

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

April 16, 1985

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

READING AND RECEIVING PETITIONS

CLERK: — According to order, I hereby lay on the Table the following petitions, and under Rule 11(7) find the petitions to be in order for reading and receiving:

Of Beth Jacob Synagogue of the city of Regina, in the province of Saskatchewan, praying for an Act to amend their Act of Incorporation;

Of Ted C. Zarzeczny, Jr., and Norman C. Bradshaw, both of the city of Regina, in the province of Saskatchewan, praying for an Act to amend their Ordinance to incorporate the Assiniboia Club;

Of Reverend Jim Church, Richard Quiring, and Reverend Richard Grabke, all of the city of Regina in the province of Saskatchewan, praying for an Act of Incorporation to establish The Saskatchewan Baptist Association Act;

Of Thomas Payne, of the city of Edmonton, in the province of Alberta, and Ralph Garrett, of the city of Calgary, in the province of Alberta, praying for an Act to incorporate to establish the Central Western Railway (Saskatchewan) Corporation.

INTRODUCTION OF GUESTS

MRS. BACON: — Thank you, Mr. Speaker. I wish to introduce to you, and through you to the members of this Chamber, a group of students from Haultain Elementary School in Saskatoon Nutana. They are the grade 7 and 8 class, and they are seated in the west gallery.

I will be meeting with them at 3 o'clock for pictures, and we'll go for a question period, and I would ask all members to join with me in welcoming them here.

HON. MEMBERS: Hear, hear!

ORAL QUESTIONS

Resignation of Member for Regina North East

MR. KOSKIE: — Thank you, Mr. Speaker. I'd like to address a question to the Premier. There has been some concern, Mr. Premier, in regards to the sudden and unexpected resignation of the member from Regina North East, and I was wondering whether you can explain to the people of Saskatchewan, and to the constituents of north east in the city of Regina, the reasons for the member's rather sudden and quick resignation.

HON. MR. DEVINE: — Mr. Speaker, I believe that it's . . . The hon. member knows that the member for the legislature for Regina North East held a news conference, and he said that he had made the decision to choose between sitting as a member of the Legislative Assembly or to pursue some new opportunities in the private sector. He said he didn't have time for both.

He made the decision after long and careful consideration. He talked to me about it, and he decided he was going to pursue these opportunities, and made his decision and announced it to the public.

MR. KOSKIE: — A supplemental, Mr. Speaker. I'd like to ask the Premier: can you give your unequivocal assurance to this House and to the people of the constituency of north east that there were no other circumstances, reasons, or any wrongdoing which precipitated the quick departure of the member of north east?

HON. MR. DEVINE: — Mr. Speaker, to my knowledge, that is the only reason that the member decided to do what he was going to do and pursue it in the private sector. To my knowledge, that's the entire reason. He told me that was the entire reason. He had thought about it for some time, in fact since he entered into politics, and that's why he did it.

MR. KOSKIE: — A further supplemental, Mr. Speaker. I'd like to ask the Premier: did you at any time ask for the member's resignation?

HON. MR. DEVINE: — Mr. Speaker, I did not ask for his resignation.

Conflict of Interest — North West Travel

MR. KOSKIE: — New question, Mr. Speaker. My question is to the Premier, and my question, Mr. premier, deals with the former member of the legislature for Regina North East.

I have here three documents which have been filed with the Legislative Assembly Office, and these documents show that Mr. Sutor's travel agency, North West Travel, handled \$355,000 worth of government travel business in less than two years. That's \$355,000 of government travel business.

I want to indicate, Mr. premier, that Mr. Sutor is the sole director and shareholder of a numbered company, 561417, Saskatchewan Ltd., which owns the trade name of North West Travel. So I ask the Premier: do you not see that kind of arrangement as a conflict of interest, and did you ever take any precautions of having it checked with legal counsel in order to determine whether it was a total conflict of interest?

HON. MR. DEVINE: — Mr. Speaker, every MLA fills out their conflict of interest papers. The member from Regina North East did. I believe his travel agency has been in operation for some time, in fact, even before he was a member of the legislature. It continued to operate as he was a member of the legislature, and it was looked at, it was reviewed, it was public knowledge. As far as I know, everything that he did with respect to the operations of his travel agency was well known to the members of the legislature.

MR. KOSKIE: — Supplemental. Has the Premier, since he says he has checked it out, are you aware that this company was founded, registered in March of '82? And all of the subsequent business of '83, '84, and '85 — obviously the forerunner to this company could not have been doing a tremendous amount of previous government business. And what I'm saying here is here you have a cover-up, what you're doing is covering up for one of your . . .

MR. SPEAKER: — Order, please. Order. Order, please. It's impossible for anyone to hear what the question is with the amount of shouting that's being done, and I would ask for order while the member proposed his question. And you'll have to propose it again because you couldn't be heard.

MR. KOSKIE: — Thank you, Mr. Speaker. I know I'm hitting a nerve here, and that's the cause for all of the turmoil. But I want to indicate to the Premier that the company was founded in March of '82.

Does the Premier prescribe to the fact that a member of his caucus who has certainly communication with cabinet ministers and with yourself, influence, can, in fact, receive a

mammoth amount of business which isn't, in fact, tendered? Was this work, in fact, tendered?

HON. MR. DEVINE: — Mr. Speaker, the system that we have in the legislature prevents any abuse because it's registered. We have the individuals put down what interest they have, the things that they invest in, the kinds of operations that you would expect to see — the legislature can be made aware of it — and it hasn't changed before. The individual registered a company in March of '82. For all I know he bought that company in '82, or he set up a company in '82. They've been in the travel business for years if I recall it right. And all those operations carried on the same as they did before of '82, the same as they did after '82. So I don't see the problem that the individual raises.

MR. KOSKIE: — Well, supplemental, Mr. Speaker, my final supplemental. Just for the record, Mr. Premier, are you indicating that the policy of your government is that any member of your government, of your caucus, or of your cabinet, I suppose, can buy a company and can continue in an influential position to continue to reap the benefits of government contracts. Is that the enunciation of your policy?

HON. MR. DEVINE: — Mr. Speaker, the rules of the Legislative Assembly haven't changed at all with respect to conflict of interest. They've been there for years. They are still dealt with as they were years ago. There are precisely the same operations there; people file the information so that they know exactly what they can do and what they can't do. In Mr. Sutor's case, he filed the information. Everybody knew exactly what the rules were. He obliged and lived by the rules. And so there's been no change at all since 1982, or 1979, or 1976, or any other period.

HON. MR. BLAKENEY: — Mr. Premier, are you telling us that simply because the law may permit it (and I don't concede that), but simply because the law may permit it, you would think it proper for a member of your caucus to do business with the Government of Saskatchewan through a company wholly owned by that member of the caucus where such business was not awarded by tender or any other public mode?

HON. MR. DEVINE: — Mr. Speaker, the airline companies in the province of Saskatchewan deal with all the various travel agencies. They've been in power; they've been there for years and years; they deal with the travel agencies. I can't prevent Air Canada from going to this travel agency, or that travel agency, or several others.

Mr. Speaker, the laws with respect to conflict are there. The individuals comply with those laws. The airline companies go and pick the travel agencies they want to deal with, and they will, Mr. Speaker, and they do.

MR. SPEAKER: — Order, please. Order.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. Are you telling me, Mr. Premier, that you see nothing irregular in a member of your caucus doing business with your government through a company wholly owned by that member, where the business is not awarded by tender, whether or not it is airline business? Do you suggest that that is proper?

HON. MR. DEVINE: — Mr. Speaker, I can think of situations where individuals might have been a member of the legislature and might have sold cattle to the provincial government that ended up in Bulgaria. As an example, where somebody says, yes, I'm a farmer, and yes, I have cattle, and yes, I have four breeding stock, and yes, we've got a campaign going on to sell cattle to somebody else. All right.

If that's the case, Mr. Speaker, if that's the case, Mr. Speaker, then the individual has registered the fact that he has a farm, that he has breeding cattle. The individual member can register the fact that yes, he has a travel agency, and yes, airlines go to travel agencies to do their business, and yes, when we sell cattle to some place else we may actually take grain to Ethiopia that

belongs to members of this legislature, but it is listed there that that's what they do for a living, that's what they do for a living.

Individuals can contribute as well as anybody else in this province, Mr. Speaker, and so they should. It's registered so it can be clear. In this case there was no conflict. As far as I can see there was no conflict. It wasn't raised before, and individuals knew that the member was involved in a travel agency. I didn't hear anything earlier. They've been there for years and years and years, and they know the travel agency's there, and the individual member was associated with a travel agency. And when the individual quits they said, well, there must have been something wrong.

Well it's the same as it was when he was here, and now he's decided to do something in the private sector. So, I mean he made it public, Mr. Speaker. Ranchers made it public, everybody else makes it public.

MR. SPEAKER: — Order, please. Members are going to have to control themselves a bit. We just can't carry on business with this much noise.

HON. MR. BLAKENEY: — Mr. Speaker, supplementary. Do you then, Mr. Premier, and I gather from your explanation — I ask you to confirm it — would see nothing irregular about a member of your cabinet selling, let us say, livestock to the government where there were no tenders or no other mode of purchase except private contract; you would see nothing irregular about a member of your cabinet selling such livestock to the government? Is that what you're telling me?

HON. MR. DEVINE: — Mr. Speaker, what I'm saying to the hon. member is that rules have been laid out in the legislature, and the hon. member is probably as familiar with them as anybody in the House. People live by those rules. Now those rules apply to cabinet members, members of the legislature, and other people. As far as I can recall, and for any reason that I can think of — and I can't think of any today — the rules are complied with, with everybody that I know. If they're not, we'll deal with them.

In this particular case, as far as I know they were complied with. And if they weren't, I'll be glad to go find out if they were, or if there are any irregularities that you may see, or think that you saw. But the rules are laid. Everybody knows what your business was when you came into this business. They know what the business is now, and as I said to the hon. member from Quill Lakes, I saw no reason to ask for this gentleman's resignation. None whatsoever. In fact, I encouraged him to stay. But he decided he wanted to do something else, and so he finally made the decision.

With respect to the by-election, as I said yesterday, you'll just have to trust me.

HON. MR. BLAKENEY: — Mr. Speaker, a further supplementary just so I am perfectly clear. Mr. Premier, I ask you this question: would you see nothing irregular in this transaction if all things had been the same, except that the owner, the sole owner of that numbered company that owns North West Travel was not a back-bencher, but a member of your cabinet? Would you still agree that that was proper?

HON. MR. DEVINE: — Mr. Speaker, obviously cabinet ministers in the rules have unique powers and access to information that other members don't. That's why you have Executive Council, and it means that. And the rules and regulations laid down for cabinet ministers are more stringent, looked on with more care and attention than other members of the legislature. And I'm sure the hon. member knows it.

It may be the same rules, but in Executive Council there are special privileges, as the hon. member knows, and people are expected to show as much respect as possible with respect to their responsibilities and the kinds of things that they do for the people of the province of Saskatchewan.

HON. MR. BLAKENEY: — Mr. Speaker, one final supplementary. Was any of this business done while the former member for North East was the legislative secretary, and therefore part of the executive arm of government?

HON. MR. DEVINE: — Mr. Speaker, the member from Regina North East was a legislative secretary for some time. Exactly when airlines would go and do business with that particular travel agency — on what date, and what period, prior to or after March, or in '82, or others — don't have that information.

Present PC MLAs Doing Business with Government

MR. LINGENFELTER: — New question to the Premier. Mr. Premier, I wonder if you could inform the Assembly . . . You have stated now that the policy of your government is to allow members of your caucus, maybe of cabinet, to do business with your government, and I might say to you as well, sir, that this is a new era in Saskatchewan. It has not been done before. Can you tell us how many members of your caucus are presently doing business for the government at the same time as they are collecting wages and salaries as MLAs from the people of this province?

HON. MR. DEVINE: — Mr. Speaker, I couldn't hear the question.

MR. LINGENFELTER: — Mr. Premier, I want to ask you a very simple question, and it has to do with the number of your members who are presently doing business or have contracts with your government. Could you give us today a list of the back-benchers or cabinet ministers who are presently doing business with your government?

HON. MR. DEVINE: — As well, Mr. Speaker, I don't have that information. But I'd like to add, I don't believe in the province of Saskatchewan the hon. members can sit there and say that nobody in Saskatchewan that has been a member of the legislature — is or has been a member of the legislature — has ever done any business with the Government of Saskatchewan. Now I don't believe that that's the case. I believe people that are members of the legislature that farm, that have small businesses, that do lots of things, actually do business with government. They do, and I believe they did for years in the province of Saskatchewan, and some may do now.

So if, Mr. Speaker, the hon. member wants me to go back and check, if he wants me to go back and check the history of Saskatchewan of MLAs that actually had something to do with the government, including today, I'd be glad to be back and check and find out MLAs or their families or anybody else that had anything possible to do with the legislature.

MR. LINGENFELTER: — Supplementary to the Premier, Mr. Premier, I wonder if you could comment on a contract that was given to another member of your caucus, a contract that was awarded last September by Sedco to Hodgins Auctioneers Incorporated, a company owned and operated by the member from Melfort. Can you tell us something about that contract that was given out?

HON. MR. DEVINE: — Mr. Speaker, the hon. member knows the rules. All right? The rules have been in place for some time. Are you . . . (inaudible interjection) . . .

MR. SPEAKER: — Order, please. Order, please. Give the minister an opportunity to answer.

HON. MR. DEVINE: — Mr. Speaker, if the hon. member is asking me under what conditions that a member of the legislature can participate in government operations because of tenders or because of the size of the contract or some other things, I'm quite prepared to get the rules and regulations and bring them in here and read them so that they can see them. Now I'm sure that the hon. member knows a good number of them. He probably doesn't know them all off by heart, nor do I, but I'm prepared to go through them. I mean, we've all designed them together, gone through them, compared them to other jurisdictions, and then we signed them and say,

these are the rules. So with respect to any of them that you might want to mention in this room that exist today, or any others, we can go back into them and we can look at them and say, were they tendered? Were they done properly? Were they reasonable? Or whatever.

