27,000?

Hon. Mr. Klein: — Mr. Chairman, \$27,000 at the time was the best estimate that we could put on the advances. And when you're dealing with loans and you're only out, you know, the little bit that we are, one loan is going to overcome that. And you know, either stay in business or you close it. I mean, you can't have your cake and eat it too. On one hand we get questioned for not doing it, and then on the other hand we get questioned because we did advance a loan.

Hon. Mr. Blakeney: — That 27 — 64 is fairly close to 27, you're only overspent by a couple of hundred per cent, and that may be fairly close in the minister's terms. And who am I to know whether that's close when it's stacked up against his other estimates.

With respect to 135,000, was that also an estimate of what you were going to take in as opposed to pay out? And how close was that to what actually occurred?

Hon. Mr. Klein: — Mr. Chairman, that's right; that was an estimate of what we were going to take in. We estimated 135,000, the actual was 124,687.

Hon. Mr. Blakeney: — Mr. Chairman, and Mr. Minister, I hope you'll pass on my congratulations to your official who made that estimate. Because obviously, whoever made it was somewhat more abreast of the facts than the person who made the estimate of 27,000. And I will leave the matter there.

CONSOLIDATED FUND BUDGETARY EXPENDITURE

CULTURE AND RECREATION

Ordinary Expenditure — Vote 7

Item 1

Mr. Chairman: — Would the Minister introduce his officials?

Hon. Mr. Folk: — Thank you, Mr. Chairman. Sitting at my left is the deputy minister, Mr. Bill Clarke; right here is, Keith Rogers, the assistance deputy minister for programs; and Dave Babiuk, assistant deputy minister for operations.

Mr. Shillington: — Thank you. Mr. Minister, I wonder if you begin by giving us the dates and destinations of any out-of-province trips which you made.

Hon. Mr. Folk: — Mr. Chairman, excuse me hon. member, was that for myself or for my staff?

Mr. Shillington: — I'm concerned with yourself, Mr. Minister.

Hon. Mr. Folk: — I'll send that information over in a minute.

Mr. Shillington: — All right, will you give us the . . . I gather there was such a trip then. Would you give us the cost of the trips, as well? Do you have that with you?

Hon. Mr. Folk: — Mr. Chairman, we'll be happy to send that over as well.

Mr. Shillington: — And would you give us the breakdown in terms of air fare, per diem allowance, and entertainment expenses.

Hon. Mr. Folk: — Mr. Chairman, we do not have the breakdown, but I'll be glad to send over the information he requested earlier.

Mr. Shillington: — Mr. Minister, you have the breakdown, you're just not prepared to give it to us. You have such information. I ask you, Mr. Minister, why you are not prepared to give us the breakdown. Is there something in your travels that you are ashamed of?

Hon. Mr. Folk: — Mr. Chairman, I will forward over the totals of the trips.

Mr. Shillington: — You're not answering my question. Why not give us the breakdown? You obviously have it.

Hon. Mr. Folk: — Mr. Chairman, I believe we went over that quite extensively a couple of weeks ago, and that's on the blues.

Mr. Shillington: — Well, I'm interested in your explanation, Mr. Minister. Why won't you give us the breakdown? You obviously have it.

Hon. Mr. Folk: — Mr. Chairman, I've offered to give the total cost of all my trips, and detail all my trips that I've had out of province.

Mr. Shillington: — When you said, "I will detail," were you telling me that you will give me the breakdown between air far, per diem, and . . .

Hon. Mr. Folk: — Mr. Chairman, I shall give to him my out-of-province trips, and who was with me, and the total cost of those trips.

Mr. Shillington: — Well, Mr. Minister, I want to complain about the secretive nature of this government. You people came into office talking about open government and, Mr. Minister,

you're now operating as secretly as any government ever has.

Mr. Minister, not only will you not give it to us, you won't even provide us with an explanation. And I suggest, Mr. Minister, that is the height of arrogance. If you're not prepared to give us the breakdown, you at least owe the House an explanation. To simply stand there and stonewall, and repeat, "I will not give you the information," and not tell us why, is, I suggest, being derelict in your duty to this Assembly.

Hon. Mr. Folk: — Mr. Chairman, I have offered to give the hon. member my out-of-province trips, and the total cost of them, and who was with me on those trips, and I believe that should be sufficient according to the conversation we had a few weeks earlier.

