

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
May 1, 1985

The Assembly met at 2 p.m.

THE CLERK: — I beg to advise the assembly that Mr. Speaker will not be present today to open this sitting.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

HON. MR. FOLK: — Thank you, Mr. Deputy Speaker. It gives me a great deal of pleasure today to introduce to you, and through you to the members of this Assembly, a group of 38 university political science students — 15 from the University of Saskatchewan, and 15 from the University of Ottawa.

They are seated in the Speaker's gallery, and they are accompanied today from the University of Saskatchewan by Professor Hans Michelmann, and from the University of Ottawa, Professor Caroline Andrew.

I'd like all members to join with me in welcoming them to our Assembly. I hope they find question period very enjoyable and interesting, and I'll be pleased to meet with them after. So, ladies and gentlemen, I'd appreciate it if you would join with me in welcoming them to the Assembly today. Thank you.

HON. MEMBERS: — Hear, hear!

MR. SWENSON: — Thank you, Mr. Deputy Speaker. It gives me a great deal of pleasure today to introduce to you, and through you to this Assembly, a group of 15 grade 12 students from Central Butte, Saskatchewan. They are seated in the east gallery. They have with them their teacher today, Mr. Ron Richardson, and their bus driver, Mr. David Miller.

I would hope that they would find the proceedings today informative and interesting. I'll be meeting with them afterward for a small refreshment. And I'd like the members of the Assembly to please join me in welcoming them here.

HON. MEMBERS: — Hear, hear!

MR. PICKERING: — Thank you, Mr. Deputy Speaker. I would like to introduce to you, and through you to all the members of the Assembly, a group of 17 grade 7 and 8 students from Lake Alma, which is in the extreme southern part of my riding, and from the south-east corner, 21 grade 7 and 8 students from Oungre. I don't have a complete list of the chaperons, but I do have one of their teachers, Ken Johnson, listed here.

I would hope they find the question period informative, perhaps educational. And I will be meeting with them at 2:30 for drinks and pictures in the rotunda area.

I would like all members to join with me in wishing them a warm welcome to the legislature and a safe journey back home.

HON. MEMBERS: — Hear, hear!

ORAL QUESTIONS

Uninsured Pioneer Trust Depositors

HON. MR. BLAKENEY: — Mr. Deputy Speaker, I direct a question to the Premier in the absence of the Minister of Finance. The question deals with the largest business failure in the history of Saskatchewan, the collapse of Pioneer Trust.

The Minister of Finance a short time ago issued a statement with respect to a compensation plan for the victims of that particular failure, and the question I direct to the Premier is this: can he tell the House and Saskatchewan citizens approximately, in dollars and cents, how much the compensation plan will cost the Government of Canada, and how much the compensation plan will cost the taxpayers of Saskatchewan?

HON. MR. DEVINE: — Mr. Deputy Speaker, the federal member, the hon. Barbara McDougall, and the Deputy Premier had a joint press release this morning. I'll let the Deputy Premier respond to it because he went through it in detail.

HON. MR. BERNTSON: — Mr. Deputy Speaker, the total amount of money on deposit at Pioneer Trust was in the neighbourhood of \$250 million, 88 per cent of which will be covered by the federal jurisdiction, 12 per cent of which will be covered by the province.

HON. MR. BLAKENEY: — Mr. Deputy Speaker, a supplementary to the Deputy Premier. As the Deputy Premier will know, in previous collapses, let us say of Crown Trust and the Canadian Commercial Bank, other financial agencies, particularly banks and trust companies, shared in paying the losses. In this case, is all the loss to be paid by the taxpayers, or are banks and trust companies going to share some of the burden?

HON. MR. BERNTSON: — In the . . . as you know CDIC does, in fact, collect premiums from other financial institutions, so to the extent that they are paying into CDIC; I guess it can be argued that they are supporting it in some way. We all know of course that CDIC is carrying something of a deficit as well, and from our point, I think that you will recall that the Minister of Finance increased significantly the tax on banks within the province.

HON. MR. BLAKENEY: — Mr. Deputy Speaker, a supplementary. Would the Deputy Premier make clear for the purposes of the public just what groups are not covered by this combined compensation plan. I take it that the non-arm's length depositors are not covered. Are there any other gaps?

HON. MR. BERNTSON: — On the advice of legal counsel, insiders and non-arm's lengths will be held until the liquidator can recommend as to whether they should be paid out or not. IAACs (Income Averaging Annuity contracts), RRSPs, deposits of savings, chequeing — 100 per cent protection. These include the Oblate fathers, the Ursuline sisters, the city of Regina, pension plans.

In the IAACs, the vast majority of the IAACs were retired farmers who had put their life savings in anticipation of living off those IAACs in their retirement. And we took the view that people of this nature have put their money into those accounts with the belief that they would be there at the end of the day when they were needed for retirement. We worked an arrangement with the federal government where they would cover the IAACs, and in total, the deposits on account at Pioneer Trust were in the neighbourhood of 240 million, 88 per cent of which will be covered by the federal jurisdiction, 12 per cent of which will be covered by the provincial jurisdiction.

HON. MR. BLAKENEY: — Supplementary, Mr. Deputy Speaker. The Deputy Premier will know that this collapse took place on February 7, and the government has been urged to act on many occasions, not least by the official opposition.

Will the Deputy Premier concede that the delay is because the final compensation package pays interest only to February 15, and accordingly every day of delay saves your government

between 5 and \$10,000?

HON. MR. BERNTSON: — No, I don't think so at all. If we decide that we're going to pay interest accrued to the day of liquidation, the till doesn't ring beyond that. It's not interest accumulating beyond the day of liquidation, so we could go for 25 years and not save any more money. I mean, that's the limit at the day of liquidation as we've set it out.

The simple fact is we have covered the depositors 100 — I mean 88 per cent by the federal jurisdiction, 12 per cent by the provincial jurisdiction, and we stand equally before the liquidator. And when the liquidation is completed, we would expect that the provincial exposure at the very top side would be no more than \$10 million.

HON. MR. BLAKENEY: — A final supplementary, Mr. Deputy Speaker. Will the Deputy Premier concede that the depositors in Pioneer Trust have suffered a substantial loss of interest which the depositors in Canadian Commercial Bank and Crown Trust did not?