MR. LINGENFELTER: — New question to the Premier. Mr. Premier, you will know that while your members of your caucus in Ottawa were in opposition, if something like this would have come up with the Trudeau government, you would have been the first to demand the resignation of the member who got money and contracts from that government. What I have here is a contract that Sedco awarded to the member I mentioned, to liquidate the assets of a steel fabricating company in Swift Current. The total proceeds of that sale were \$50,000. The member's company claimed a commission of \$6,755, and what I'm asking you, sir, is whether or not you condone where a member, who has inside information sitting around a caucus table, can tender, apply to get a contract and get it and get taxpayers' money at the same time as he is a sitting member.

HON. MR. DEVINE: — Mr. Speaker, if it is in the rules that the government of the day can tender contracts to members of the legislature as well as other people in the public, if that's in the rules today, then I suspect it's been there for some time. I believe that it's probably maybe been there for 10 years or 20 years that you can compete in a tender. And if somebody has an auction business, and there is going to be some activity by the government, and there are tenders out, can individuals compete? Well, I suspect in the rules that they can compete. And if they can compete, I mean then that's quite within the rules that we've set up for themselves.

I, again, I'll go back and look at the rules and we can examine the operations, and we can look at them in the past. We can look at them today and find out how it operates. If you think that we should be changing the rules, well, fair enough. Let's look at changing the rules.

MR. SHILLINGTON: — Mr. Premier, will you admit the obvious that there are written rules and that there are unwritten rules, and the written rules state that no person, no member shall directly do business with the government, and that the unwritten rules are that nobody shall do it indirectly through a company. And will you admit that you have changed those rules so that now elected members of this Assembly may do business with the government as long as they do it through a private company?

HON. MR. DEVINE: — No, Mr. Speaker, the rules have not changed.

MR. SHILLINGTON: — Mr. Premier, would you explain for members of this caucus, and for the public, what is the difference between a member directly doing business with the government, which is prohibited by The Legislative Assembly Act, and doing it indirectly through a wholly owned company? In moral or appropriate terms, what is the difference?

HON. MR. DEVINE: — Mr. Speaker, I'll be glad to get the rules. I don't have the rules with me, and we can go through how individuals can participate in what's going on in the government, and we'll go through them. I don't have them with me. You brought it up. If you'd told me that you wanted the rules, I would have had them here, and we could look at them, and we could review them. And we can review the operations today, and we'll certainly review the operations going back for as long as we've had those rules.

MR. SHILLINGTON: — New question. Mr. Premier, the federal Conservative party, with which you like to associate yourself, kicked up a great hullabaloo when a Mr. Gillespie left the federal cabinet and then did business with the government. Why? Because you said there was improper influence. I suggest, Mr. Premier, that it is also improper influence when a member of your caucus takes a contract . . .

MR. SPEAKER: — Order please. The member is not seeking information, but giving information.

If you have a question . . .

MR. SHILLINGTON: — Would you not agree it is improper for members of your caucus, who have that the influence the general public do not, to take for themselves contracts which are not awarded on any competitive basis?

HON. MR. DEVINE: — Mr. Speaker, again I'll go back to . . . The individuals or the members of the Legislative Assembly have worked together to set out the rules of how you can participate in the government. And we've known members, and we still know members, or people that have been members, that have participated in government under certain restrictions, and that's why we set the rules up that way. So if we want to change the rules, we want to modify them, well we'd be glad to look at that. I mean, you just raise it.

So I'll be glad to look at the rules. We can examine them. We can see how you can tender. We can see how you can operate; how your family can operate an SGI agency; how somebody can operate an auctioneer; whether an individual member's spouse can be involved in what, at arm's length, and how close, and so forth.

I mean, you've been through these kinds of things yourself, so that you know that you say you have an MLA, then you have the MLA's spouse, then you have the MLA's family, then you have the MLA's business. Right? And where do you draw the lines, and how do you protect the public?

Well, those rules are open for you and I to review, and I'd be glad to review them. I've offered that, and I'll bring the rules forward, and we can look through them.

MR. SHILLINGTON: — Mr. Premier, will you concede that there is a difference between an MLA purchasing a service from the government, such as a telephone, at the same rates and the same conditions as everyone else, and a member enriching himself to the tune of some tens of thousands of dollars by a contract which is private and which is not available to the general public?

Will you concede that there's quite a difference between getting a telephone and getting a contract to provide travel services for the government?

HON. MR. DEVINE: — Mr. Speaker, I'll say two things. One, to the best of my knowledge the rules are complied with. Secondly, if there are various kinds, and there are, various dimensions of how you participate with the government, it can be complicated because of a spouse or a family or a business or other people involved with it. It's not . . . You know yourself it's not that simple.

So that's why we spent a lot of time on the rules, and you sign all of these things and say this is what you're involved in, here's the activities you have in the farm, here are the activities you have in insurance, here's the activities you have in your auction sale, here are the rest of them.

And here are the brothers and sisters or whatever else that you might have involved with it. All right. And their families. And their families. Because I mention families because we have known, obviously there are an awful lot of people — congratulations to the hon. member for the increase in his family — that we do have families. Okay? And they are closely associated with members of the legislation. So the rules have to apply somewhere there as well.

So, Mr. Speaker, my hon. friend knows that that's somewhat complicated, but to the best of my knowledge those are followed and have been adhered to. And if we want to change them, let's look at them.

MINISTERIAL STATEMENTS

School Construction Budget

HON. MRS. SMITH: — Thank you, Mr. Speaker. I am pleased today to rise to share some of the details on the government's '85-86 school construction budget. At the same time I would be more than pleased to send a copy over to the opposition.

Mr. Speaker, the construction and financing of school facilities is a responsibility that our Government of Saskatchewan shares with school boards and the people of this province. On the average in this province, 25 per cent of the costs are paid through direct provincial grants.

Boards of education are responsible for a down payment, which averages approximately 10 per cent. And the remaining 65 per cent is covered through debenture borrowing by the school divisions.

In total, Mr. Speaker, the government of Saskatchewan picks up an average of 90 per cent of the total cost for school construction in this province. In 1985-86, I am pleased to announce this government has approved 39 major school construction projects.

SOME HON. MEMBERS: Hear, hear!

HON. MRS. SMITH: — The direct provincial grant commitment is \$11.7 million.

MR. SPEAKER: — Order, please. It's impossible to hear what the minister is saying, and I would ask for decorum in the Chamber.

HON. MRS. SMITH: — The direct provincial grant commitment is \$11.7 million. The total estimated construction costs are \$40 million.

As I said earlier, Mr. Speaker, in addition to direct capital grants from the province, this government pays school divisions for the cost incurred through the debenture borrowing.

Details of the approved projects are as follows, Mr. Speaker. Four new schools have been approved: a project for Humboldt Rural School Division to replace St. Gregor School with a new kindergarten to grade 8; a project for Buffalo Plains School Division to replace two existing cottage schools; a project for Lloydminster School Division to provide a new kindergarten to grade 6 facility — this project, Mr. Speaker, will be cost shared with the government of Alberta; and a project for Prince Albert Separate School Division to provide a new kindergarten to grade 9 school.

In addition, Mr. Speaker, we have two major projects for Pelican Narrows and Wollaston Lake schools in the Northern Lights School Division.

SOME HON. MEMBERS: Hear, hear!

HON. MRS. SMITH: — These schools, Mr. Speaker, will be cost shared by the government of Saskatchewan and the government of Canada.

Major additions have also been approved for projects in six school divisions: Battleford School Division is to replace an old section of the Battlefords Central Elementary School; a project for Saskatoon Separate School Division; a project for the Regina Public School Division to provide relocatable classrooms to six elementary schools; and a project for Moose Jaw School Division to add a classroom to St. Margaret School. We have a project for Battle River School Division for a project to link the elementary and the high schools in Maidstone. We have a project for Parkland School Division in Shellbrook.

Another 21 schools, Mr. Speaker, will receive renovations and additions under the '85-86 school construction program. And the list is as follows: Fillmore School in Weyburn; Climax School in

Eastend; Sidney Street School in Maple Creek; Neville School in the Swift Current Rural School Division; Sturgis School in the Sturgis School Division; Plenty Elementary and North West Central School in the Rosetown School Division; Wadena Elementary School; Macdowall Elementary School in the Prince Albert Rural School Division; Shell School in Long Lake School Division, and Marsden School in Battle River School Division; North Battleford's John Paul II Collegiate in North Battleford School Division; Biggar, St. Gabriel School; Westberry Elementary School in Kindersley; Shellbrook School in Parkland; Francis School in Regina East; Cupar School in Cupar School Division; the Naicam School in Tiger Lily; Bethune School in Buffalo Plains; the Clavet School in Saskatoon East. And Mr. Speaker, I am pleased to inform our hon. members from the North, two more projects: one for Timber Bay in the Northern Lights School Division and, for a change, La Ronge is going to see their gymnasium for over 400 children at the Pre Cam Elementary School in La Ronge.

SOME HON. MEMBERS: Hear, hear!

HON. MRS. SMITH: — Mr. Speaker, I have six more projects to mention to complete the list for '85-86. Renovations have been approved for: Rocanville School in Moosomin; Hudson Bay Composite School in the Hudson Bay School Division; St. George Separate School in the Wilkie School Division; St. Augustine School in Regina Separate School Division; and Gray School in the Gray School Division. We also have, Mr. Speaker, Sacred Heart School in Regina Separate School Division, and this is phase two of the renovations that were begun last year.

At this time, Mr. Speaker, I'm sure that the members will join me in wishing the best to the school boards on their capital projects for '85-86.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — Thank you, Mr. Speaker. I would like to make a few comments in respect to the minister's statement. I think it's clearly a question, here, of credibility of this government.

We have heard promises — promises, repeating of projects — on three occasions, repeated in budget after budget. And here the minister stands up again and says, approval.

And when you take a look, Mr. Speaker, at the amount of capital money which is to be spent this year and compare it to last year, a very clear message comes forward.

Last year in 1984, \$12,276,000 was allocated for capital money and expenditures. She stands up and says that there is a great thrust of development this year. And do you know what she has as the figure for 1985 in capital construction? It's down to \$11,676,000 — less than last year, Mr. Speaker. And she stands up here and tries to deceive the people of Saskatchewan yet again. And I want to say that what we have here is more smoke-screens and mirrors — deception. And the credibility is just not present in this government.

Last year, over \$12 million, this year 11 million. Those figures speak for themselves.

INTRODUCTION OF BILLS

Bill No. 32 — An Act to amend The Mortgage Interest Reduction Act

HON. MR. ROUSSEAU: — Mr. Speaker, I move first reading of a Bill to amend The Mortgage Interest Reduction act.

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

INTRODUCTION OF GUEST CLERK

MR. SPEAKER: — Before Orders of the Day, I would like to introduce to the Assembly, Peter Mpaso, Esquire, Clerk of the Parliament of Malawi. He will be a guest Clerk at the Table for this portion of the session. Peter, would you stand and be recognized.

HON. MEMBERS: Hear, hear!

ORDERS OF THE DAY

QUESTIONS PUT BY MEMBERS

HON. MR. BERNTSON: — Mr. Speaker, I wonder if I can beg the indulgence of the members of the House. I think later today, and my officials are working on it now, I think a large number of these questions will be answered forthwith. But I wonder if I can stand them now until my officials tell me which can be answered and which cannot.

MR. SPEAKER: — Questions put by members stand.

SPECIAL ORDER

ADJOURNED DEBATES

MOTION FOR COMMITTEE OF FINANCE (BUDGET DEBATE)

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Andrew that the Assembly resolve itself into the committee of finance.

MR. ENGEL: — Thank you, Mr. Speaker. At the close of my remarks today, I would like to inform you that I intend to move a motion that I would amend the motion that we are debating at this time.

As I rise, Mr. Speaker, to take part in this budget debate, it is with a sense of being a part of an historic event because one would have to go back more than 60 years to find a budget with tax increases as large as those announced in this budget today.

And you would have to go back that far to find one which cuts as many popular or worthwhile programs as this budget does. There are so many criticisms to be made in this budget, Mr. Speaker, that I find it difficult to know where to begin.

Never in Saskatchewan's history, Mr. Speaker, has the phrase been more accurate than it is today — he who pays the piper calls the tune. Words like “support success,” “back a winner,” “shore up success,” are the pulse of this Devine administration. As a result, because of this attitude . . . And I see the member from Moosomin is agreeing with me, that those are the by-words of this government.

This has caused our province, Mr. Speaker, to go back more than 50 years in history. We are witnessing today, -Mr. Speaker, a repeat of history that was written by the first Conservative government that this province had. This is the first time in my lifetime, Mr. Speaker, that we have examples of public begging.

Poverty has reached an all-time record. Millions of dollars are spent on welfare, and still more and more are turning to other sources to sustain themselves. Family violence is on the increase.

When my grandfather, Mr. Speaker, (and he passed away in 1953) but he used to tell me about the early days of the Anderson government, the first Saskatchewan government we had. And I

never believed that I'd witness a repeat in history. I never believed it possible — conditions like in those days, Mr. Speaker, just would never happen again.

But I was wrong. I was wrong, Mr. Speaker. In just three short years the recession you said wouldn't happen, the recession that the Premier said we're not going to participate in, has hit this province with a whammy like we haven't seen in our lifetime.

Soup kitchens today are called food banks. Soup kitchens are called food banks. People lined at the hospital waiting for service are called waiting lists. Low commodity prices, gouging by multinational companies, are repeats of the history that we witnessed 55 or 60 years ago.

In just three short years we are only beginning to find out what our fathers meant when they said Tory times are tough times.

I listened with interest the night of the Thunder Creek by-election when our Premier described the people of Saskatchewan with two words. He was speaking to a group of athletes at a banquet, and he said, "Saskatchewan people are compassionate." And I agreed with him. And he said, "Saskatchewan people are competitive." Now if he means by the word "competitive" that they know how to survive, then I agree with him. The question I have for the Premier and his colleagues: why don't you govern accordingly? Why don't you do as you preach, and do as the people of Saskatchewan are doing.

I'd remind the Premier of a well-known proverb: he that knoweth to do good and doeth it not, look out. Look out.

(1445)

As I travel the province, Mr. Speaker, there is one issue that comes up over and over and over again, and everybody is agreeing on it, that the economy in Saskatchewan is depressed. Agriculture in Saskatchewan is depressed. Farmers across this province are hurting. But the most severely hurt are those that are in the heart of the south land where the drought hit the hardest. Even those farmers whose crops were average are holding back to the bare bones essentials, making purchases only if it's an exceptional deal.