Mr. Shillington: — Mr. Minister, I would like to know how many heritage sites have been designated by the province and by the municipalities in the year '83-84.

Hon. Mr. Folk: — On provincial heritage designations there were two this year, bringing the total to 16. And on the municipal the total is now up to 216.

Mr. Shillington: — That was two-six-zero?

Hon. Mr. Folk: — Two-one-six.

Mr. Shillington: — Mr. Minister, I wonder if you would give me the . . . This need not be given orally. You may supply it in writing if you choose. I would appreciate it if you would give me the membership and remuneration paid to the members of the arts board. Wait till I find your organizational chart here; not coming to the fore very quickly.

I wonder if you would give me the membership, and the remuneration paid to members of the arts board, the Saskatchewan Heritage Advisory Board, Saskatchewan Centre of the Arts board, Saskatchewan Heritage Property Review Board, Saskatchewan Multicultural Advisory Council and the Western Development Museum Board.

Hon. Mr. Folk: — Mr. Chairman, I have before me all the members of those various boards. I do not have the remuneration paid for them for the last year, and I'll be happy to send these over, or I can read them over to you orally.

Mr. Shillington: — I think the Minister might as well send them over when you have the remuneration attached. I don't have any particular use for them right now. I just want them for information.

Mr. Minister, what revenue accrued to the trust fund from . . . Let me just back up one step. What was the total revenues from lotteries — the total income minus administrative expense? What was the total revenue from lotteries in the 1983-84 year?

Hon. Mr. Folk: — The gross revenue that came in for the '83-84 period to, I believe it was March 13th, was about seven and three-quarter million dollars.

Mr. Shillington: — And was all of that paid to the trust fund?

Hon. Mr. Folk: — Not all of that goes out under that. There is some that goes to the Western Development Museums, the provincial exhibition boards and in retailer commissions.

Mr. Shillington: — I gather, though, the policy of not taking any of that money into the provincial treasury has been maintained. Is that the substance of your answer?

Hon. Mr. Folk: — That is very correct, Mr. Chairman.

Mr. Shillington: — Mr. Minister, I could not, from your estimates, determine what you had budgeted for communications. I wonder if you could give me that, and then a further breakdown of that — what you have budgeted for advertising.

Hon. Mr. Folk: — Mr. Chairman, there's four staff, a total of \$128,661; and there's an awareness campaign for \$110,000 which includes posters, vignettes, newsletters, etc.

Mr. Shillington: — Did I understand that the \$128,000 was for staff and related services?

Hon. Mr. Folk: — Yes, that is for staff for personal services.

Mr. Shillington: — What was the nature of the awareness program?

Hon. Mr. Folk: — The public awareness campaign is to increase the public awareness of the value of the participation in the arts and multiculturalism, heritage resources, sport and recreation across the province.

Mr. Shillington: — And do I take it, Mr. Minister, that you had no other advertising programs budgeted? You budgeted for none others?

Hon. Mr. Folk: — There will be other moneys used for normal processes, such as advertising for positions, and information related to Government House, museum hours, etc.

Mr. Shillington: — Mr. Minister, could you give me a breakdown of the sums budgeted under subvote 12: grants in support of the arts, multiculturalism, heritage and museums? The sum is down by some \$200,000, and I'm wondering whose legs you've chopped off here.

Mr. Minister, I should say that I would appreciate comparative figures for the '82-83 year as well, so that I know what sums were spent, and whether they're up or down.

Hon. Mr. Folk: — Mr. Chairman, under that subvote in May of 1983, the department took reorganization, and there's funds that are being moved around to different divisions. Under this subvote there's such things as the provincial cultural organization development program, the cultural assistance program, the cultural hosting grant, the international cultural exchange, cultural resources, talent search, cultural festivals, heritage languages, language resources, confederation centre, ethnic studies, museum assistance, special cultural initiatives, immigrant settlement, and the resident artist program.

Mr. Shillington: — I was wondering, Mr. Minister, who's getting less money and how you divied it up? You have a couple of hundred thousand less spent . . . less budgeted. I'm wondering who you've short-changed, Mr. Minister?

Hon. Mr. Folk: — This area here . . . there's quite a few of the cultural organizations were dropped down in their total amount for grants, and a lot of the money went into the program development area.