HON. MR. BERNTSON: — I concede that depositors have not had interests accrue since the day of liquidation. And that's all I concede. My guess is that the depositors will be very, very happy with the package that's been put together.

SOME HON. MEMBERS: — Hear, hear!

MR. SHILLINGTON: — A supplementary to the Deputy Premier. Of the \$240 million, was any portion of that covered by CIDC? And if so, what portion of that was covered by the CIDC?

HON. MR. BERNTSON: — Well I think I just told you that the total on deposit at Pioneer Trust was \$240 million. Between CIDC and its extraordinary measure to cover the IAACs, the feds will be covering 88 per cent. We will be covering 12 per cent.

As it relates to the minuteness of the detail you're looking for, I'll take notice, or you can save the question and address to the Minister of Finance when he gets back.

Possible Conflict of Interest

MR. KOSKIE: — Thank you, Mr. Deputy Speaker. I'd like to direct a question to the Premier. And Mr. Premier, my question deals with an apparent conflict of interest again, in your government. We have seen, as we have indicated in the House, a former MLA, Regina North East, did 350,000 worth of business. We had the member from Melfort with a \$50,000 auction contract. And now the member for Prince Albert just happens to be involved in a proposed \$3.5 million complex at Redberry Lake, where your government just happens to be undertaking a plan to spend a half a million dollars over the next five years stocking the lake with rainbow trout.

My question to the Premier then is: are you aware of this very unfortunate coincidence of your member of Prince Albert getting involved when, in fact, your government is pouring money into the improvement of that particular site?

HON. MR. DEVINE: — Yes, Mr. Deputy Speaker, I'm aware of the incident. Probably three things that I could say to the hon. member with respect to the question. One is that there has been no economic transactions with respect to development. And I want the public to know that and my hon. friend to know that.

And secondly, he raises a valid point. The point he raises is to do with the perception of the conflict of interest . . . (inaudible interjection) . . . If the member will just let me finish, then he can ask additional questions — a perception of a conflict of interest. It bothers me just as much as I'm sure it bothers my hon. colleagues. And because of the perception, the members of the legislature have the rules, and we've laid them out. The perception is extremely important, as

well as the rule of the law.

I've done two things. And so I advise my hon. friend this, and I'll advise the public of it. One, I have asked the Minister of Parks and Renewable Resources to give me a full report on all the details associated with this because the member from Prince Albert is the Legislative Secretary., the Parks and Renewable Resources; and two, I have suspended the member as Legislative Secretary as of today until I get all the information, get it all cleared up to find if there is any conflict of interest, or perceived conflict of interest, with respect to this particular element.

So, I can say to my hon. friend, it's extremely important that members of the legislature are not in conflict of interest, or perceived to be in conflict, and for that reason I have taken the following two measures that I've just outlined.

MR. SHILLINGTON: — Well, Mr. Premier, a new question, I guess I better phrase it. I would say initially that there's more than just the perception of a conflict of interest. He was the Legislative Secretary to the minister involved. It is not a whole lot different than if the minister himself was involved in it. It is a Legislative Secretary.

I want to ask you as well if you've considered suspending the minister who should have known as well about the conflict of interest when his own Legislative Secretary was involved in a project that he was presumably promoting before Executive Council and treasury board?

HON. MR. DEVINE: — Obviously we don't want conflict of interests, but we obviously have to be fair; we have to be fair to people. Now to go back and look at the reason that I want all the details is simply this: the member from P.A. is a plumber and a contractor and a real estate developer my profession. He's doing it. He's done this for years. He's done this for years. All right. So if you run as member of the legislature, should you be able to take an option out on land any place in the province, because obviously he's an MLA?

You may sit on a caucus meeting. You may do some other things, you say. As the member from Quill Lakes says, you might have inside information. Well if that's the case . . . If that's the case, Mr. Deputy Speaker, as I've said to the Leader of the Opposition, maybe we changed the rules, and anybody that's an MLA can not invest because obviously they might sit in on a caucus meeting or have something to do with the minister. Okay?

Now I've looked at this. And this is private land with private people on private development and public money. We stock fish all over Saskatchewan. Now that particular member, the member from P.A., has a cottage — has had it for years at Emma Lake — at Emma Lake. If we put fish in Emma Lake, does this individual . . . should he have to sell his cottage? I mean, how about real estate people who live down town?

All right. I raise this . . . (inaudible interjection) . . . Oh I am serious. I'm asking . . . We want it to be fair so you as a member of the legislature, and me as a member of the legislature, are not perceived to be in conflict when you buy some extra farm land, or when somebody else develops some property.

Now I raise it. I raise it because it has to be fair. It has to be right, perceived to be right, and both. Okay? So there's been no transactions. There's been no transactions. There's been no fish put in any lake that he's associated with.

It's all a question of whether it should be appropriate or not. And I am taking the actions and saying he's not the Legislative Secretary, and we're going to have a complete review as a result.

MR. SHILLINGTON: — Mr. Premier, I wonder if you would deal with my question, as distinct from the . . . from whatever it was you just finished treating us to.

I suggest to you that if your Legislative Secretary is under a pall of suspicion, then so was your minister, who must have know: (a) about the project; (b) who his Legislative Secretary was; and (c) his Legislative Secretary's involvement.

Have you considered also being fair and dealing with your cabinet in the same manner that you deal with your back-benchers? I suggest to you the same pall of suspicion falls on one as on the other, and I think you ought to suspend both.

HON. MR. DEVINE: — I can understand the political reasons for the request. But quite clearly the option to purchase the property was a year and a half ago . . . (inaudible interjection) . . . Well it was . . . I'll check it and find out when it was.

The option to purchase was some time ago. The Minister of Parks and Renewable Resources has just been put into the portfolio. All right? The member hasn't been a Legislative Secretary in that portfolio for all the length of the time that the option was available . . . (inaudible interjection) . . . All right. I will check that and confirm it.

As I've said, I will have the minister, I will have the new minister check; I will have the new minister check all the facts and figures and report to me, and the Legislative Secretary is suspended until I have all that information so that we can put it all in there and say what are the results, what is the information, and what is the proper thing to do.