And yet, the government decided we've got to collect some revenue. We need some money. So they call it a five-year fund, an education fund. And today the minister in glowing terms talked about his five-year fund and what she's going to do. But who did you decide should pay for this five-year fund in education? Who did you decide in Saskatchewan was most able to pick up the tab? The farmers, home owners, senior citizens. The farmer, if he doesn't buy too much additional second hand equipment will divvy up \$1,000 out of his pocket to pay for this budget that the Minister announced today — of Education.

Now I know you listen to farmers, and I know the Tories opposite listen to farmers, those that have 30 quarters or more. And they'll tell you that applying for the \$375 property improvement grant and the \$300 school tax rebate is a real pain. Take it off, they say. Collect 5 per cent on used cars and trucks and equipment. Who'd spend a dollar on somebody else's problems and somebody else's trouble that they traded off?

Mr. Premier and members of the government, I never dreamed that in Saskatchewan we would come to this. I never dreamed in the broadest stretch of my imagination that we would face the kind of administration that would so blatantly tax those that haven't got it so that they can give it to their friends.

I want to go into more detail on the plight faced by the farmers, but before I do, there's another aspect of compassion that I want to touch on, and that's this government's role on matching grants.

First of all, let me talk about your record of assistance to people in the third-world countries who desperately need help. When the New Democratic Party left office in 1982, we had \$2.1 million in our budget to help the starving people of this world through the matching grants program. In '83-84, that was slashed by more than 50 per cent, down to just \$1 million. The following year, the following year another 10 per cent slashed, down to \$900,000, and this new budget contains no increase, despite all the drought and famine across the world, despite the increased publicity about this famine. In real dollars, this PC government has allocations in grants to aid organizations, is only one-third of what the NDP government did prior to this government taking office.

The system is to work this way: an aid organization like the Mennonite central committee, to which I belong, or the United church, or any other group, would develop a project. Maybe it's one to bring clean water to a village in Costa Rica, or to deliver grain like they did this past winter to the refugees in Sudan. They would raise money for the project and often collected thousands and thousands of dollars. Then the province of Saskatchewan, through their matching grants program, would match that amount raised, dollar for dollar. In turn, they would go the federal government, the federal agent of CIDA, the Canadian International Development Agency, to match the combined total raised in Saskatchewan.

Often, Mr. Speaker, very worthwhile international aid projects that kept people alive, that kept young children from starving to death, had their funding doubled, and then doubled again by CIDA's contribution. But today, what is the situation? What has happened with your government, Mr. Speaker? For \$5 million raised by eight organizations in this province by the people of Saskatchewan because they are compassionate, because they care, what has this government done? Twenty measly cents on the dollar. That's all they could come up — one-fifth of the performance of the former Blakeney government.

Mr. Speaker, we have pointed out often in the last few days that the calculation of net income comes at line 224 in the tax form, and charitable donations come at line 243, so the new PC government's flat tax clearly discriminates against those making charitable contributions.

Yesterday, in the House, the Hon. Minister of Finance, and I want to quote, said:

All charitable donations, or all charitable organizations that qualify under the Income Tax Act for a charitable organization status, when they take their total contributions from Saskatchewan for the end of the year, they can then bring those into the department. The department will not only rebate to them the amount that would have been lost by tax, Mr. Speaker, but we will also double that amount so that there will not be a negative, but, in fact, there will be a positive period.

That was his explanation, saying that don't worry about your charitable donation.

So, Mr. Minister, yesterday when you talked about the federal government's programs you called them something. I think the word you used was "stupid." Well, when I read this, I should even use a stronger word than that, Mr. Minister. How is an organization going to take a number to your office of the amount that I didn't give? How are they going to know that amount?

If I look at the income tax structure, and I determine what I'm going to give by the benefit it's going to bring me, how are they going to take that amount in that they didn't collect? If you talk about a stupid program, and involving him, Mr. Minister, and an excuse, and you expect somebody to believe this, boy, they are going to have to be gullible. How are you going to determine, as a Department of Finance, how much I didn't give? You know, that's what this says. The amount that I didn't give to charitable organizations, he's going to come in and they are going to double it. Two times nothing is still nothing, Mr. Minister. There is no way of determining the tax losses and the amount of donations that are going to be lost to charitable

organizations. And I think this budget discriminates against people that have compassion. It discriminates against people that care.

I'd like to ask the Minister of Finance to stand up in this House when he closes debate and clarify for me, and for those people interested in this aspect of it, how that system is going to work; how they expect to help people; and how the flat tax will not discourage donations. We say it does. We say it does. When you describe, in your own words, what your brothers in Ottawa did, look in a mirror, Mr. Minister, because that was an afterthought.

On the subject of agriculture, a sector of our economy that was again sadly neglected in yet another PC budget speech, farmers were all but forgotten in the budget, and, when they were mentioned, the government reaches into their pockets for the money. That neglect, that lack of anything other than some window-dressing and Tory hoop-la is understandable if you are a Conservative. The PC's cabinet is kept pretty busy thinking up ways to line the pockets of their political friends, like Russ Sutor, or give tax breaks to the giant foreign-owned oil companies; oil companies, I might add, that have rung up record profits, in many cases the fattest profits in their history. They have created jobs with the Tory tax holidays. Our unemployment and our welfare numbers are way up over the spring of 1982. The oil companies have taken the Tory tax gifts and dispensed financial windfalls to their wealthy shareholders. When you look at the lack of need in the boardrooms of the oil giants, and compare it to the desperate need that exists among thousands of farmers across this province, the PC neglect in agriculture comes sharply into focus. Throwing taxpayers' money into rich . . . at rich Tories that own the big oil companies has been the policy of this government, and have stuck to it since their early days in office — this despite the fact that the oil industry is among the most capital intensive and least labour intensive business there is.

How much better would it have been to have kept the hundreds and millions of dollars in gifts to the wealthy Tory oil men, most of whom live outside of this province; how much better would it have been if you'd have put that money into the hands of some Saskatchewan farmers, where 65,000 families are on the land, and four times that number of people in business and industry that depend on the farmers having some money? What a boost that would have been to the economy of our province.

But the recent budget, and the recent energy deal worked out by the federal PCs make it clear: the priorities of the Conservative Party rest with big business, and not with our farmers. It's unfortunate, Mr. Speaker, that the PC Party does not realize the importance of agriculture: 1.4 million Canadian jobs, and \$9 billion of foreign exchange earnings come from agriculture in Canada. All Canadians are the beneficiaries of better quality food at a cost which takes a lower percentage of their disposable income than any other nation on earth.

Farmers in this country have increased their productivity by 700 per cent during my lifetime, and yet thousands of farm families are in desperate trouble. The net income of Canadian farmers has declined each year since 1981. Between '74 and '78, farm debt has increased by 450 per cent. Average farm debt in this country in 1971 was about \$12,800 a farmer. A decade later the average farm family owned . . . owned \$85,000. And last year the average farm debt approached well over the \$100,000 mark.

The spiralling debt has been paralleled by spiralling loan payments. In 1961, Mr. Speaker, annual interest payments for an average family farm in Canada totalled about \$250 — \$250 was the annual interest payment that a farmer made in 1961. Ten years later, the interest charges increased to \$780. And by 1982, the interest payments made by the average farm was over \$12,000.

These forces have taken their toll on the rural population. In the 1941 census, Canada had 700,000 family farmers. In 1981 that dropped to 300,000. Last year, prior to the worst effects of the drought, the federal Farm Credit Corporation did a survey. And I think this survey was a very

important study. It indicated that about 39,000 Canadian farmers were experiencing what the survey called severe financial stress, and another 17,000 were in slightly less danger of foreclosure, bankruptcy, or liquidation. In Saskatchewan, if we bring that number down to our province, the number of family farms, according to the Farm Credit Corporation survey — and this was before the drought, Mr. Speaker — in moderate financial difficulty were about 3,760. Those in danger of losing their farms totalled 8,600 in Saskatchewan.

So I would ask the Minister of Agriculture, the Minister of Finance, or anybody over there that will listen: given these facts, why did the budget on one hand neglect the needs of these farmers and, on the other hand, hit them with a \$1,000 tax increase? Why did farmers lose their property improvement grants which will take \$375 from their pockets? Why did farmers lose their home-quarter education tax rebate, which will take on an average another \$300 from their budget? And why are farmers hit with the new sales tax on used vehicles when it is often the smaller, struggling farmer that can't afford to buy a new car or new half-ton?

Far from making good on their promise of 1982 to eliminate the sales tax, the Tories are extending it, heaping an additional \$7 million in sales tax on Saskatchewan's poorer people.

Why are the farmers, along with all the rest of us, hit with an increase in personal income tax? Again the Tories promised in 1982 to cut income tax by 10 per cent. Instead, they are raising income tax and picking the pockets of taxpayers to the tune of \$350 million more in increased income tax over the next five years.

To all these questions, Mr. Speaker, there is only one honest answer. The PCs are taking money from farm families to put into the coffers of their friends, the big oil companies and the other corporate friends.

SOME HON. MEMBERS: Hear, hear!

MR. ENGEL: — All in all, the budget is bad news for farmers, and it's bad news for agriculture in general. Specifically, farmers in southern and central parts of the province are still badly in need of financial assistance due to the drought. They got nothing. Farmers in parts of north-eastern Saskatchewan have not received one red cent from this PC government after two and, in some cases, three years of crop failures due to early frost, flooding, or wheat midge. This budget gives them nothing.

Any farmer deep in debt and carrying loans with high rates of interest at a bank, or a credit union, or insurance company, or trust company, or loan company, or the Farm Credit Corporation, or a mortgage company, or to the private individual, gets not one thin dime from this budget. The slight reduction in interest rates that the Saskatchewan Agricultural Credit Corporation loan still leaves many of these farmers who borrowed during the period April '80 to December '83, with interest rates they cannot afford to pay. A big debt at 12 per cent is not a whole lot different than a big debt at 14 per cent, Mr. Speaker. And, as I say, the overwhelming majority of farm borrowers have loans at banks and the credit union and other lenders that I mentioned.

(1500)

This budget is of absolutely no use to them. Sixty-four out of every 65 farmers in Saskatchewan will get no benefit at all out of the provisions in this budget, and yet the Minister of Finance trumpets it as one of the big three announcements for agriculture in the budget.

Another third of the agricultural package of the budget was the recycling of the counselling and assistance program, which has been such a thorough failure so far.

I would remind the government that the program has seen more than two-thirds of the farmers who tried to get financial help turned down flat. The panels rejected a third, and the banks

rejected another third. The banks rejected many of the applications because the loan guarantee offered by the PC government was too inadequate. The panels rejected applications for a variety of reasons, but in a good many cases farmers have told our office that politics entered into the discussion.

If I was going to design a program, Mr. Speaker, that would make farmers jump through a whole series of unnecessary hoops and get themselves all bound up in a lot of useless red tape, and then at the end of it all not help them at all, I couldn't come up with anything close to the counselling and assistance program.

Don't forget, the farmers who get involved with this program have already been turned down by traditional lenders, and their net worth of assets reaches lower than average. These farmers are the ones who badly need help.

So why does a PC brain trust come up to try and provide help with the counselling and assistance program? That is a program that authorizes a bunch of well-heeled Tory bagmen to come up to your farm and require you to explain your financial position and operating methods.

They can even stick their noses into a farmer's books and records and his most personal affairs. Then they go away and in their own good time notify the farmer that he's not getting one thin dime out of the entire rigmarole.

But suppose the panel approved an application and allowed a farmer to proceed to a lending institution. What would the program do for the farmer then? Well, in most cases, over one-third of them, the answer is nothing, because lenders turned it down in the first place. The province's guarantee was not 100 per cent, and therefore they wouldn't make a loan. And that hasn't been changed by this new legislation.

So this is a program that has been recycled with only minor adjustments in the new budget. The travelling panel of prominent pork-barrel Tories is still there, and there is still no 100 per cent guarantee to lenders. So why should farmers expect this counselling and assistance program to be anything other than a continuing fiasco?

The Minister of Finance in his budget predicted how many farmers would be helped by this recycle program. Now we must remember that this is the same Minister of Finance who can be out in his predictions of the provincial deficit by hundreds of millions of dollars.

But put that aside for a moment. The minister predicted it's going to help 1,500 farmers. How many farmers did the Farm Credit Corporation surely say that were in trouble? Do you remember? Were you listening earlier in my speech? Fifteen hundred farmers were going to be helped by this new program, or this new recycle program.

That's only 2 per cent of the farmers in Saskatchewan. And what is worse, it's far less than a quarter of the farmers in Saskatchewan as being listed in moderate financial difficulty by the Farm Credit Corporation study. And what is still worse, the same FCC study found that 8,600 farmers in this province were in severe financial stress. And your minister brags and says you're going to help 1,500. Where do the other 7,100 farmers, where are they supposed to go? Where are they supposed to go for help? Well, I'll tell you, Mr. Minister of Agriculture, they're not depending on you.

So maybe — and I repeat, maybe — one in six farm families who are facing bankruptcy or foreclosure will get something out of this budget. Maybe one in six. But five more families out of the six, the PCs will have no help for them at all. A pretty sad effort, Mr. Speaker.

Another shortcoming in the budget was in the area of commodity prices. Farmer want better prices for their produce, more than they want anything else, and they are right. Better prices

would solve many of our present problems. As the government well knows, there is a Bill before the House of Commons in Ottawa which would dramatically increase commodity prices. It's Lorne Nystrom's Bill C-215, which received first reading in the House on December 10, 1984. The Nystrom Bill would establish a system of parity pricing in Canada, first for the most common grains and meats, but with provision to expand the system in the future.

The passage of this Bill, Mr. Speaker, would be a blessing for Saskatchewan farmers. Every bushel of grain or every pound of meat that they marketed for domestic consumption would then be guaranteed to pay the cost of production, plus a decent return to live on.

Now in the past, provincial governments have voiced their support for proposals in the federal House of Commons. That is not uncommon at all in a budget speech or a throne speech. So I ask you: why have we not heard some pressing by your federal PC brothers and sisters to pass the Nystrom Bill? And I add this: for you to refuse to side with the farmers and the NDP to pass the parity pricing bill into law is something farmers will not forget very soon.