Mr. Shillington: — Did you say it was the cultural organizations whose grants were reduced?

Hon. Mr. Folk: — Yes, the provincial cultural organizations and a lot of the municipal ones . . . What's happening is that they've reached a stage where the first lot of years for cultural and recreation went towards the development of the organization. And now what we're doing is taking some of that money from the development of the organizations and putting it towards more program oriented and resource oriented activities for them.

Mr. Shillington: — Well, Mr. Minister, I would ask you for a specific breakdown. I want to say as well that I don't accept what you just said, and that is that they have reached the point where they are not in need of your largess. I suspect that they have simply been cut. They have . . . you're not suggesting, by attaining some maturity, that they have gained some other source of revenue. Most of these organizations and institutions have no other source of revenue. It's not as if by gaining some maturity, they have obtained some other source of funding; I don't think that's accurate. I think they will simply accomplish less and get along on less.

And I suggest, Mr. Minister, that you have chosen to cut these groups, and it is unfortunate that you should do so. These groups are groups that are close to the public of Saskatchewan, provide a service efficiently, and provide a service that I think the public want. And I want to complain, Mr. Minister, and do so publicly, when you cut the grants to these groups.

Hon. Mr. Folk: — Mr. Chairman, as I explained before, there's a change in the emphasis, and the hon. member made mention to what a valuable contribution they make all across our province, and I certainly couldn't agree more.

But rather than putting in money towards building up their organization as such, they've been given money towards their events and their resource materials, etc., to help them help themselves, kind of, you know, bring in more volunteers to spread the word. And some of the programs that are instituted for this year are: the cultural hosting grant; the international culture exchange; cultural resources; language resources; and the special cultural initiatives, as well as the expansion of the resident artists' program.

Mr. Shillington: — Well, Mr. Minister, do I take it that I have your undertaking that you will provide me with a breakdown of the figures for this year, and comparative figures for last year where the same are available?

Hon. Mr. Folk: — I'll be happy to provide that, Mr. Chairman.

Mr. Shillington: — What moneys were provided to Indian and native cultural programs, what moneys were budgeted. Can you give me two figures: what moneys were expended last year, and what moneys are budgeted for next year under this item?

Hon. Mr. Folk: — Mr. Chairman, on the Back to Batoche Program, there was \$20,000 last year, and there's \$20,000 for this year.

Mr. Shillington: — Well, there's been a sharp reduction in funding if that's all you've got budgeted. In the 1982-83 annual report, it says:

Grants totalling \$206,020 were provided to the Federation of Saskatchewan Indians, the Wheta Matowin Corporation (I may be mispronouncing that) and the Association of Metis and Non-Status Indians of Saskatchewan.

Are you saying that you had \$206,000 allotted and spent in '82-83 and only \$20,000 this year?

Hon. Mr. Folk: — Mr. Chairman, the Federation of Saskatchewan Indians last year were budgeted for \$60,000. And they made no application for that last year, and for the Wheta Matowin was not included in last year's budget.

Mr. Shillington: — What you're saying is that you've cut funding very substantially to the Indian and native cultural programs. And once again it's another example, Mr. Minister, of cutting the funding to those who need it most. I can think of other groups in here, while the activities are no doubt worthy, who probably don't need the money as badly as the Indian and native people. And I think, Mr. Minister, it's very unfortunate if you've chosen this area to chop, and I gather you have. You've reduced the funding in this area to about one-tenth of what it was.

And I say, Mr. Minister, that's most unfortunate, but it is part of a pattern that this government has established, of cutting funding and cutting the funding of those who need it most. You can go through, you can go through the estimates or through the department's budget, just tick off those who need help the most, and those are generally the groups which have been cut, because they also happen to be the groups who are least able to protest, and are least effective in complaining.

I want to complain about this item, Mr. Minister, as I have about so many other cuts in your government's budget, cuts to those who need it most because they're also the groups who are least able to effectively protest.

Hon. Mr. Folk: — Mr. Chairman, as I mentioned earlier, there were a couple of programs that were cut out completely, but that is not to say that any Indian band or federation cannot apply for any grants that are in the mainstream of the whole province. So, therefore, we take it away from special votes and going into the whole province's programs, and they're more than welcome to apply for those.