MR. KOSKIE: — Yes, I'd to ask a further question of the Premier. Mr. Minister, are you are aware, and you obviously are, that indeed the member from Prince Albert was appointed as Legislative Secretary in January of 1985, Legislative Secretary to the Minister of Parks and Renewable Resources. That is when he was appointed. I ask you: when you appoint a member to become a Legislative Secretary, do you ask him to make any disclosures of any holdings which may create a particular conflict? Is there any review done?

HON. MR. DEVINE: — Mr. Deputy Speaker, the rules are there. You ask every member to file his interests in whatever he or she may have, and that applies to cabinet ministers or MLAs or to anybody in the House.

MR. KOSKIE: — Well Mr. Deputy Speaker, the records will show that the option to purchase was taken out in September 28, '84, and that the caveat filed to secure that option was filed in the land titles on January 11th, 1985.

Are you telling the House here that your minister, having information as to your government's plan to stock a particular lake and him holding options at that time, knowing the knowledge of what the government was planning to do, did not disclose that information to you or to the minister. Is that what you're saying?

HON. MR. DEVINE: — Mr. Deputy Speaker, what I'm saying is that under a circumstance like this, it's difficult to know the fine line of the law versus a perception of the law with respect to an individual taking a hold of a piece of property. And please remember this property, or the option was taken, and you say September '84, in 1984, not in '85, and certainly not since the minister has been responsible for the portfolio. So you examine it.

And today I'm saying I want to know all the circumstances, and all the facts, and that's why I've asked the minister to report to me, give me all the information, and the Legislative Secretary suspended until that information is brought before me and I know that it's cleared up.

MR. KOSKIE: — A further supplemental. Since the Premier belatedly has suspended the Legislative Secretary, made no examination when he was appointed, he is investigating it. Will the Premier report to this House the findings of his investigation as soon as that is possible, and could the Premier indicate what time frame we're looking to complete your investigation?

HON. MR. DEVINE: — Well, Mr. Deputy Speaker, yes, I will advise the House of my findings, and the minister's findings, and I'll report as quickly as possible. I see no reason to postpone it. I'll put it together, and if it can be within a week or two weeks or just as quickly as possible. I'll bring it forward, and I'll report back to the hon. member to let him know what I've found.

MR. SHILLINGTON: — Well I'd also ask you to disclose whether or not the item was ever discussed in the presence of the minister who's doing the investigation. I see a bit of a problem with that, actually, with the minister doing the investigation when he may be the subject of some of the questions. But I'd also ask you to inform the Assembly whether or not this minister, or the former one, was a part of any discussions before treasury board or cabinet with respect to this proposal.

HON. MR. DEVINE: — That's all going to be part and parcel of what I'm going to find out. But again, I go back to the question of deciding at what arm's length is reasonable and perceived to be reasonable.

I mean, how far away could you buy property from a lake if you knew some day the government was going to put fish in a lake? Right on the lake? Or back from the lake? You know, I mean . . . (inaudible interjection) . . . Well it's a sequence of events is that the option was taken some time ago. So then you decide whether it's fair or whether it isn't.

So I'm going to examine it; I'll look at it; and we'll all know that, and I'll report back to the legislature and tell you about it. The man has been suspended as Legislative Secretary. The minister is bringing a full report, and I'll bring it here, and then we'll all know.

HON. MR. BLAKENEY: — Supplementary, Mr. Deputy Speaker. Will the Premier, in the course of his investigations, examine into whether or not there was in the budget funds to, to quote: "to make Redberry Lake the largest rainbow trout fishery east of the Rockies"? And if these funds were in the budget, was the member concerned, the Legislative Secretary to the Minister of Finance at the very time these items were being built into the budget?

HON. MR. DEVINE: — Obviously that can be public knowledge, whether it is or it isn't, Mr. Deputy Speaker. We are still looking at lakes and resorts in the province of Saskatchewan with respect to environmental concerns, whether we even go ahead with any of them with respect to restocking.

The Minister of the Environment has people up there saying, I don't want any more development or any development at all until we have an environmental review of it.

So when we start looking at development, whether we start stocking fish, Mr. Deputy Speaker, or anything else in the province, there are several hoops that you have to go through. So with respect to Redberry Lake and whether we put fish in it, or other lakes, whether we put fish in it, we will, you know, examine all of the ramifications — economic, social, cultural, environmental. We have in the past, and we will now, and I can assure my hon. friend that we will in the future.

HON. MR. BLAKENEY: — Further supplementary, Mr. Deputy Speaker. Will the Premier advise the House now or later on a few simple facts: whether this project to make Redberry Lake the largest rainbow trout fishery east of the Rockies was in the budget; secondly, whether the budget was under preparation in or about September of 1984; and thirdly, whether it was done by the Department of Finance; and fourthly, whether the member for Prince Albert was the Legislative Secretary of the Minister of Finance at that very time?

HON. MR. DEVINE: — Mr. Speaker, the member of the legislature from Prince Albert has been a Legislative Secretary. He's been a Legislative Secretary to Parks and Renewable Resources, and before that he was Legislative Secretary to the Minister of Finance. And he might have been

Legislative Secretary to the Minister of Agriculture and to the minister of whatever. I mean . . . and he could be put in Environment. Okay? And he could influence Environment. He could do all kinds of things.

The point that we have to raise is that we put together the economic development package, and in the budget there is a commitment to tourism; there's a commitment to Parks and Renewable Resources; and it may or may not include several lakes, depending on environmental research and community research and all kinds of other things that go in there.

I don't recall the Minister of Finance saying the night of the budget that, by gosh, here this one particular lake is going to get all the fish, and there's going to be X million dollars allocated. We know that we want — and generally the opposition agrees — that we should have a restocking program in lakes in Saskatchewan, and so forth. That isn't something that people argue much about.

So, yes, we have discussed restocking lakes with fish across northern Saskatchewan, or wherever it's possible; yes, we have legislative secretaries appointed to cabinet ministers.