Farmers are also looking for help in this budget with high input costs like fuel and fertilizer. And they are asking: if the Government of Alberta can reduce farm fuels by seven cents a litre, why can't we have the same benefits here in Saskatchewan? Why can't we have a 32-cent-a-gallon advantage here, like they have in Alberta? The Alberta government also recently announced a subsidy of \$50 a tonne for fertilizer. Why can't the farmers of Saskatchewan get a deal out of this PC government like that, Mr. Speaker?

And in Manitoba a New Democratic Party government announced more than a month ago a real reduction in interest rates through the Manitoba Agricultural Credit Corporation. Down, not to 12 per cent like this government did, but 8 per cent — 8 per cent money for farmers in Manitoba, together with farmers in financial trouble that can get long-term loans at interest rates of 9 and three-quarter per cent. The New Democratic Party government of Manitoba has also made it perfectly clear that if the banks refused to be fair with farmers in trouble, debt adjustment legislation will be brought in.

Now some Tories say, "We have The Farm Land Security Act here in Saskatchewan. We've got the saviour for farmers." And I want to say a few words about that Act.

First, it only applies to farm land. Assets such as machinery, livestock, stores grain, bank accounts, and crop insurance cheques are not even mentioned in the Act. Foreclosure and seizure of these assets can go right ahead as if the legislation never existed.

The Farm Land Security Act does nothing about debt adjustment, or debts set aside, or restructuring of debt, and nothing about high interest rates, either. The Farm Land Security Board set up under the Act can judge a farmer to be unlikely to meet his obligations under the mortgage and recommend to the court that foreclosure procedures go ahead. The court is then free to allow foreclosures to go ahead.

At this point, The Farm Land Security Act actually speeds up foreclosures. Under Section 9(2)(b) of the Act, if a farmer is ruled non-viable by the Farm Land Security Board, The Land Contracts (Actions) Act does not apply. And, Mr. Speaker, The Land Contracts (Actions) Act can often forestall a foreclosure for many, many months, up to two years, and has been a friend of many hard pressed farmers.

But the Tories decided to grease the wheels of justice for their friends in the banks. Where a farmer is most in need, the PC prize piece of legislation from the fall session is not only of no help, it actually speeds up foreclosure.

In 1971 when the NDP was faced with the same kind of situation in agriculture as we have today, the Blakeney government passed the family farm protection Act. That Act covered a broad range

of farm access, and permitted debt ridden farmers to legally stop making payments on loans and mortgages which they could not afford.

In other words, the family farm protection Act of 1971 included more than just a moratorium on foreclosures. It provided a moratorium on payments as well. This is an important point, Mr. Speaker, because without a moratorium on payments there is nothing to prevent a bank from asking a farmer to make all back payments that are due when The Farm land Security Act expires. And if the payments are not made, the lender can commence foreclosure proceedings.

You know, this province saw a CCF government, 40 years ago, cancel \$69 million in seed grain and relief debts owed by farmers since the great Depression. Legislation protection from seizure for the home quarter dates back to that period. Four decades ago, my political party was able to come up with answers and concrete help for farmers hard hit by dead and restricted cash flow.

The PCs just can't seem to manage anything similar, and farmers won't soon forget . . . (inaudible interjection) . . . Well, the Minister of Agriculture asks who wrote this speech. I want to tell you that's going to be the speech writer for the next minister of agriculture. I wrote it myself.

SOME HON. MEMBERS: Hear, hear!

MR. ENGEL: — You're going to hear more of these, Mr. Deputy Speaker. Let me talk a little bit about the beef stabilization . . . (inaudible) . . . Mr. Deputy Speaker.

Mr. Deputy Speaker, something that will be of great interest to you personally is the beef stabilization plan, and I want to say a few words about the beef stabilization plan because I'm sure you and your colleagues won't stand up in this House and tell the Minister of Agriculture how he's dismantled the plan, so I'll tell it for you.

This plan was strongly supported by a New Democratic Party government and was opposed by your colleagues when they sat on this side of this House. In recent years we now know, as farmers, why they opposed it, because of what they've done to the plan since they've had it — 5,000 ranchers and mixed farmers and feed lot operators across Saskatchewan signed up enthusiastically for the plan. They turned out and crowded out halls when the plan was discussed by the former minister of agriculture, Mr. MacMurchy. These producers signed a formal contract with the stabilization plan. They held up their end of the agreement, but what happened to your end, Mr. Deputy Speaker. What did the government do? This government stooped into traditions of Dick Collver and Russ Sutor's business ethics — decided not to honour their side of the agreements. They decided not to honour their side of the agreements. The beef stabilization plan under the NDP covered 54 per cent of non-cash costs. The PCs cut the coverage to 50 per cent, costing every farmer \$4.70 a pound in support levels. On a steer of 600 lb. the loss comes to \$28. That is \$28 times the number of cattle enrolled and marketed after the change of the plan. In many cases it would amount to thousands of dollars grabbed back by this government out of the pockets of stock growers by a PC government that doesn't know how to honour a contract.

And then there are other changes that are made to the plan in April of '84, the change in the weaned weight of a calf from 450 lb. to 500 lb. That cost produces more than \$30 on a 600-lb steer. The feed formula has been altered from 22 lb. of hay to 20 lb. Under breeding costs, the feed allowance for bulls has also been cut. The plan used to allow \$17.36 per head for trucking and marketing. Last year only \$11 was permitted, a reduction of over \$5.50. Bull replacement costs have been cut compared to the formula in place originally. There used to be an allowance for raising replacement heifers. That has now been cut from the plan. The beef stabilization plan used to be of real economic value to producers who enrolled their herds. It took the wild fluctuations out of the beef cycle and also amounted to a small subsidy from the treasurer to the beef producer. Who, after all, supplied Canadian consumers with the best quality beef in the world, and at an affordable price? But your government Mr. Deputy Speaker, decided they were

going to change that. They changed the plan so it barely resembles the original concept. It is now described by participants as an oppressive liability, and something they would get out of as fast as they could if they could do it without a penalty.

And, Mr. Deputy Speaker, what this PC government has done to the beef stabilization plan is indicative of what they have done to the whole farming sector of our economy. It is indicative, as well, of a government's continuing attitude towards agriculture.

Look for example at the four funds this budget proposes to establish — one of the four, which is the smallest — agriculture. And not only that, the PC plan is to, by some means, tax farmers for as much as \$20 million, too, for \$1 and 10 of agriculture's fund. That is what it says on page 8 of the budget speech.

Mr. Speaker, or Deputy Speaker, this budget does nothing of any consequence for family farmers in the way of help, and it dramatically increases the tax load on farmers at a time when they can least afford it.

(1515)

This is why it gives me great pleasure to move, seconded by my colleague from Regina Centre, that all the words after the word "that" be deleted, and the following substituted therefore:

That this Assembly expresses its deepest disappointment with the budget because:

1. it contains the biggest tax increase in history for Saskatchewan people;
2. it eliminates a \$100 million a year in property tax rebates for farmers, small business people, renters, home owners, and senior citizens;
3. it extends a provincial sales tax on the sale of used vehicles, which will hit young people and low and middle-income people hardest;
4. it breaks campaign promises by the PC Party to reduce personal income tax by 10 per cent, and to eliminate the provincial sales tax;
5. it contains \$550 million in cuts to government services and programs for Saskatchewan people over the next five years;
6. it fails to offer adequate funding for vital sectors such as education, job creation, agriculture, and health care;
7. it continues the Devine government's policy of abandonment with respect to the North and its people.

I so move.

The debate continues concurrent.

HON. MR. TAYLOR: — Mr. Deputy Speaker, it is indeed with great pleasure that I enter this budget debate. I must say that this is the fourth year in a row that my colleague, the hon. finance minister, has brought down a very sound budget. And I would like, at this time, to take the opportunity to congratulate him on this budget that I believe is a very intelligent budget, a budget that balances cost and restraint with public needs.

And this is a contrast with the approach of the opposition. The opposition many times, Mr. Deputy Speaker, preached doom and gloom, and they are quick to complain and don't offer any

practical solution. The public gave the NDP a very big message in Thunder Creek just very shortly. And they just don't like what their NDP are saying out there in Saskatchewan. The opposition, they like to talk about things that aren't happening. Why aren't you starting this program, or why aren't you spending more, or something else?

We can all play that game, Mr. Deputy Speaker. I could spend all day today asking the Leader of the Opposition about things that didn't happen when he was the premier of this province. But the members opposite like to pretend that they were doing everything for everyone and that all was perfect. No government can do all that. The public knows it. The job of government is to identify priorities, ensure basic needs are met, and respond to public wishes. And, Mr. Deputy Speaker, our government has done this. The record speaks for itself.

So let us take a look at the record in health care. Mr. Deputy Speaker, health care is a priority for the people of Saskatchewan. It has been a top priority for the PC government, as well. I sometimes think we don't do enough to let the people know what is being done, to give them the overall picture and the accomplishments. I want to go over our record in health care during the past few years. It's one that I'm very proud of, and I will compare this record of the past three years, Mr. Deputy Speaker, with any previous government in the province of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

HON. MR. TAYLOR: — I'm going to list many of the specific initiatives we've taken so everyone will know just how extensive and how wide-ranging they are. Let's start with long-term care, and certainly long-term care is a very critical area in a province like Saskatchewan which leads the nation with an ageing population.

During the first two years we allocated \$11 million for special care home construction, and last year we announced a five-year plan costing \$25 million to provide 1,500 new and upgraded beds in this province. And we're also going ahead with a 238-bed facility in the city of Saskatoon.

We've launched a program of integrated facilities to maintain rural hospitals and improve local access to special care services. We have encouraged the formation of district co-ordinating committees, and many of these committees are set up, working really well for their local co-ordination of services. These committees, Mr. Deputy Speaker, I would like to outline to you. It is an attempt by people at the local level to work together for the needs of the individual. We have these committees that are comprised of people from the home care, from the special home care homes, and from the acute care hospitals, all of them working together to better satisfy the needs of the peoples in their community, and doing a fantastic job.

Over \$1 million for new initiatives in special care homes and home care; innovative ideas; ideas such as respite care, adult day care, home care for people with heavy needs; programs for people with behavioural problems.

And I'd like to mention that this morning, Mr. Deputy Speaker, I was speaking to the annual convention of the Special Home Cares Association of Saskatchewan, and I indicated to them that in the new facilities that we will be building in this province I would want them to include at least two respite beds in these new facilities so that we will have more of respite program to help those who are the providers of care to older members of their family.

Another major problem focusing on the elderly is the chiropody program, or a foot care program. The program is now implemented on a regional basis to give maximum access in response to the priority needs of the elderly, and helps maintain mobility and independence.

And I want to indicate to you where that idea came from. A few days after I became the Minister of Health, and my colleague, the Hon. Minister of Education, was the minister of social services at that time, we went to Yorkton to the annual convention of the senior citizens of Saskatchewan.

They said to us, more than anything else, ministers, we want a chiropody program. But I can tell you, when I got checking around in my department, I found out that they'd been promised a chiropody program in '75 by the NDP again in '78, and, when I looked a little further, you know what I found? I found chiropodists' chairs that had been hidden away so that nobody would know they were there — a complete failure to implement a program that was a top priority of the seniors of this province. And I can say proudly today that it's implemented across this entire province.

SOME HON. MEMBERS: Hear, hear!'

HON. MR. TAYLOR: — These initiatives add up to major expansions and upgrading, but it's only one area. Let's look at some of the others. Let's look at the treatment of cancer. We've made a major commitment for capital construction and expanded services. This includes a new clinic in Saskatoon, money for a five-year equipment purchase program, and money to improve staffing.

And, Mr. Deputy Speaker, the benefits are already here. We have purchased, in the last three years, two new linear accelerators — purchased — with new computer system on order to improve treatment, planning; and several professional staff added in Regina and Saskatoon. That was a five-year plan, Mr. Deputy Speaker, that we brought forward in 1982 for the development of cancer treatment in this province.

And I want to say something about that five-year plan because yesterday I was in Saskatoon announcing the acute care hospital five-year plan, and it was brought back to my attention that the first five-year plan, as it was brought forward by this government, was for cancer treatment. And I would challenge any member in this House to ask a member of the Cancer Foundation what they think of the five-year plan. They're very, very pleased with it. And it was from that humble beginning that we've come about with five-year plans in special care homes, and now five-year plans for acute care hospitals in this province.

Let's look at another very important area, an area that was neglected previously as services of this province under the NDP, and that is in mental health. I want to tell you, the consultations with mental health . . . with the Mental Health Association and others are beginning, and bringing about action that will enable the province to be regarded, once again, as a leader in mental health care.

A few years ago, Mr. Deputy Speaker, prior to the '70s, Saskatchewan was the leader in all North America in mental health services. We were letting the people out of the institutions, but we did not provide the necessary community services so that those people contributed to the mainstream of Saskatchewan life. That's what we're doing.

In 1983-84 we initiated a number of services for children and youth; new funding to develop expanded crisis hostels in Regina and in Saskatoon; increased training positions for psychiatrists, or new residencies at the universities.

And in 1984-85 alone, \$700,000 for new initiatives in several areas, areas such as: crisis management, support for self-help groups, suicide prevention, expanded autism services, and other innovative services.

Now let's look at hospitals, and I know that the members opposite don't like to be reminded about the neglect of hospitals under their administration. But there have been new hospitals that are starting in Lloydminster, in Nipawin, and in Maidstone, and major expansion in Melfort and Yorkton. On the service side, over 400 new nursing positions since we took office.

Mr. Deputy Speaker, in 1975 and '76 there were 400 nursing positions taken out of the hospitals of Saskatchewan — taken out of the hospitals of Saskatchewan so the socialists opposite could buy potash mines. Well, Mr. Deputy Speaker, I'm pleased to say that in the first three years of our

government we have reinstated more than 480 of these nursing positions.

In Regina there's been increases totalling 800,000 per year to expand open heart surgery, and 125,000 to extend CAT scanning services.

A new pediatric intensive care unit at the University Hospital costing over 700,000 a year.

A small hospital incentives program to provide new and badly needed services. For example, dietetic counselling in rural areas, and respite care in over 20 rural hospitals; many initiatives in Saskatoon to address waiting list problem; and the total cost implications are now in excess of 8 million per year.

And there are other areas, Mr. Deputy Speaker. Just let me point out a few more of those: 2.7 million for the new Kinsmen children's centre in Saskatoon which is now open, and I believe, Mr. Deputy Speaker, the finest children's rehab centre in Canada.