Mr. Shillington: — Well, Mr. Minister, I grant you that, but the philosophy behind these programs was that Indian and native peoples need special help and special programs. And I am sorry that philosophy is being abandoned by this government, because we are not going to move very close to a solution to the problems being faced by Indian and native people so long as we continue to treat them like everyone else. They are not. I think it was Mr. Justice Oliver Wendell Holmes who said that to treat equal people unequally is, in itself, a kind of discrimination.

Mr. Minister, what funds were spent in '83-84 for immigrant settlement support, and what funds were budgeted for '84-85?

Hon. Mr. Folk: — Mr. Chairman, in 1983-84 the amount budgeted was \$72,000, and this year, '84-85, it was \$62,000.

Mr. Shillington: — Mr. Minister, I am getting so much assistance from both sides of the House that I simply couldn't hear the figures you read out. You're either going to have to yell, or ask the chairman for some assistance.

Hon. Mr. Folk: — For the benefit of the member opposite, last year was 72,000. This year it's 62,000.

Mr. Shillington: — Why the reduction in funding, Mr. Minister? Again, it's part of the same pattern, immigrants, people who need the help the most, are getting less help. And those who need more assistance . . . Those who need the assistance less are getting it a lot more.

Hon. Mr. Folk: — Mr. Chairman, the reason it's \$62,000 this year is that what was the draw down on last year's 72,000. Last year they only drew down 62,000, so therefore we budgeted that for this year.

Mr. Shillington: — Mr. Minister, are you saying that there was only 62,000 expended in 19 . . . Well, perhaps the minister . . . I thought this was a grant which was paid out to the group. Or is it something other than that?

Hon. Mr. Folk: — Mr. Chairman, the main recipients of that grant are the organizations in Saskatoon, Regina, and Yorkton, and it's paid out under an agreement. And last year they only came to the \$62,000.

Mr. Shillington: — Mr. Minister, your annual report reports that in 1982-83 fiscal year there

were 22,000 visitors to Government House. I wonder, Mr. Minister, if you could give us comparative figures for 1983-84?

Hon. Mr. Folk: — The figures that we have here are for 1982-83, was 21,583; and for 1983-84 was 20,659. And I have a further breakdown, if you wish, through school tours, students, visitors, and functions, if you wish.

Mr. Shillington: — Mr. Minister, there were apparently . . . Page 16 of your annual report reports on an inventory of historic resources. Apparently in '82-83 approximately 1,000 sites were recorded. Was this program continued in '83-84? Is it planned to continue through '84-85, and, if so, what level of activity do you expect? And what level of activity took place in '83-84?

Hon. Mr. Folk: — Mr. Chairman, that program is certainly continuing, and even though I don't have the exact figures, the program will continue for '84-85. And there is well over 100,000 sites still going.

Mr. Shillington: — Mr. Minister, what grants were given out under the heritage conservation and rehabilitation program? Again, I'm following up from your annual report. There were \$232,000 apparently spent in '82-83. I'd like comparative figures for '83-84, and what you budgeted for '84-85.

Hon. Mr. Folk: — Mr. Chairman, the amount expended last year was \$232,000 and the amount budgeted for for '84-85 was also the same, \$232,000. If you want the breakdown of all of them, we can send that over to you.

Mr. Shillington: — I'd appreciate it if you'd do that, Mr. Minister. I don't need that tonight, but I'd appreciate it if you'd do it in due course.

We are a fair ways from wrapping it up. Mr. Minister, with respect to grants, under the Integrative Recreation for Disabled Persons, again I'm just trying to update our information here. We had \$39,075, I gather, budgeted for '82-83. I'd like to know what was spent in '83-84 and what is budgeted for '84-85.

Hon. Mr. Folk: — Mr. Chairman, under the Integrative Recreation Grant for '83-84 was budgeted for \$62,490. The draw down for 1983-84 was \$40,000 and the amount budgeted for, for this year, if the member for Shaunavon will let me continue, is \$50,000 for this year.

Mr. Shillington: — Regional services division, the figure apparently expended in '82-83 was \$1,073,866. Could you give me the figure, what was actually spent in '83-84, and what is budgeted for '84-85?

The committee reported progress.

The Assembly adjourned at 10 p.m.