The question that you want to know, and I want to know is: an MLA, who has been Legislative Secretary, can he take an option with respect to property in this particular circumstance? And I said I'm going to get to the bottom of it, and I'll be glad to provide you with the information when I get it.

Hog Price Stabilization Program

MR. ENGEL: — Thank you, Mr. Minister, we'll get away from this fish story where I think we had a ling cod on the line. But, to the Minister of Agriculture, I want to ask the Minister of Agriculture, and it has to do with the fact that the stabilization program for hogs, SHARP (Saskatchewan Hog Assured Returns Program) is running a deficit of \$100,000 a day, Mr. Minister, thanks largely to the agreement that your friend in Ottawa made with Reagan when he was up in . . . Shutting the borders to Saskatchewan hogs cost us 5.6 cents a pound.

I want to know if the minister has contacted the Americans, and what is he doing about it? Or through your colleagues in Ottawa, what are you doing about this? And what are you going to do to change this desperate situation we're in, where we're running up a \$100,000-a-day deficit?

With respect to your actions with the beef stabilization plan, I think the hog producers are very worried. They're worried that you might change the plan rather than get to the source of the problem and see if the border can be opened. What specific action have you taken, or what are you planning to take to reverse this tragedy?

HON. MR. HEPWORTH: — Mr. Deputy Speaker, hon. member, we have been quite busy on this very issue, not just since it became a reality but, in fact, when there was rumours that, in fact, a countervailing duty might be a possibility.

Some several weeks ago when I was in Ottawa and, in fact, before the Shamrock Summit even, I raised with Mr. Wise the storm-cloud looming on the horizon, with a view that it was causing us some concern, a concern that he shared.

Since that time, of course, it has now become a fact. The \$100,000 a day you're talking about, I'm not so sure that . . . You might have the right observation but the wrong conclusion, once again. But that's a semantic argument anyway because if it's \$10,000 a day or if it's \$10 a day for a hog producer today, it's too much.

But over and above my talks with Mr. Wise some several weeks ago, since it's become a reality, I have conferred since with his office, and since, with others of my colleagues across western

Canada with a view to seeing how they would propose to deal with this, and for us to deal with it in a co-operative and concerted fashion.

And, in fact, Mr. Deputy Speaker, at this very moment — at this very moment — there are a number of the members of our agriculture caucus, legislative secretaries, that are in Ottawa meeting with some federal MPs on this and other issues.

I had the opportunity last week to raise it with the U.S. ambassador, His Excellency Paul Robinson, when he was in town. And I have to admit that I certainly wasn't discouraged by what I heard from him. I had an opportunity to raise the issue with him as well.

So certainly it's not an issue that we're unaware of, and we've been quite busy on it, and I hope that the results are fruitful in the end. And you will know, there are some processes and some hoops to jump through.

Having met with the hog board as well, last week, I guess I can say that we hope we have the issue under control, Mr. Deputy Speaker.

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

EMPLOYMENT DEVELOPMENT AGENCY

Ordinary Expenditure – Vote 49

Item 1 (continued)

HON. MR. BLAKENEY: — Mr. Deputy Speaker, I'm not quite sure what we have before us. It is Vote 49 only. Is that what we have before us, and not Vote 65? And I think that it's a reasonable question to ask how we're going to deal with Vote 65 if it's . . . Vote 65 is essentially a . . . well, I don't know what you would call it. For the most part they are grants, but what I am asking is: who is responding in the House for the items in Vote 65? Do we ask them under Vote 49? Do we ask them under Vote 65? And if we ask them under Vote 65, do we direct our questions to the minister in charge of employment, or to somebody else?

HON. MR. BERNTSON: — Can I address that question? As I understand the question, it's will these votes be dealt with under the minister responsible for the employment agency, or will they be dealt with by the minister responsible for each individual program? We can do it either way. My suggestion is that we do it all under the minister responsible for the agency, and then it's done.

HON. MR. BLAKENEY: — Well, Mr. Minister, then my first question has to do with the employment. Generally the items which are job-lotted under the heading of a fund . . . I am right in thinking that there is no fund, there is no money set aside other than the money which is being voted from the Consolidated Fund?

Will the minister agree that there is no separate fund, but that these are a number of votes in the Consolidated Fund which have been grouped together and called a fund?

HON. MR. LANE: — The moneys and programs grouped under vote 65 is what is being defined as the fund.

HON. MR. BLAKENEY: — I instance as an example the grants for the Heritage '85 program. I ask that simply because I note that some persons around and about who may know something about that program. In employment terms, how many jobs was it thought people were involved in in '84-85 with respect to that program, the year that has just ended, and how many jobs do we think we are talking about in '85-86 with respect to the Heritage '85 program?

HON. MR. LANE: — The budget '85-86 was 2,889,500. The projection is 50 jobs directly from that particular program. Do you want a further explanation of the program or . . . I believe I responded to your question.

HON. MR. BLAKENEY: — I didn't make myself perfectly clear. Perhaps I shouldn't have said what was in last year's budget, but what was in last year's estimates or supplementary estimates for the same program, the year that just ended.

HON. MR. LANE: — The amount for '84-85 was \$2.250 million — 40 jobs.

HON. MR. BLAKENEY: — So in this case we have, we believe that we have 10 new jobs under that program?

HON. MR. LANE: — Ten new jobs, and about better than \$600,000 more funds.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I look at something like grants for upgrading heavy haul roads, and I note it to be \$2 million. How is that figure arrived at? Is there a specific new program for upgrading heavy haul roads?

When I speak of heavy haul road, would you distinguish for me what roads we're talking about? Are we talking about what are popularly called super-grids, or grid roads, or main farm access roads, or standard municipal roads, or all four? Or are we talking about provincial highways?

HON. MR. LANE: — I'm advised that there are some negotiations with select communities or municipalities that have specific problems with roads that are used for heavy hauling. I gather that, for example, one of the areas being considered is old number 1, north of Pilot Butte, which is used for sand and gravel hauling.

There are specific problems. We look at Lloydminster, and I gather some in Prince Albert, but there are negotiations going on. I'm advised that this is \$2 million in addition to revenue sharing, and the general expectation — but subject to negotiation — is some 663 kilometres of industrial and high volume municipal roads.