Consolidation of ambulance services in the Health department for better planning and co-ordination, and major increases in program funding.

Expansion in the SAIL (Saskatchewan Aids to Independent Living); expansion of aids for the blind; the doubling, Mr. Deputy Speaker, of speech therapist positions from 10 to 20 in the province; co-operation with the Lions Club of Saskatchewan in establishing the first eye bank in Western Canada.

And in a major agreement with the College of Medicine — and I'd like the members from the North to listen to this — a major agreement with the College of Medicine and the federal government to stabilize physician services in northern Saskatchewan.

The expansion of an alcohol prevention and treatment services in the North, and greater emphasis on home care as part of northern services.

Also, Mr. Deputy Speaker, another area that I'm very personally interested in his initiatives to reduce smoking, especially within our young people in our schools.

And the list goes on. And all of this has been accomplished in just three years, since April of 1982.

And I want to say to you, Mr. Deputy Speaker, and to the members of this House, if that doesn't prove that this PC government is committed to health care, I don't know what does. I think that's a commendable record.

SOME HON. MEMBERS: Hear, hear!

HON. MR. TAYLOR: — But, Mr. Deputy Speaker, this is only a start. Everything that I have listed has already been done or approved. Now we have the new 1985-86 budget. We're not resting on our laurels. Much still needs to be done, and we're going to be getting on with the job.

You know, when I think back about the Saskatchewan that I know, and the Saskatchewan that I've grown up in, and the things that I appreciate in this Saskatchewan, the people who came here, your ancestors, Mr. Deputy Speaker, mine and everyone else in this House, the things they have achieved were not because people rested on their laurels, but because people had courage and vision and determination and the will to better the ways for themselves and others. And that's what we are going to be doing in health care in Saskatchewan.

The announcements in Wednesday's budget that my hon. colleague brought forward, I think speak for themselves — things such as this: a five-year, \$300 million health facilities capital fund — the construction program that addresses the needs in Saskatoon, Regina and smaller centres.

This will be a logical and sensible program that sets out a course of action, and that allows effective planning and effective management of \$300 million costs.

(1530)

I believe that communities have that capacity, and the health care professionals out there certainly have that ability to plan the type of facilities that will best provide service to Saskatchewan, but certainly they must be given time, and must be given an assured commitment that it's going to happen, and that's what's been happening in the last three or four days in this province.

The members opposite wanted to know what we're going to do. Well, I think they know now. Let me highlight some of the main points.

The major renovations and expansion of St. Paul's Hospital — starting in this fiscal year — total cost of approximately \$50 million.

The addition of two floors to University Hospital — starting again in this budgetary year — which will add 300 beds to the University Hospital.

The replacement of the complete City Hospital in Saskatoon, beginning in 1988.

An immediate start on the remaining phase of the Regina General Hospital's regeneration, again starting this year.

Construction of the new Wascana Rehabilitation Centre in Regina, construction to start again this fall.

A new 100-bed hospital for the city of Estevan.

New hospitals in other communities, such as Hudson Bay, Watrous, Watson, and for the members of the North again, yes, in La Ronge.

Completion of the five-year special care home construction package. Hospital construction and renovation in about 20 communities as part of an integrated facilities program, and a variety of construction and renovation projects in other communities throughout the province. As I said, Mr. Deputy Speaker, this program will cost \$300 million. And, if the members opposite don't believe it, all I can say to you boys is, you just stand by and watch, and you'll see what will be constructed in this year and the next few years in this province.

And those aren't the end of the initiatives. There are other initiatives. I announced yesterday I'm very pleased that we will be purchasing, in this coming year, two new CAT scanners, one to be located in Regina and one in Saskatoon, and that doubles the number that are in the province at present. We have announced details of the remaining years of the special care home construction program — firm commitments, not the vague promises of the others that were in government before us, not the hatched-up ideas of 48 hours prior to the call of an election to get the message coming out from the Leader of the Opposition, hurry up and design a rehab centre for Regina. That's not the way we operate.

Mental health, again, receives close attention. We are funding many of the self-help groups that I spoke about before, so that people who suffer from mental illness can find their place back into the society — such groups as SHARE (Self-Help and Recreation/Education Inc.), the Crocus Co-op, the Portage program, and the group called By Ourselves — funding for the several parts of the Regina Crisis Management Project, funding for the Rainbow Youth Centre in Regina, and funding for several other community groups and programs. This always is strengthening the network of community support services for people with mental health problems. Needs have

been identified, and we are working co-operatively with local groups to address them.

I could go on and on, Mr. Deputy Speaker, about all the good things that there are in this budget, but I know my colleagues will want to comment on other parts of it. But just let me point out that the overall health budget for this year is \$1.1 billion. Mr. Deputy Speaker, that shows a commitment to health care in a time of overall restraint. It shows responsiveness to the needs and the wishes of the public, and it reflects sound financial planning. Mr. Deputy Speaker, I'm sure you are aware that that budget breaks down to in excess of over \$1,000 for every man, woman, and child in the province of Saskatchewan.

But, Mr. Deputy Speaker, my colleague, the Minister of Finance, in his budget address, indicated that we would be bringing about a consultative type of operation in this province, and I want to commend him because I think he is a forerunner in all of Canada with that type of thinking — where the people who want to participate in the direction of their province have an avenue by which they can do this. I think that his pre-budget consultations are one of the landmarks in the development of modern democracy within this country. And we're not going to confine that to finance. We're going to bring that into other aspects of this government, so those people out there in the small communities that you represent and I represent, the people in the villages and the towns of this province, can have real input into the direction and the formation of the policies of this government in the future.

So I would like to say that I will be consulting with many people in the health care field to see what directions and what ways we can maintain and improve the fine health care system we have in Saskatchewan.

As I said to some of them this morning, I said: I want your help; I would ask you to help me to bring this about. I would challenge every member of this legislature: rather than taking a negative approach, as some do, if you have some good and sound ideas that you believe can help improve the health care services of Saskatchewan, please do not hesitate to let me know. Together we will build and maintain the best health care system in the free world. That's our objective, and that's what will be done.

SOME HON. MEMBERS: Hear, hear!

HON. MR. TAYLOR: — Mr. Deputy Speaker, I just want to say, in closing, that once again I'd like to congratulate my colleague. I think this is a very startling innovative, intelligent, forward-looking, consultative budget, and I'm very, very pleased to support it.

SOME HON. MEMBERS: Hear, hear!

HON. MR. KLEIN: — Thank you, Mr. Speaker. It gives me great pleasure to once again join in the debate on a budget presented by my colleague, the member for Kindersley and our Minister of Finance. I know that our new member from Thunder Creek anxiously awaits his first opportunity to do so, as well.

Our Minister of Finance has been bringing down imaginative, intelligent budgets since 1982, and this one is no exception, Mr. Speaker, so I guess we're kind of getting used to it. And I must congratulate him once again, as he continues to steer a prudent financial course, coupling provisions to stimulate the economy with measures to protect and enhance social services for our citizens.

He has produced this budget as the result of the most extensive consultations ever undertaken by a Minister of Finance. He met with business, with labour, and with community groups across the province and solicited their views. He also asked the general public to get involved through the budget challenge computer program devised by his department. Hundreds of citizens from all parts of the province participated, Mr. Speaker, and gave their suggestions on how to manage

the province's failures. A lot of suggestions made were valuable, and I know that the entire exercise was useful, for it gave the public a greater appreciation of the limited options that, in fact, face the Minister of Finance.

The members opposite have been critical of the budget challenge, just as today again they were critical, Mr. Speaker, in question period regarding Sedco. And as usual they were operating from only half facts. And Sedco, in fact, did not have any auction tender, Mr. Speaker, so that the entire questioning in that regard was again critical unfairly. They've called it again, Mr. Speaker, the budget challenge, like those, I suppose, that you might find in pinball arcades.

Well, let me suggest to the NDP that they were the ones who followed a pinball strategy when it came to managing the province's finances. You're all familiar with Pac-Man? You kind of took a Pac-Man approach to the budget. You gobbled up taxpayers' dollars in Crown corporation take-overs and give-away granting schemes.

That's not the approach of our government. We don't dazzle people with pinball economics, with fancy lights and bonus games that they're going to end up paying dearly for. We operate from the grass roots, and we listen to the people. We come up with programs that they want, but, most of all, which they can afford.

Mr. Speaker, I've said that our government is a listening government. We listened to the deeply-felt concerns of Saskatchewan people when we were in opposition, and that's what we continue to do now, and that is the reason that we are in office.

Since 1982 we've been consulting and listening widely, to thousands and thousands of individuals, to hundreds of business community groups. And after listening and consulting (there's a difference), we've also been delivering. We've been delivering the programs which people expect from a responsive and, above all, a responsible government.

The people expected us to develop a strong and healthy provincial economy, an economy that could weather difficult times and emerge even stronger; an economy whose driving force would be the private sector, not government. Well, by working with business and industry, this government has done just that. Not only has Saskatchewan been an economic leader in Canada since 1982, it's also predicted to have the highest growth of any province in 1985.

That's a record that I'm pretty dam proud of, Mr. Speaker. Consider how tough the times have been in the rest of the country over the past few years. We don't have to look too far beyond our borders to see the severe hardships that other provinces, even now, are still facing. For the most part, Saskatchewan has weathered those economic storms pretty well.

Our farming community has admittedly been hurt by last year's drought. If that crop failure had occurred in other times, say prior to 1982 under the NDP administration, it would undoubtedly have had a much more serious effect on our province.

The reason that the drought didn't hurt us as much is because Saskatchewan's economic base has been diversified, and it has been strengthened. Agriculture will always be our number one industry. But the province has enough other irons in the fire so it will never be devastated by drought or recession the way that it has been in the past.

One of the contributors to our economy has been our oil industry, which these days is guaranteed, I'm sure, to put a smile on the face of my colleague, the Minister of Energy and Mines. Our resource policies are being widely applauded (except among the members opposite), and those policies are being held up as models for other provinces and for other jurisdictions to follow.

Thanks to our policies, the oil patch is booming. The number of wells drilled has increased every

year in the past three years — 800 in 1982, 1,843 in 1983, and 2,970 wells in 1984. And it goes on with another 40 per cent increase in drilling to date so far this year.

And it's not big business. Our small oil service companies, our small drilling companies, they're doing quite well now, and thank you very much on their behalf.

Those drilling figures are records. And they're coupled, of course, with record figures for land sales. And those figures translate into \$577 million more in production-related expenditures; 2,450 person-program years of employment, more than without the oil recovery program, not to mention the millions of dollars going into the provincial treasury to help pay for health, education, and other services for the people of our province.

Yes, we've got that industry moving, and it will move even more with the construction of oil upgraders that will make our heavy oil reserves produce, the same reserves that would have remained untouched if this project had not been undertaken.

The spin-offs to support and service industries are enormous, and I'd like to add that these are all-Canadian projects using investment capital based in the West. It goes without saying that the people of my constituency of Regina North are really looking forward to the construction of the upgrader at the Co-op Refinery, for both the jobs and the business opportunities it will create. Not only will it produce jobs at the upgrader, but also additional activity should be developed for Ipsco — a very important industrial facility for my constituency.

When it comes to being supportive of business, Mr. Speaker, this government doesn't hedge. We're not like the naysayers opposite whose economic policy are held together by cobwebs. No, we're flat-out advocates of business, large and small. It's private business that's the life-blood of our economy, and any government that ignores that basic fact is a government in trouble.

It's not government that creates jobs — much as the members opposite would like us to believe — it's business that creates jobs, and it's business that gets the economy rolling. My turf, my broader constituency, Mr. Speaker, is small business, and what role it plays in Saskatchewan's development, and that's what I will speak on today.

But before I do — I had the opportunity of looking over the *Hansard* records from yesterday, and I have a few observations that I would make on what the member for Pelly had to say yesterday, or attempted to describe to us. He said that we don't talk about our policy, we don't talk any more about being open for business. Well, I'd like to tell the hon. member that I will be talking about that policy today. We are open for business. Everybody in our province knows that, except you folks, and I will show you in detail just how we're open for business.

“There's no action, no help,” according to *Hansard*. I'll explain action and help in detail. “Government does not understand small business; businesses in rural Saskatchewan are very important to our province,” he goes on to say. We know that, Mr. Speaker. We've known that all along, and I will show you what we've done, unlike what your track record is after 11 years. Who said rural Saskatchewan must die? Not us, not us on this side. We've developed programs to keep rural Saskatchewan alive. I'll describe those.

(1545)

I also had the pleasure of opening businesses right across the province, Mr. Speaker, and, admittedly, I'm sure that the member opposite from Pelly will remember the day that I opened up another new business in his very own constituency. He goes on to say, and they're finally paying attention, and I'm just delighted that he's learning something. He's obviously heard me talk enough about it at our openings because he does say this:

When Saskatchewan local businesses prosper, Saskatchewan prospers. They

produce the most employment. They produce the most creative and innovative ideas for the future.

It's about time that you recognized that. I feel like I'm finally getting somewhere when I get you to admit that.

Small business in this province contributes \$7.5 billion annually to our economy. Nearly one-quarter of our labour force, over 100,000 people, are employed by small business. No other sector is as receptive to new ideas in changing economic requirements as small business. No other sector can move as quickly to profitably implement our programs. My department recognizes that fact, and that's why it was formed.

Our department is giving small business its due, Mr. Speaker, not through the patchwork giveaways of grants of the former administration, but through real incentives, and through meaningful business information. That's what small business wants. That's what we're giving to them. As I've said before, we are a government that listens, consults, and then acts.

My Department of Tourism and Small Business were formed almost two years ago, Mr. Speaker. It has a three-fold mandate. First, to encourage and support the stability and growth of the private sector in Saskatchewan; second, to decrease the balance of payments deficit attributed to the travel industry; and third, to ensure that mechanism is available for the needs and interests of tourism and small business to be communicated to the provincial government, and to see that government policies and programs are clearly communicated to the business community. As you can see, Mr. Speaker, consultation and advocacy are part and parcel of our very reason for existence. The programs that we've brought in over the last two years, and the ones we've introduced in this budget, spring out of that advocacy role. And as I'll demonstrate in my remarks, those programs have met, and are meeting, the other parts of our mandate as well.

One of our top priorities as government, if not the top priority, has been job creation and job security. I mentioned the activity in the oil patch a few moments ago. That activity provides but one example of the thousands of jobs that have been, and are being created in the private sector by small business. Not by large oil companies, as our NDP opposition would like us to believe, but by small business. This province has not only had almost continuously the lowest unemployment rate in the country since 1982, but it's had one of the best job creation records, as well. And now that we have the Employment Development Agency it will do even more for job creation and for job security in the future.

My own department has had a significant role to play in job creation, Mr. Speaker. The Small Business Employment Program — which I've spoken about on many, many occasions — it created 2,800 permanent jobs. The success of that program led to our bringing in a winter works employment program in January. That program provides a salary incentive to small businesses, creating new positions for at least three consecutive months.

Mr. Speaker, I'm happy to report that the response to this program has been overwhelming. Businesses created 2,944 short-term jobs, jobs which they identified as needed — not us, government. And now we're meeting our end of the agreement by providing \$4 million in incentive payments. And that's just for my department.

I might add, Mr. Speaker, that when we consider the number of jobs created through the private sector, in co-operation with all of our government agencies and departments, the final tally is more like 5,800 jobs created as a result of the Progressive Conservative government's overall winter works employment program.

And I'd like to, while I'm speaking about job creation, Mr. Speaker, a recent article in the *Leader-Post* spells out some facts, and I would like to read that article into the records. I know that the members opposite quite often use the *Leader-Post* as their source of reference, and I

believe that is so doing, if it's in the records, it should, once and for all, end discussions in the job-creation area.

The province fares well in job creation. (It's written by Roger Sauve) for the *Leader-Post*. Sauve is the president of the Sask-Trends Monitor, a Regina-based economic consulting company. I'll quote from part of it.) Only 10 of Canada's 23 metropolitan areas experienced job growth to the year 1984. The strongest employment growth has occurred in Oshawa and Windsor both of these cities are predominantly based on the automobile industry, and have prospered as the North American consumer has broken several purchasing records over the last year.

The next strongest cities, with respect to employment growth, are located in Saskatchewan. Between 1981 and 1984, some 7,000 new jobs came on stream in Regina, and about 6,000 in Saskatoon. These two centres are unique in western Canada, given that the five other metropolitan areas, including Winnipeg, experienced employment declines over the same period. The growth in Regina occurred during each of the last three years, while in Saskatoon employment advanced in 1982 and '83.

Regina went up 10 per cent, Saskatoon went up 9 per cent, and the next closest, Mr. Speaker, was at 6.3 — quite an unmatched record for our two major cities, a record that makes us extremely proud of our small-business community.

A new measure that was contained in this budget and which will contribute significantly to job security as well as new jobs is the Small Business Interest Reduction Program. This interest reduction incentive will be provided to small businesses to assist them in providing job security as well as for new job creation activities undertaken by them. I couldn't be more pleased, Mr. Speaker, to be a part of probably the most enriched program ever developed by this province for small business. We truly recognize the impact of small business on our provincial economy. This program is designed to bring the effective interest rate on loans down to 9 and five-eighths per cent. The new program is expected to assist in generating over half a billion dollars in direct economic activity in this fiscal year. I'll be spelling out the details of its program towards the end of the week, Mr. Speaker. For now, I'll just say that this new stimulus for small business is just one more example of what listening and consulting bring about.

This program formed part of our campaign platform when the people of this province put our party in office by an overwhelming vote in the spring of 1982, and I'm pleased, Mr. Speaker, that our new program goes far beyond the scope of what was contained in our campaign platform, far beyond that. And I'd like the members opposite to please note that this is not yet another campaign pledge, but this is yet another campaign promise that our administration has acted upon, one of many that we have acted upon since 1982. Needless to say, this new program is sure to be welcomed by small business right across the province, and by the 100,000 people employed by them, as our Progressive Conservative government once again displays the concerns that we have for them by helping their jobs become more secure as a result of assistance to their employers.

Mr. Speaker, one year ago the Minister of Finance, as part of his budget, provided a number of new initiatives to stimulate the provincial economy. One was the venture capital program. This program was designed to develop a supply of investment capital for equity investments in small business in this province that required capital for growth, capital for expansion. Introduction of this program has become an important milestone in the economic development of our province. We know that Saskatchewan residents have a high level of savings. We know there are abundant investment opportunities in our expanding economy. We also know there is an insufficient supply of formal investment money in the province.

Mr. Speaker, what the Minister of Finance did one year ago is bring all these factors together with

the overall intention of expanding business and industrial growth in order to increase job opportunities for our citizens.

Although this concept has been attempted in other provinces, we were the first to utilize a tax credit as an incentive to encourage investment. This innovation has recently been copied by the Government of British Columbia, who have introduced a similar Act after their staff spent considerable time in our province.

It was a brand-new program for our province, and it took time to develop. But it's now starting to gain momentum, and it's providing a real shot in the arm for our economy.

The province of Saskatchewan has lacked the presence of a professional investment community. There has also been a lack of a professional approach by many small businesses requiring financing. That, unfortunately, has sometime resulted in business failures where opportunities have existed for further growth and development. The venture capital program has enabled my department, potential investors, and small businesses to deal with these problems.

As I have indicated, Mr. Speaker, activity in the venture capital field is really picking up. My department is receiving calls from all parts of the province from groups wishing to form venture capital corporations. In the next couple of months, we can look for the setting up of some large corporations. They will be making significant investments in many companies to help those companies grow, to help those companies expand.

I know that the public generally will soon recognize that the introduction of the venture capital program was a major step in the economic development of our province. The venture capital program has two thrusts: firstly, in the rural areas; and secondly, in the urban areas.

In the rural community three venture capital corporations have been registered, and six more are presently incorporated but not yet registered. Various projects are planned or under way in the rural communities of Meadow Lake, Kerrobert, Cudworth, Humboldt, Rosetown, Estevan, Davidson, Kenosee Lake.

The venture capital program can be a definite boon to the rural communities of our province. Who said rural Saskatchewan must die? Not us, Mr. Speaker,. Not this side of the House. The members opposite did not know how to deal with those rural communities and, I suspect, that they did not care.

In the urban areas the venture capital program is opening up new methods of providing investment capital for growth and expansion of business and industry. Obviously, with a program developing as successful as this one, there will be continued support for the venture capital program in the 1985-86 budget.

Other measures to stimulate the economy introduced by the Minister of Finance in his budget a year ago has been equally effective in helping business and industry to grow and expand, and thus generating more employment.

I would like to refer, first of all, Mr. Speaker, to the Industrial Incentive Program, introduced last year and administered by my colleague, the Minister of Economic Development and Trade, our Deputy Premier, the Hon. Eric Berntson. This program has surpassed its original targets by generating \$47 million of industrial expansion plans by the private sector. Mr. Speaker, 164 companies in 68 communities have enrolled in the program, and their commitment has created more than 1,500 new permanent jobs for the citizens of this province.

Furthermore, Mr. Speaker, the tax reduction for manufacturing and processing introduced last year has reduced taxes and profits in those areas from 10 per cent to zero — no tax. Through sales tax exemptions for prototypes, also introduced last year, production costs, materials,

research and development of prototypes are exempt from sales tax. The result, Mr. Speaker, is that industry has been encouraged to invest in new and expanded operations, and through tax savings, more capital is freed up to fuel development of new products and new series, again, to create more jobs and a broader, more flexible provincial economy.

Mr. Speaker, fixed-rate financing, another of the economic stimulants introduced last year by the Minister of Finance, has been successful in achieving its objective. When the program to provide medium- to long-term loans to small businesses at fixed interest rates was conceived, there was no fixed interest rate programming available. Now, all of the financial institutions have their own fixed-rate interest programs. As a result, many loans at fixed interest rates have been made by financial institutions to their own clients.

Mr. Speaker, I am pleased to report to the legislature that discussions are now under way with the federal government, which could result in the development of federal-provincial programs of benefit to the Saskatchewan small-business community.

(1600)

The former provincial administration had no interest in discussing business-related issues with the Government of Canada. What else could you expect from the NDP when it came to important matters such as business and economic development? The federal government of that period was also doing nothing to benefit small businesses in Saskatchewan. Every other province had joint federal-provincial agreements to support business development — all except Saskatchewan, thanks to the non-efforts of the NDP.

Mr. Speaker, we are now in a new situation where we talk the same language as our federal counterparts when it comes to business development. Both administrations, federal and provincial, now consider the needs of the business community to be of prime importance in generating economic growth. Mr. Speaker, I began these discussions on possible joint federal-provincial initiatives to assist small business in our province, with the federal Minister of State for Small Business, the Hon. Andre Bissonnette, during his recent visit to our province.

Having already signed our first ever tourism agreement with Ottawa in the amount of \$30 million, possibly now we can come up with some joint federal-provincial programs to help our small business community. That's what we're working towards in our discussions with the federal small-business minister.

Mr. Speaker, we in this PC government are working to ensure that the smaller communities of our province benefit from increased economic growth, something that the NDP government never thought of, unlike that administration who pretty well left rural Saskatchewan to fend for itself, who said rural communities must die. Not us, not the Progressive Conservatives, Mr. Speaker. To help these smaller communities, we set up the Community Economic Development Program, which assist communities with populations of 700 and more to maximize their share of the province's economic growth.

Mr. Speaker, I'm pleased to advise this House that we now have 53 communities participating in the program.

SOME HON. MEMBERS: Hear, hear!

HON. MR. KLEIN: — Fifty-three communities hard at work attracting new businesses and industries to their doorsteps. It's simply amazing the way rural Saskatchewan has gotten involved in this Community Economic Development Program. All they needed was a small assist from the government. Already, there have been a total of 110 new businesses established in these communities, with another 107 businesses presently under negotiation. Is rural Saskatchewan dying? Not under this administration, Mr. Speaker.

It's a pity, Mr. Speaker, that the former administration didn't have their old department of industry and commerce get involved in a program such as this to help the smaller communities, instead of their do-nothing grant programs. They had 11 years in office to come up with something to help the rural communities. If they had only made contact with those rural communities of our province, they would have seen the energy and the initiative which exists in these communities which they failed to recognize — if they had only asked, if they had only listened.

When we were developed the mandate of the new Department of Tourism and Small Business a couple of years ago, we conferred with business and industry groups right across the province to get their ideas, their suggestions on the services they would like to receive from our new department. Unlike the members opposite who are now trying to pose as the champions of business, but who during the 11 years in office never sat down and asked business people for advice, we met with representatives of business and industry regularly to hear their concerns, their recommendations, and their ideas.

The members opposite, Mr. Speaker, know that my travels and consultations have taken me to every corner of this province. They know that I listen to the business folks right in their own constituencies, each and every one of them. They can't fool me with the stories that they come up with about how they're listening. They didn't listen before; they're not listening now. They don't listen because they don't understand. And I've got news for the members opposite when they try to set themselves up as the friends of business and industry. Even in your own constituencies, these private-sector groups have good memories. They remember how they were treated during the 11 years in office of your administration, and they will never forget how you treated them in those 11 years.

At any rate, Mr. Speaker, we in the new Department of Tourism and Small Business confer regularly with business. When we were developing the mandate for the new department, one request that came through loud and clear at just about every session was the need by business people and industrialists for fast, reliable information and market data on which they could make some business decisions.

We also heard a lot from business people about their frustrations of trying to deal with the regulatory maze of the old government, especially the former administration's old department of industry and commerce, of trying to locate the right office to get answers or advice to their problems.

Out of those discussions with business, the idea of business resource centres was born. During the past fiscal year, we opened four of these business resource centres — in Saskatoon, Prince Albert, Estevan, and North Battleford. We will shortly open additional business resource centres in Swift Current, in Yorkton, and in Regina.

These centres are one-stop information centres for business and industry, and they're easily visible, or they're easily accessible and highly visible in high traffic areas. They're not hidden away in some back alley or in some old government building back out of the way of the big traffic.

These centres, Mr. Speaker, are basically information storehouses with consultants from my department on hand to help business locate and interpret the information that they need. The consultants can also give advice on business proposals.

The business resource centre contains operating and marketing information on over 240 lines of business. They carry community profiles, marketing and statistical data, management aids, and information about government and non-government assistance programs. . . . (inaudible interjection) . . . I'll get to the North in a minute. Just relax. I'll get there in a minute.

As a result of this new service, my department has been busier than ever, compared to the old field offices set up by the former administration. The new centres are recording up to 200 per cent increases in business inquiries. I invite the members opposite to visit these business resource centres. Perhaps you'll have a first-hand opportunity to learn something about business. You should go and visit them. You can find there how to run an efficient business, get information and service on how it should be operated, and they'll see with their own eyes the contribution that they could have made for the business and economic development of our province, if they had only consulted with the business community during their term of office.

Mr. Speaker, we're pleased with the operations of the business resource centres to prove something that business and industry has been telling us for a long time — simply doling out funding for grants doesn't cure anything. That's just about all the former administration did in its old departments. That's all they knew how to handle a problem — dole out money. When business has a problem, they don't simply want a financial hand-out, they want accurate direction. They want sound advice. And that's something our new business resource centres are well equipped to provide.

To help keep the business information in our centres up to date, my department has been producing new publications, giving much-needed information to the business people and to the potential business people. A good example is our booklet, *Starting a Business in Saskatchewan*. It came out last fall. The first run has gone from our shelves, or was gone from our shelves within three weeks of the date of the initial publication. Since then we've had two additional printings with 11,000 copies requested by small business and business-related organizations. The demand for the booklet is still high, and the number of the testimonials received by our department is a pretty good indicator of its usefulness.

Mr. Speaker, I'd also like to mention that my department's import replacement policy is showing good results. We're working to encourage Saskatchewan manufacturers to produce goods and services that we currently import, to create public awareness of the advantages of purchasing a domestic product. So far we've identified over 400 such manufacturing opportunities, with a combined value of over \$500 million. In co-operation with the Saskatchewan Research Council, through our product development management program, we're helping Saskatchewan manufacturers to develop these new products and get them into the market-place.

Mr. Speaker, the Saskatchewan-made program goes hand in glove with our import replacement policy by encouraging producers to identify their products with a distinctive logo, and by encouraging consumers to look for the logo and to buy those Saskatchewan-made products. To date, 415 applications to identify about 1,500 Saskatchewan-made products have been submitted by our Saskatchewan manufacturers.