HON. MR. BLAKENEY: — I noted the example you gave as "old number 1." Would the minister be aware what constituency that was located in?

HON. MR. LANE: — Well it was one that was ignored over the last 10 years. It's in Qu'Appelle-Lumsden.

I can indicate further that one of the other considerations are oil access roads, industrial roads, gravel haul routes, and grain haul routes, and high volume roads that need some specific upgrading because of heavier load traffic.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, can the minister tell me — and if he can't I'll understand it — but can the minister tell me whether the Department of Rural Development, which I take it is the — yes, it is — the appropriate department has set down some criteria so that rural municipalities will know to whom they apply and what standards they have to meet in order to qualify for these particular grants?

HON. MR. LANE: — The R.M.s will be receiving a notice from Rural Development. If you want the detailed criteria, I can give them to you. Oil access roads:

It should carry a minimum of 100 vehicles per day and at least 30 per cent of the traffic should be heavy haul traffic associated with the oil industry.

The road should be a major haul route for oil destined to batteries or cleaning facilities.

The truck traffic may include back-haul of by-products such as salt, water, etc.

And I can go through these. They're somewhat detailed on the criteria:

Gravel haul routes — only major gravel haul routes will be eligible. They should carry at least 50 loaded trucks daily on a continuous basis.

The gravel storage should have a minimum supply of at least 10 years.

And industrial roads will lead directly from the nearest highway to industry and will generally serve those industries at a resource base such as sodium sulphate plants and processing operations like alfalfa dehydrating — minimum traffic volume of 100 vehicles per day.

I could go on in the general details but I gather the criteria is very specific and it will be forwarded to the municipalities with instructions as to application.

HON. MR. BLAKENEY: — Thank you, Mr. Minister. I would prefer from my point of view that we not go into those criteria at this time but that they be available. I would request the Minister of Rural Development to have them available when those particular estimates come up so that my colleagues who have a particular interest in that area would be able to direct specific questions, and I would also ask that you do as you suggest would be done, that the R.M.s and other local government groups who are interested would be advised so they may know what the rules are and so they can try their luck at getting a portion of those grants.

HON. MR. LANE: — We'll supply them to the opposition as soon as they're agreed upon and submit you a copy of the criteria.

MR. SHILLINGTON: — I want to welcome to this Assembly, and I say this in a non-partisan spirit, a former member of the Assembly, the former member from Milestone, and I believe the first minister of culture and youth, if I'm not mistaken. Welcome back.

HON. MEMBERS: — Hear, hear!

MR. SHILLINGTON: — I want to say, Mr. Minister, that also in a non-partisan spirit, I want to say, Mr. Minister, that the arrangement of these items in the estimates makes the transparent nature of this fund ever so apparent. Mr. Minister, your speech last night and the fund have at least one thing in common. That is, very, very few people are paying any attention to either.

Mr. Minister, your speech and the fund are getting exactly the attention they deserve, the fund in particular because it is almost entirely cosmetic. There is no fund. There is no commitment, no guarantee of anything. The education fund as we pointed out to the Minister of Education . . . I don't know about days before 1971, but I can tell you in the early '70s we had an education fund. There's nothing new about it. And I say, Mr. Minister . . . (inaudible interjection) . . . Ah, yes, yes. We can't even be assured you will spend the money that you put in your estimates, never mind what you put in the fund.

Mr. Minister, your fund is cosmetic, meaningless, and transparent to everyone. All I can say is, my faith in the democratic processes have been restored when I see the public ignoring the funds as they are. There aren't a bus-load full of people in the province care about your funds, whether it be education or health, and that is all the attention they deserve.

(1445)

Mr. Minister, there is very little . . . What you have, what this obviously is, is a grab bag of programs taken from other departments, put in here to create the illusion of doing something about jobs. Mr. Minister, there is very little in the fund that is new. The vast majority of this has been here since time immemorial, and that which hasn't has already been announced for different program reasons.

I noted in here somewhere . . . yes, number 7, grant to SaskExpo '86 Corporation. Mr. Minister, (a) I don't see how on earth that's going to create any jobs in Saskatchewan. It'll do something for jobs in Vancouver, but it's not directly going to create employment in Saskatchewan. Secondly, it was not done to create employment. It was not done to create employment. It was being done for other purposes, for purposes of promotion of economic development, I suppose.

Mr. Minister, the fund is meaningless. I have said that before the estimates were tabled, before I had a chance to look at the estimates, rather. Mr. Minister, when you see these estimates you see how transparent and silly the whole business is. There's very little in here that is new. The vast majority of this, Mr. Minister, existed and would have been spent in any event.

In a moment, Mr. Minister, I'm going to get into your record in job creation. It is abysmal, absolutely abysmal, but the fund would be humorous if it weren't so tragic. The tragedy of it is that people are getting badly hurt out there because of your government's failure to deal with unemployment, and what this fund says to us and to the public of Saskatchewan is that you haven't got any ideas in the world to deal with it. You just ask your officials to do something, create the illusion of activity, so they do what they will do whenever they are asked to spin straw into gold. They take programs from other areas and rearrange the estimates to try to create some illusion of some activity in the Employment Development Fund.

Mr. Minister, this is all as old as yesterday's news story and every bit as pertinent. It just has no meaning whatsoever. I suggest, Mr. Minister, if this is the best you can do, you ought to resign.

HON. MR. LANE: — I will start by joining the hon. member in welcoming the former member from Milestone to the Assembly. I will sit and restrain him from making a speech today. I know we would all enjoy listening to him, and I'm sure the interest is still there and I'm sure the ability is still there. Having said that, I'm a little disappointed that the member opposite did not listen to the speech last night, and I'm more than disappointed that the hon. member did not recognize the several new programs that I listed last night, approximately a little better than \$50 million new funds in the Employment Development Fund.

And finally, I'm somewhat disappointed when I went through the arguments last night about the tourist industry in the province of Saskatchewan, and I know members in your caucus pointedly agree was neglected by your administration. And I brought the interesting statistics last night that the average stay by a tourist passing through the province is a day and a half. If we can extend that, even double the time, we will have a significant industry. It now employs over 40,000 people. It employs more people than mining. And any effort that we make to make that a viable industry creates jobs and creates long-term jobs in the province.