Mr. Speaker, at this time I'll move north for a moment to review the status of the Northern Saskatchewan (economic development) Revolving Fund. When we took over, when we took over this loan assistance program from the former administration, the revolving fund was on its deathbed, crippled by a loan approval requirement that was far too loose. That, combined with a poor or no collections policy, resulted in a high level of unrecoverable loans — loans that were made at the taxpayers' expense. Well we don't operate that way. We adopted a more professional approach to administering the revolving fund, giving it a new lease on life and a new renewed thrust.

Mr. Speaker, the opposition would like you to believe that we made the program restrictive. But I say that there is a clear difference between being restrictive and being responsible. We're approving loans for viable businesses in the North, not pie-in-the-sky stuff like you fellows used to do or dip your fingers into.

I am pleased to report that during the last fiscal year, Mr. Speaker, a record 77 loans totalling over

\$2.5 million were approved under the revolving fund. And that resulted in the creation of 450 person-years of employment. I'm pleased to report that 88 per cent of the loans made under the program are current respecting their scheduled repayment plans, which means that northern business development, the loan program under our government, is working and it's working fine. Our Minister of Finance has continued his support for the program in the new budget.

Mr. Speaker, in our continuing consultations with the business community, another concern of theirs which we hear regularly is their desire and need to upgrade their management skills. To address that need, we introduced the Management Assistance Program, a program that has been highly received right across the province and which should have been introduced many, many years ago, if our predecessors in office had only listened and if they had only acted.

The Management Assistance Program gives business people an opportunity to use private sector consulting firms to upgrade their management skills. They get management advice and information that helps them to see their complete operational picture, the whole ball of wax — to go after new markets, and to run their companies more effectively.

Mr. Speaker, as I have indicated, the program has been very, very well received right around the province. We've had 29 communities get involved in this program so far, and that has covered approximately 700 individual businesses to this date. We're planning to carry the program to more communities in the coming fiscal year. We intend to add another 15 communities, which could cover more than 300 additional businesses. Just think, over 1,000 small businesses gaining advice from professional business communities from the private sector.

The 20 communities that have participated in the program to date, I will show for the record, Mr. Speaker, and for the information of the members present, because some of them are right in their own constituencies, and I'm sure that when they go back, they're ashamed to hear that. But those include: Nipawin, North Battleford, Saskatoon, Moose Jaw, Melville, Estevan, Weyburn, Melfort, Swift Current, Unity, Regina, Prince Albert, Yorkton, Eston, Humboldt, Meadow Lake, Carlyle, Outlook, La Ronge, Kerrobert, Esterhazy, Shaunavon, Biggar, Radville, Fort Qu'Appelle, Tisdale, Maidstone, Lashburn, Gravelbourg, and Watson.

Who said that rural Saskatchewan must die? Not us. They're operating back down in your corner of the world. They're there. They're operating, and thanks to who?

Also, Mr. Speaker, I am particularly pleased to tell you that the members of the Northern Saskatchewan Outfitters Association who are located in the many communities of the North, will be recipients of this program now, covering the whole North, the whole Northern Outfitters Association.

(1615)

We hear a lot of noise but little understanding from the opposition benches, particularly about bankruptcies in business in this province. If the member from Shaunavon would listen, because the last time he questioned me about bankruptcies, he couldn't understand the figures. And I can speak slower, and I can speak louder, but I can't explain it any better, so I'll do it one more time.

Sure we've had some business failures which we regret very much, and as a department and as a government we work to try to help keep these businesses going. But in many cases the principal cause of business failure is mismanagement. So while the opposition keeps harping about bankruptcies, they fail to tell the public that the increase in corporations registered during the period 1982 to 1984 has exceeded bankruptcies by a whopping 365 per cent.

Like life, the more births you have, it's only reasonable that you are going to have more deaths. The opposition fails to point out, Mr. Speaker, that bankruptcies as a percentage of total business

in Saskatchewan in the year 1984 was 1.36 per cent, which is well below the national average of 1.71. Do you understand how that works now? We're lower than the national average.

Further, I'm pleased to tell the opposition that the total number of corporations registered in Saskatchewan in 1984 was 34,613, an increase of 1,187 over 1983; an increase of 2,441 over 1982; and an increase, Mr. Speaker, of 3,304 over the 1981 total — all of which is a pretty good indication of the increased economic activity. And truly, those folks must figure that we're open for business. You don't like to hear us say that? I'll say it again.

SOME HON. MEMBERS: Hear, hear!

HON. MR. KLEIN: — But general business development is only part of what my department does, Mr. Speaker. Much of our efforts are directed towards developing our tourism industry. That's another one you guys didn't understand.

Of all the major industries in this province that the NDP ignored, Mr. Speaker, tourism is by far the largest industry, and they should be ashamed of themselves. Tourism is going to be the largest industry in the world by the end of this century. And what did you do about it when you had the power? That much. Presently, Mr. Speaker, tourism is the fifth largest industry in our province, and the one to watch, now and in the future. We've been working hard to promote our province, and our efforts are starting to pay off.

Mr. Speaker, last year's budget presented by the Minister of Finance gave that neglected tourism industry its greatest support in the history of our province. We have now entered a new era of tourism in Saskatchewan. At long last we are starting to participate in a serious way in the lucrative tourism industry. And you boys from the North should pay attention, because you didn't before and you should now, because it's an awful important industry for you, your business community, and your people, because it's the single biggest source of job creation that you can have.

MR. SPEAKER: — Order, please. Some hon. members are shouting across the floor continually, and I would ask for decorum. It's impossible to carry on business this way.

HON. MR. KLEIN: — I apologize, Mr. Speaker. I'm shouting continually across the floor, but only so that I can be heard.

But for several years previously, the former administration tinkered around with tourism. You should be condemned by all the people in the province for the tremendous loss of jobs and the tremendous loss of business opportunities to our citizens — jobs that could be paying off now if you had acted to promote and develop tourism in this province instead of twiddling around, fooling around with it.

Your efforts at setting up an organization for the promotion and development of tourism was a miserable failure. I refer to your old department of tourism and renewable resources which became a provincial joke in its weak effort to develop tourism. Its main problem, Mr. Speaker, was that it didn't treat tourism as a business, and that's what tourism is, after all. It's the greatest collection of small businesses in our province.

And that's the way we're treating tourism now — as a business — generating business opportunities and jobs for the people of our province. And that's why it is now part of a business department of the Progressive Conservative government. In two short years, a new awareness of tourism as a major contributor to the provincial economy is taking place in Saskatchewan.

The NDP, during its period in power, looked on tourism as an activity which should only benefit the public sector. They didn't recognize tourism as a business activity. In fact, they had people in the province believing we didn't have a tourism industry to develop. Well, I'm happy to report,

Mr. Speaker, that under the new and enthusiastic direction that my department is now giving to tourism, more people are becoming involved in tourism, and there is a greater participation in the tourism industry at the community level.

Two months ago, I had the pleasure of appointing a minister's task force on tourism. It's being chaired by my colleague and Legislative Secretary, the MLA for Moose Jaw North, Keith Parker. This new era for tourism in Saskatchewan calls for the provincial government to be receptive to the needs of a well co-ordinated private sector. I have asked the task force to examine this aspect of tourism in Saskatchewan, and also to investigate the role of a provincial tourism industry and what role that organization could fill.

Unfortunately, we don't have such an organization in Saskatchewan, and as I've indicated, we've been very aggressive at promoting the tourism attractions of this province, something the NDP never did. And without that private sector organization, Mr. Speaker, it would be very, very difficult. I certainly hope that my task force is able to produce some kind of a plan for our province, because we are the only province in our country that does not have a provincial tourism organization.

And I would like to quote, as a result of these efforts, but one headline, Mr. Speaker, a headline from a recent edition of the *Minneapolis Star Tribune*, one of the largest daily newspapers in the U.S. mid-west. The headline reads, "Saskatchewan makes aggressive bid for tourists." You wouldn't find a headline like that anywhere during the NDP days — nowhere.

As most people are now well aware, we have become very aggressive at the job of attracting tourists to our province, and we're encouraging our own residents to travel and to holiday at home. We're selling hard because we really and truly believe that we've got something to sell in the tourism attractions and activities of Saskatchewan. We're proud of our province and we want to go and show it off, something you people never did. You should be ashamed of yourself . . . (inaudible interjection) . . . The last time I saw a mouth like yours, it had a fish hook in it. Would you be quiet for a minute!

Mr. Speaker, last year we went after the United States and Canadian markets in a big way. Our inquiries through the department's head office went up by almost 44 per cent over 1983. And it looks even better for this year. For the months of January and February our inquiries are up 56 per cent over last year, and, by all indications, we'll see the best year for tourism ever in the history of our province.

SOME HON. MEMBERS: Hear, hear!

HON. MR. KLEIN: — To ensure that we turn those inquiries into actual visitors, Mr. Speaker, we're sending them a selection of the best travel publication series that this province has ever produced.

The centre-piece of that series is *The Great Saskatchewan Vacation Book* I'm sure that all of you at some time have had to listen to the critics, the ones who've never been to Saskatchewan or heard about Saskatchewan. If they have, they said, "Well, Saskatchewan's flat; it's cold; it's boring." Well, now we've got a chance, for the first time, to really shut them up.

We do talk about winter in that book, but let me tell you that there's no flat and boring between those covers. Not only does the book look good, or that it's professional, but it's jam-packed with well written features on things to do and things to see around our province. You guys are really embarrassed by all this, aren't you? I should quit because you're so embarrassed. You were there all that time, didn't do anything for your own constituency. Unbelievable.

But, Mr. Speaker, things to see and do around the province — things like camping, parks, canoeing, vacation farms, historic sites, special events like multicultural festivals, summer fairs

and rodeos. There are few books in other provinces that stack up against this one, and we know it will influence a large number of vacationers to choose Saskatchewan.

Our regular publications have been upgraded, as well. And I'm referring to the *Outdoor Adventure Guide*, the *Accommodations Guide*, and the *Calendar of Events*. I'd like to mention, while I'm at it, that in honour of the North-West Centennial, we're also distributing copies of the *Saskatchewan Guide to Historic Sites of the North-West Rebellion*. And these publications are out right now, Mr. Speaker, earlier than ever before, so that the touring public has the opportunity to beat the rush and make their Saskatchewan travel plans well in advance, and I might add, to better compete with the opposition in the market that we're going after.

It's a highly competitive market, unbeknown to you. You never promoted it. But it's a good thing that we're going after it now because if we wouldn't be here to move after that market now, Mr. Speaker, Saskatchewan would probably be lost in the dust forever. And when it relates to tourism, the best thing that the people of our province did was when they elected our Progressive Conservative government in 1982 so that we could really attract the people here.

This new budget, of course, will continue the high level of support for tourism promotion and development, and for our tourism marketing strategy which is well under way.

We will also continue, Mr. Speaker, funding to organizations and groups within the province to develop improved community and private sector promotional activity.

There are many more exciting developments coming in tourism. The first federal-provincial tourism sub-agreement for Saskatchewan was signed last fall, and over the next few years it will inject \$30 million into the development of our tourism industry.

This is the first ever such agreement between our province and the federal government. The NDP talked long and loud about what they will do for the province. But in their many years in power, Mr. Speaker, why couldn't they come up with simply some federal financial assistance for tourism? Unbelievable! Your Progressive Conservative government did it in just two years.

There are four major components to this federal-provincial tourism agreement, Mr. Speaker. First, product development — providing investment incentives for the industry, with a proposed expenditure of \$17.4 million over five years.

Secondly, market enhancement — working with the private sector to sell the product, with a five-year expenditure of \$3.3 million.

Third, organizational support and professional development of the industry, with a proposed expenditure of \$7.5 million over five years.

And finally, research, with funding of \$1.8 million to evaluate our programs and develop the careful planning of the tourism strategies necessary for success.

Over the past two years our government has made solid progress in developing a tourism industry which will be led by the private sector. We've created a climate of confidence for people to invest in tourism facilities. As a result, we're seeing the development of many new tourism facilities — first-class hotels and new destination resorts, projects being built by the private sector, and not by the provincial government with your tax dollars.

1985 is Heritage year in Saskatchewan, and events are already under way to help make it one of the biggest tourism years ever. Heritage year, Mr. Speaker, actually includes three commemorations — the 80th anniversary of Saskatchewan as a province, the centenary of the 1885 North-West Rebellion, and the international year of the youth that was declared by Premier Devine to be Saskatchewan Youth year.

So it's a big year that we're looking forward for in tourism this year. And through aggressive promotion programs, the tourism industry plans to take full advantage of all that . . . (inaudible interjection) . . . And, as typical, the member for Regina Centre never opens his mouth unless he's got nothing to say.

Also, Mr. Speaker, we are already at work planning events and activities to help encourage some of the half-million visitors expected to visit Expo '86, from the eastern half of the continent, to spend some time in Saskatchewan in 1986. And it's not just the half a million people that are travelling through Saskatchewan on their way to Expo '86 that's so important, Mr. Speaker. We can determine the obvious impact of our visitors as they overnight here on their way through. But how we treat them, how we roll out the welcome mat, how we show them that we have the friendliest people anywhere right here in Saskatchewan will, to a large extent, determine, Mr. Speaker, whether those people will ever come back to visit the province of Saskatchewan at some other future date. So there are opportunities there, and we intend to do everything possible to take full advantage of these opportunities.

(1630)

Mr. Speaker, these programs of my department: venture capital, Community Economic Development, the new Small Business Interest Reduction Program, tourism promotion and development, and all of our other activities, are good examples of this government's desire to help stimulate growth in business and industry and thereby generate more business opportunities and jobs for the people of Saskatchewan.

Yes, again I will repeat, Mr. Speaker, that is a fair representation of the fact that Saskatchewan is open for business. We recognize that the private sector is the engine that drives our economy. So if business and industry prospers, everybody in the province prospers. The bottom line of all these economic stimulants provided in the budget is that they'll help generate employment for the people of Saskatchewan.

Unlike the previous administration, we believe in developing a positive business climate to give the private sector the initiative to provide jobs. And I say again, Mr. Speaker, government can't create jobs — only the private sector can. Our task is to help the private sector to do just that.

Mr. Speaker, last year's drought hit this province pretty hard, make no mistake about it. But governments have no control over the weather, much as we would like it otherwise. But we've managed to work through that problem, and hopefully the weatherman will be more kind this summer to our agricultural sector.