To disparage Expo '86 as a business development again misses an argument that was made, I thought quite cogently last night, and that was that we expect people primarily from eastern Canada, the north-western United States or north-central United States, on their way to Expo '86, to spend more time in the province. That's very much part of the tourism program . . .

(inaudible interjection) . . .

You can laugh. I'm frankly disappointed that you laugh at efforts by the people of Saskatchewan and the Government of Saskatchewan to encourage people to spend extra time in the province. I'm somewhat disappointed but I think that's an effort that should be supported by all members and I know some members of your caucus do.

MR. SHILLINGTON: — Mr. Minister, there may be some new funds in here but there is very, very little which wouldn't have been in here if you had not had an Employment Development Fund. There may be some new money in here that would have been in other departments but almost all of this would have existed if you hadn't had an Employment Development Fund.

Mr. Minister, would you begin by pointing out, and it isn't going to take you very long, which of these items would not have existed had you not had an Employment Development Fund? I suggest almost all of them would have.

HON. MR. LANE: — Well let me go through some of the new programs. And I freely suggest and have made it quite clear to the Assembly last night, and again in numerous public speaking functions, that one of the objectives of the fund is to begin to co-ordinate and pull together the various activities of the provincial government in employment development.

We talk about the upgrading of the heavy haul roads; the new tourism program. A program that seemingly the young people find interesting, and again I'm disappointed because it is new, is the training opportunities program to look at some of 100 of our brightest young technical and university grad with a view to assisting Saskatchewan companies in export markets, learn the business, spend a second year in the respective countries that the company is attempting to develop markets in or enhance markets, come back highly skilled market development specialists. I'm frankly surprised that a project of this nature was not considered and implemented years ago, because I certainly see some fundamental long-term benefits for the people of Saskatchewan and the business community of Saskatchewan.

You talked about you were very much opposed to the winter works program which I announced, which managed somehow, in spite of your scenario that it was bound to fail, to employ some 6,000 people. We've announced, as I say, the major Small Business Interest Reduction Program designed to give some long-term stability to the small-business man. And I would be very disappointed if you haven't advised the small-business men of your community as to the nine and five-eighths program and their eligibility for it.

MR. SHILLINGTON: — Mr. Minister, your failure to do anything meaningful with respect to unemployment, as I say, would be laughable if it weren't so tragic and its activity wasn't so tragically needed.

Mr. Minister, the record of your government with respect to the economy and unemployment is abysmal. It makes the activities of any other government, since the last conservative government in the early '30s, look good.

Mr. Minister, let me give you a few of the facts with respect to the economy, and in this area you cannot separate the economy from jobs. It is the same issue. You indicated . . . You were boasting last night about the low rate of unemployment. Today it's 9.6 per cent. That is more than double what it was when you took office three years ago. That is the second highest growth rate in unemployment in the country.

Mr. Minister, you people like to excuse your inaction by saying that your growth in the labour force has been so rapid, Mr. Minister, that, as well, just simply isn't true. In the last two years in which the former administration was in office, from '79 to '81, the Saskatchewan labour force grew by an annual average of 10,600 people. In the three years that you people have been in

office, the average annual increase has been 10,300. So there actually have been fewer people coming into Saskatchewan now than there were during the former administration. The number of unemployed has almost doubled — gone from 21,000 to 38,000. And as most people will tell you, 38,000 significantly understates it.

I took the time, Mr. Minister, to phone the various employment centres in the country, in the province, asking how many people they had seeking work. Do you know what the total was? It wasn't 38,000. It was almost 60,000 — 59,000 and something. So the true unemployment rate has not doubled; it has almost trebled in the three years you've been in office.

The rate of job creation? Well, with respect to young people it's really tragic. The number of jobs for young people has gone down consistently since you have taken office. At the end of 1981 there were 113,000 people under 25 employed. The next year — the first year after you took office — that had decreased to 107,000. At the end of '83 it decreased to 105,000; at the end of 1984 it decreased to 101,000.

There are 10 per cent fewer jobs; there are 10 per cent fewer people under 25 employed. And that includes a large number who are so-called employed on the farms, who have gone to the farms, described themselves as employed there because there isn't any other work for them.

Your rate of job creation, Mr. Minister, is the third worst in Canada. Only three provinces have a rate of job creation which is worse than yours. And that ought to tell you something about the need for job creation in Saskatchewan.

Mr. Minister, the statistics with respect to job creation make your failure to do anything meaningful with respect to unemployment all the more tragic. Your fund is . . . There is no coherency, no meaning, no commitment. It's a grab bag of activities which would have happened anyway, because you have no imagination yourself. You asked your officials to create the illusion of activity, and so they borrowed from other departments and stuffed a bunch of things in here, the vast majority of which, almost all of which, I take it now, had already been announced. You read to me a number of programs which you felt in some way assisted in lowering the rate of unemployment. I say, Mr. Minister, those are all new programs. There's nothing in this budget which is new. And I say, Mr. Minister, that's a tragedy. It would be a joke if it weren't for the fact that so many people are getting hurt.

Mr. Minister, it's gone on so long that one cannot even say at this point in time that they're all on unemployment insurance. This has gone on for so long that a goodly number of them are now on welfare. One in 16 people are now on welfare. That's the highest it has been in Saskatchewan's history. So in one sense you've eclipsed the former Conservative administration.

Mr. Minister, this is just a tragedy that you've done nothing meaningful for the unemployed. The greatest single need in Saskatchewan today is action with respect to jobs.

What you've given us, Mr. Minister, is a blueprint for inaction — the tireddest excuse I have ever seen for a job creation effort, a grab bag of activities, all of which were old hat, all of which had been announced, and which will contribute nothing to the solution the people out there so badly need.

I say, Mr. Minister, if you had any conscience, before you go to pick up your next pay cheque, you'd resign.

(1500)

HON. MR. LANE: — Well it's that rather thoughtful approach to the problem that we've come to expect from the opposition, and I know that the public has learned to write off.

See, the public is a little more astute that the hon. member gives them credit for, because they do recognize that in 1981 there were 425,000 people employed in the province, and in March of this year there's some 448,000 — nearly 25,000 more people working in Saskatchewan today than under the NDP.