In this spring of 1985 the future is indeed bright for our province. The measures introduced by this government to help generate economic growth in our province is a record to be proud of, and certainly unmatched by anything done by the previous administration in its 11 years.

Mr. Speaker, from my remarks, I'm sure that it's extremely obvious to all that I will gladly support this budget. Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SHILLINGTON: — Thank you very much, Mr. Speaker. I want to begin my remarks by congratulating the newly elected member for Thunder Creek . . .

SOME HON. MEMBERS: Hear, hear!

MR. SHILLINGTON: — In welcoming him to the Legislative Assembly, I hope his term of office will be short and sweet. Let's put it that way.

Mr. Speaker, the people of Saskatchewan awaited this provincial budget, the fourth from the Devine government, with a sense of anticipation born, one might say, out of desperation. While the Premier continues to deny reality, the ordinary people of this province live with it, and realize all too well that we face tough economic times, and that there's a need for the government to change its course. We have 60,000 people unemployed in the province, many of them young people unable to get that all-important first job, but many more skilled workers in their 40s and 50s who are facing long-term unemployment for the first time ever.

We have more than 65,000 people in this province dependent upon welfare, an all-time high, one record which the Premier fails to mention. We have small-business people here at home going under at an alarming rate, while the cabinet continues to visit foreign capitals, their entourages in town, to declare Saskatchewan open for business.

Since the Conservative government has taken office the number of bankruptcies has doubled. Last year 306 Saskatchewan small businesses closed their doors. Why? In large part the reason is the failure of this government to deal with high unemployment and the insecurity of those who are working. When people aren't working, or don't feel secure about their jobs, they don't buy. When people don't buy, business suffers. It's a simple equation, and yet it seems one that the Conservative government has forgotten. If members opposite want proof, all they have to do is look at Saskatchewan's retail sales.

In 1984 our province experienced zero growth in retail sales. That was the worst performance in the country. How about new housing construction? That's another key indicator of a government's economic performance and a key indicator of the confidence, or lack of it, that people have in this province. In 1984, new housing construction in Saskatchewan was at its lowest ebb in 14 years. Saskatchewan farmers had their backs to the wall, as well. Since the Conservative government came to office, Saskatchewan has lost 1,300 farms. So much for the Premier's promise to preserve and protect the family farm.

You could see why, Mr. Speaker, Saskatchewan people awaited the budget anxiously. They had hoped that the government had got the message. They had hoped the government would come to its senses. What did we get in Wednesday's budget? Mr. Speaker, we got a pickpocket budget, a budget which picks the pockets of the ordinary Saskatchewan taxpayer and lets the rich and the large oil companies off without paying a penny more.

This budget has one claim to fame for most people — it contains the biggest tax increase in Saskatchewan's history — this from a government which came to office promising to cut taxes.

Mr. Speaker, we have now see the other shoe drop. This is the other half of the cycle. In 1982 this government assumed office, cut oil royalties, cut taxes paid by interprovincial trucking companies, and gave the wealthiest, the most affluent, the largest corporations, a very large tax break.

We're now making that up. This is the other half of the cycle. Those same taxes are being collected from ordinary, middle class Saskatchewan people. It's the other half of the cycle. This represents not only the biggest tax increase in Saskatchewan's history, it also represents the biggest shift in taxes in Saskatchewan's history — a shift from those who can afford to pay, to the middle class who are hard pressed.

Let me use an example of a family of four with an income of 18,000 a year, in a constituency such as Regina Centre. That is by no means low. Here's what the Conservative government will pick from their pockets, Mr. Speaker.

First, the new flat tax on net income will take an extra \$441 out of their pockets in income taxes over the next five years.

Second, the loss of the renter's rebate will take \$750 more out of their pockets over the next five years.

Third, if this family of four buys one used car during the next five years, which isn't beyond the realm of possibility, they'll pay 5 per cent more for that car because the provincial sales tax has been extended to the sale of used cars. Let's say they buy a \$5,000 used car, that will take an additional \$250 out of their pockets.

I urge members opposite to add up the figures — \$441 in additional income taxes; \$750 in the loss of the renter's rebate; \$250 in additional sales tax. Just add those three figures together and you get \$1,441, almost \$300 a year.

That is their contribution to the welfare of big oil and the interprovincial trucking companies — \$1,441 out of pockets of a family which begin with only \$18,000. It may not seem much to members opposite who make twice as much as this family, almost twice as much as this family. I referred to, but I assure you it's a lot to a family struggling to get along on a tight budget.

Surprisingly, Mr. Speaker, that level of financial sacrifice isn't what has most Saskatchewan people up in arms about this budget. People are prepared to sacrifice if they are sure the sacrifice is required to help those in need, if they were sure the sacrifice was going to result in some positive improvement in the lot of everyone, and if they are sure the sacrifice was being borne by everyone equally. But the ordinary taxpayers of this province, the farmers, the home owners, the renters, the small-business people, the senior citizens, and the young alike are being asked to sacrifice where others are getting off scot-free. I ask the members opposite . . . this budget says Saskatchewan farmers — Saskatchewan families, I'm sorry — are better able to pay than the large oil companies. do you really honestly believe that? Some of the people that I've talked to who had tried the computer to redesign the budget were surprised to find that the computer gave them no option to increase the taxes on resources.

Do members opposite really honestly believe that Saskatchewan families have more cash in their pockets these days than the big oil companies? You must, because this budget proposes to take hundreds of millions of dollars out of the pockets of ordinary people over the next five years to make up for what you gave the oil companies earlier on in your term of office, and asks in this budget not one penny more from the resource companies.

Members opposite keep claiming that the oil industry is booming. The oil industry itself tells us that the oil industry is booming. They take out full-page ads in the newspapers to thank this government for its generosity. Well, if the oil industry is booming and the new federal and provincial energy agreement is about to put hundreds of millions of dollars into the pockets of the oil companies, why aren't they putting their fair share into the budge? And the oil companies are booming. They are able to pay more.

I read a sample of three news clips, with one in the *Leader-Post* of March 31st. It says the pact, the federal-provincial energy pact is worth 1.3 billion to the oil industry. I would have thought with 1.3 billion the oil company could have put something into the provincial budget.

The *Globe and Mail* says the oil profits recovered sharply. The four majors will make an additional 1.42 billion. One would have thought the major oil companies who extract, I may say, 15 per cent of their oil from Saskatchewan, one would have thought that they could have paid a little more, but apparently not. Apparently middle-class, ordinary people are better able to pay.

The *Globe and Mail* on March 30, 1985 reports, "Energy pricing pact termed a boon to most oil companies." And it goes on to state that only a handful of oil companies — note all of them minor in size — will pay more.

The people of Saskatchewan are saying that that just isn't fair, Mr. Speaker. They want to know

why they're being called upon to pay more when the rich and the big business pay nothing. The government claims it needs all this extra money from Saskatchewan taxpayers in order to spend an adequate amount on education, job creation, agriculture, and health care. How we wish that were true. Heaven knows adequate funding for areas such as health, education, job creation, and agriculture is sorely needed. Unfortunately, this is just another of the Devine government's smoke-screens. The extra money is needed to finance the government's give-aways to the oil companies, the potash companies, and to finance its own extravagant spending habits.

When the Minister of Highways can run up \$63,000 in travel bills in one year, you know the Conservative cabinet is here for a good time and not for a long time.

SOME HON. MEMBERS: Hear, hear!

AN HON. MEMBER: — How many dollars?

MR. SHILLINGTON: — \$63,000. I'm going to return in a minute to the general level of spending on travel by this cabinet. This cabinet is out to spend the public money on their own comforts and for their own promotion. And that's where all of these additional tax dollars will be going — to finance more trips by the Minister of Small Business and Tourism to places like Africa and Palm Springs, California in the dead of winter to promote tourism, to pay the government's political advisers salaries of \$100,000 or more, to pay more than \$12 million in self-serving government advertising, to finance 240 million a year in royalty breaks and other gifts to the oil and potash companies.

I say to Saskatchewan families: that's where your hard-earned tax dollars will be going under this pickpocket budget. It's a tragedy, Mr. Speaker, a tragedy on every level, because the government should be acting in a meaningful way to improve our education and health care systems and to protect family farmers and create jobs. That kind of help is desperately needed.

(1645)

I want to, Mr. Speaker, turn for a moment to a couple of other items, one of which is the failure of Pioneer Trust. We will never know if Pioneer Trust might have survived and might have made it. We know now, Mr. Speaker, that the direct cause of the failure of Pioneer Trust was this government's incompetence. This government has displayed incompetence in a number of ways, but I don't think they ever quite reached the apex they did with Pioneer Trust. The direct cause of Pioneer Trust's failure was this government's handling of the financing.

There might have been other methods of handling it. There might have been other methods of handling it, Mr. Speaker. Matching funds might have been provided. They might have said that they would provide funds on the basis that someone else matched them, and the other funds go out first. None of that was done.

In this case, the Minister of Finance stated he would give a guarantee, apparently without ever checking the books. What kind of a Minister of Finance do we have in charge of a \$3 billion budget who hands out guarantees without asking any questions? What kind of incompetence does that display? How much faith can the public of Saskatchewan have in the Minister of Finance who hands out \$30 million guarantees without question, then finds out that all is not as he had hoped, withdraws it, and causes the collapse of one of Saskatchewan's major industries, one of Saskatchewan's major companies?

I say, Mr. Speaker, that the people who lost money in Pioneer Trust have this government to thank, and this government should be compensating them. They were directly responsible. The Government of Ontario, which played no part in the collapse of the trust companies in Ontario, worked out an arrangement with the provincial government, with the federal government, whereby they were able to fully compensate all depositors. That was what the Government of

Ontario did.

This government, without either the competency or the clout to work out such an arrangement with Ottawa, has thus far left those depositors dangling. I say, Mr. Speaker, this government was responsible for the collapse of the . . . (inaudible) . . . companies. They ought to have to pay the bill — and not the depositors.

Mr. Speaker, I want to deal for a moment with minister's travel. The travel arrangements of this government, and the costs of travel, have got completely out of hand.

Mr. Deputy Speaker, it would be bad enough if this were happening in a time of affluence when we weren't witnessing things like the discontinuance of food allowance in northern Saskatchewan for people whom I can personally testify are going hungry. It would be bad enough if these kind of records accumulated in a more normal time. But at a time, Mr. Speaker, when we don't have any money for the food allowance in northern Saskatchewan, when social welfare recipients have had their allowances reduced by 40 per cent, the record that I'm about to read should cause any government to hang its head.

There is an honours roll of ministers who spend more than \$1,000 a month on travel. And, by my count, there are eight ministers who've made the honours roll, not including the Premier, whom I have ignored, as most of the public in Saskatchewan are coming to.

There is, of course, leading the honours roll, the Minister of Highways, coming in at \$62,000; the Minister of Economic Development and Trade at 35,000; the Minister of Finance at 28,000; the member from Meadow Lake at 39,000. This one really fazes me. The Minister of Co-ops managed to run up travel expenses of \$26,000 on a portfolio which should keep him entirely within the province. It is really very difficult to see how a minister in charge of the Department of Co-ops, most of whose constituents live in rural areas to which he ought to be driving, can run up expenses of \$26,000. The Minister of Energy has been anxiously awaiting his name. Here it comes — \$33,654.35.

AN HON. MEMBER: — 33,000.

MR. SHILLINGTON: — \$33,654.35. The Minister of Education, who has no interprovincial responsibilities — education is almost entirely, education is entirely a provincial responsibility — the Minister of education has run up travel expenses of \$33,412. The Minister of Health, no doubt in an effort to consult with Dick Collver, has run up expenses of \$27,000.

Mr. Speaker, the travel expenses of this cabinet are 60 per cent higher than they were when the former government left office. This government's travel expenses are 60 per cent higher than the past administration's — 60 per cent higher . . . (inaudible interjection) . . .

MR. DEPUTY SPEAKER: — Order, order.

MR. SHILLINGTON: — I don't know whether the member from Rosthern regrets the fact that he's not speaking. You've got all the story. The fact is that this government, as evidenced by the cabinet ministers, are profligate spenders on travel. No wonder that the member from north east feels that he has — the former member from north east — feels he has a right to help himself to the public trough, when he sees cabinet ministers running up travel expenses of such an inordinate amount.

The Minister of Highways — if anyone should be forced to use Saskatchewan's highways in the condition in which they're in, it ought to be the Minister of Highways. But apparently no one can persuade the Minister of Highways to bounce over those pot-holes. I can only assume that if he ran up \$62,000 in a year, he must be travelling exclusively by aircraft.

Mr. Speaker, it is simply not acceptable to be starving welfare recipients as we are, and to have this government running up travel expenses that are 60 per cent higher.

Mr. Speaker, I want to say a word about the funds in education and health. Only this government is pompous enough and, I think, ignorant enough to elevate what has been a standard tool of planning for many years into something that's new and different.

Mr. Speaker, the funds mean nothing, have been quite rightly ignored by most of the public, and I will predict, Mr. Speaker, in six months time there won't be a bus load full of people in the province of Saskatchewan who even remember them.

The funds are meaningless. They are entirely cosmetic. They commit the government to nothing, and accomplish nothing. This province has . . . we have for many years, at least going back to the date of the Liberal regime of Ross Thatcher, we have had five-year plans. We have always had five-year planning, and that's all that this is. It's just given a fancy name.

AN HON. MEMBER: — Except we're not going to do anything in the first year.

MR. SHILLINGTON: — The difference is that we're not doing anything in the first year.

Mr. Speaker, governments in the past, some governments in the past have been accused of promising something and not delivering it. But this is the first government to promise nothing in the next year, and promise everything in the next four to five years, knowing full well that there is no way that they can be held accountable for these asinine ministerial statements which we're hearing, announcing projects in two, three, four, and five years. And a ministerial statement which announces something five years hence is truly asinine. It is truly asinine.

Mr. Speaker, I want to deal for a moment . . . Mr. Speaker, I'm going to get into a different portion of my speech. Given the fact that it's five minutes to, I wonder if you just might call it 5 o'clock and pick this up . . . (inaudible interjection) . . .

MR. DEPUTY SPEAKER: — Order. Being near 5 o'clock, I now leave the chair until 7 p.m.

The Assembly recessed until 7 p.m.