Admittedly, our population is growing, and growing more rapidly than it did during the 10 years under the NDP. And I'm sorry. I'm sorry. As the hon. member behind me said, I won't apologize for an increasing population growth in the province.

No matter how you slice it, we have had the best employment rate in the nation in the last three years. The employment growth is one of the fastest in the country. And you try and take your message of doom and gloom into the city of Saskatoon, and I'll tell you what they'll do. They'll run you out on a rail, because they don't believe it.

In matter of fact, in Saskatoon, I suggest that if the New Democratic Party tries to take its message of doom and gloom, the whole party will be run out on a rail, because the people of Saskatoon do not want to hear it.

And if you want to take the message of doom and gloom and depression to Estevan, I suggest that the people of Estevan will deal with you, and do it in a rather expeditious manner. And they will.

You go into Weyburn, and you take your message of doom and gloom and depression, and they'll run you out on a rail. And they'll take you . . . And they'll do the same thing to you in Swift Current, or Prince Albert, or North Battleford, or Yorkton, or Tisdale, or Melfort.

So I suggest you may have the mentality of some of the local aldermen in Regina that don't want the jobs in Regina, but I suggest to you that it's your attitude and your party's attitude and your party's supporters' attitude which may tend to create a climate of doom and gloom and depression.

But that's not what the public of Saskatchewan want to hear. The public of Saskatchewan know some facts: that there are far more people working today under a Conservative government than at any time in the province's history; that there are far more people working today in Saskatchewan, in the midst of a depression, than in 1981, the last full year under your government; and that Saskatchewan has the lowest unemployment rate in the country and has had the best unemployment rate in the nation over the last three years. And you can't take away those facts from the people of Saskatchewan.

You can't take away from the fact that on the seasonably adjusted basis that nearly 92 per cent of the people of Saskatchewan are, in fact, working. That's better than anywhere else in the country. I can compare because in Manitoba they have employed some of your proposals, and the unemployment rate keeps going up and up and up, and they were not faced with a drought such as the province of Saskatchewan was faced with last winter.

It's interesting enough, if you want to know what the New Democratic Party proposes. They talked about a great amount of capital expenditures. More in capital expenditures by government is being spent this year in the province of Saskatchewan than any single year in the province's history.

Let's take a look what Manitoba did for its jobs fund. We're putting in programs and money. Do you know what the bulk of the Manitoba jobs fund consists of? Lending authority. In other words, they put lending authority or borrowing authority in as a figure that they're going to spend. Talk about inflated, ballooning up statistics that the NDP have done. The NDP jobs fund was so bad in the province of Manitoba that the Provincial Auditor in Manitoba questioned their whole statistical and financial basis.

Their business development program consists of \$36 million plus \$36 million in lending authority — not even an expenditure. Their housing program consists of 488 million in lending authority.

AN HON. MEMBER: — Which province is that?

HON. MR. LANE: — This is Manitoba; this is your neighbours to the left — Manitoba, your neighbours to the left.

All I want to do, Mr. Deputy Speaker, is remind . . .

MR. CHAIRMAN: — Order. There's been some suggestion that we should deal with Saskatchewan estimates, and I think the point is well taken.

HON. MR. LANE: — I couldn't agree more, Mr. Chairman, because Saskatchewan's estimates, compared to those of the province of Manitoba, and compared to any other province in Canada, are the best in terms of employment development.

So I take a look, I take a look at two cities because they do show up in the statistics — Regina and Saskatoon.

During the years 1981 to '84 only 10, only 10 of Canada's metropolitan areas experienced growth, employment growth. The two strongest were Oshawa and Windsor, obviously based on the auto industry. The next strongest, though, during this long period of time, were Regina and Saskatoon. And in Regina, notwithstanding an anti-business city council and an anti-job city council, 7,000 new jobs in 1981 to 1984 — exactly what I've said. And number four was Saskatoon with 6,000 new jobs. Employment growth of Regina of 10 per cent, and Saskatoon of 9 per cent.

And every other single city in western Canada experienced employment decline during those periods of time, including Winnipeg which had a half per cent decline in employment growth.

So you can take your message. It's not the message the people of Saskatchewan want to hear.

And secondly, we freely admit, and I admitted last night, that that's never good enough, and that we will continue to try new initiatives and try and create a business climate even in Regina so that we can create the jobs and get small businesses, who are the engine of economic growth, being the ones to create those jobs.

MR. SHILLINGTON: — Thank you, Mr. Chairman. You had castigated my colleague for starting before you named him, so I was waiting for you to name me.

MR. CHAIRMAN: — I don't intend to name you. I can't see your light because your colleague's head covers it. Member for Regina Centre.

MR. SHILLINGTON: — Mr. Minister, the bottom line to these estimates, which attempt to do nothing but put plaster over the problem, paper over it, the bottom line to this is a feeling, a genuine feeling by the Conservative caucus, the Conservative government, there's really nothing we can do. "the poor, they have been with us always," I think is the biblical phrase.

Well I'll tell you, Mr. Minister, that's not the philosophy of the new democratic government, the New Democratic Party. It is not the philosophy of the New Democratic Party, and it will not be the philosophy of the New Democratic Party government which will replace this bunch of tired actors as soon as you have the courage to call an election.

It is common knowledge that you'd call an election, you'd have called an election before this if

you'd have had the courage to do it. The fact is you don't. Well if you think you're riding that high, why don't you call a by-election in Regina North East. We have been calling for that, and we think we'd welcome that, and in all the places the minister referred to as places where we wouldn't sell our message, I didn't hear him refer to Regina North East because that's the one place where we might put them to the test.

There's no likelihood of a by-election in Estevan or Weyburn, or Weyburn or Saskatoon as far as I know. There is a possibility for a by-election in Regina North East and I didn't hear the minister jumping in suggesting that in Regina North East if that message were taken there, it would be soundly defeated because, Mr. Minister, we would put his feet to the fire.

Mr. Minister, your message to the public is one that there's nothing that can be done. The poor have been with us always. They always will be. There will always be unemployed. There's nothing we can do. Well I say that's not the message of New Democratic Party. Our message, which is being well received, is that it doesn't have to be this way. It was this way in the late 1960s. We took over in 1971 and took this province from being the poor sister to having the strongest economy in Canada. The wrecking crew of Devine and company take over, and all of a sudden again we're economic lepers of the country.

And our message to the public is, it doesn't have to be this way. There is a better way. Elect a New Democratic government, and we will, and can, deal with unemployment and with the economy. We will put this province back on its feet the way it was in the '70s, and the way it was in the '50s and the early '60s.

So Mr. Minister, if you think our message isn't being well received, then I suggest, Mr. Minister, you call an election, and if you like, sure, test it. Do it on the basis of the economy. If you don't want to do that because you think that might be irresponsible and some might say that is irresponsible in the third term of office, call an election in Regina North East. I don't know anyone who is suggesting that a by-election in Regina North East would be irresponsible. Call it in Regina North East, and let's get the only poll which really counts, the poll that's taken up on election day.

Mr. Chairman, I'm going to have some more comments, but at the moment I think my colleague from Athabasca wants to get into this and ask some questions about northern Saskatchewan.

(1515)

HON. MR. LANE: — I'll just respond because the hon. member said that we were afraid to attack or take that message. If I recall an incident of a few weeks ago called the Thunder Creek by-election, and the public will well recall that the Leader of the Opposition and members opposite said the issue is jobs and the issue is agriculture. And if I recall as well, they gave exactly the same speech that the hon. member has given.

And I also recall that the hon. member was saying, oh, the government's afraid to call a by-election in Thunder Creek, afraid to call a by-election in Thunder Creek.

Well the people of Thunder Creek heard your message. The people of Thunder Creek listened to your message. And the people of Thunder Creek listened to your message. And do you know what they did to your message? They said, we don't want to hear it any more.

And I was very pleased, and I hope the press duly notes two things. Firstly, that again, and probably for the 17th time this session, the NDP have said what their program was, and you'll note the great number of details and specifics that were enunciated by the opposite critic. You'll note that it took 10 to 15 minutes to give us the specific details of the New Democratic Party employment program.

And you know what it is? Zero. The NDP gave no specifics. The NDP gave no indication. The NDP would be afraid to give their record because let me flesh it out for the people of Saskatchewan.

The NDP have said they will, one, take back over all highway construction — no room for the private sector — clear, stated policy.

The NDP have stated that they will step up a Crown corporation construction company to take over all government construction and do away with the private sector in the construction industry — stated policy of the New Democratic Party.

And interestingly enough, the only other specific plank that they have stated is that they will spend more on nursing homes. And the public of Saskatchewan doesn't believe that because they recall that the New Democratic Party, when it was in office, put a moratorium on nursing homes, and that it is a Conservative government that is spending the money on nursing homes, hospitals.

So when we start to look at the record, it was the NDP . . . And he had an excellent opportunity today, if he was gearing up for an election like he says he is, to lay before the Assembly the NDP program.

And I recall back in 1971 when the NDP going into an election, they were fairly confident. They were confident enough then that they laid out a detailed plan. You notice they haven't done it this time. You'll notice that they haven't done it this time. And the reason is they don't have any ideas. They were defeated in 1982, partially because they had run out of ideas and programs, and their programs that were in existence were found wanting and obsolete, and they haven't changed. The public will be reminded of that from time to time. I remind the members of the Assembly, today, of the time.

With that, Mr. Chairman, I think I have adequately responded. It's interestingly that when the opposition critic has an opportunity to lay the New Democratic Party's program on the table, he took exactly one minute to say things would be different. I had to lay some of the specifics on the table for the edification of the members opposite and the public, but last night, Mr. Speaker, I was able to give some 30 pages of programs, details, and plans for employment development in this province. That's the difference between the governing party and the opposition party.

MR. THOMPSON: — Thank you, Mr. Chairman. I'm not too sure if we're here debating the Employment Development Agency and the spending of that agency, or if we're here debating the budget speech all over again, or election speech, or both.

Mr. Chairman, I do want to get some clarification about the program, -Mr. Minister. First of all, I wonder if you could . . . (inaudible interjection) . . . The program that we're discussing right now — the agency and the funding of the agency.

Could you indicate to the House what are the guide-lines for the funds that you have available? We're speaking now of the \$121 million that you have in your agency for employment development. That's specifically what that money is slated for. Could you give me some of the guide-lines regarding how the money is going to be spent? Is there going to be guide-lines that will indicate how long an individual shall be paid, hourly wages that shall be paid for individuals who are being paid out of this fund?

HON. MR. LANE: — We will supply you the information on each of the programs under the fund, the criteria, and the eligibility requirements for the programs, dealing either for the short term, as I indicated, the medium term, which is the entry to employment programs, and then the economic development initiatives. I will undertake to supply the hon. member the specific criteria and entry qualifications for each of the programs.

MR. THOMPSON: — Mr. Chairman, Mr. Minister. Are you indicating that there are going to be different guide-lines for funds that are coming out of your agency? It's employment

development and you talk about creating all these jobs. But are you saying that there are going to be conditions on every department that you have named within the agency, and that the criteria shall be different for each and every program?

HON. MR. LANE: — Of course it depends what the objective is. For example, the training opportunities program is geared specifically to graduates of universities and technical schools, and there'll be specific criteria. The Native Career Development Program has specific criteria. The skills development, primarily for welfare recipients, has specific criteria, and they do vary. And they're targeted programs for specific unemployed groups, or programs for new entries into programs, or new entries into the job market. Or if they are of a general nature, administered perhaps, for example, like the grants for upgrading of heavy-haul roads, that will be done by the municipality. So, yes, every program is different, every program has different objectives, and each program is to deal with different needs.

MR. THOMPSON: — Well, Mr. Minister, let's switch over to 22 under Urban Affairs, and you have \$17,300,000 for Urban Affairs. Could you indicate: are you going to allot that money to the individual communities? Do they apply? And are these programs that they will have to apply for and indicate to you what is going to take place?

That's a large sum of money. When we're talking about Urban Affairs getting \$17 million, could you just clarify what that \$17 million is going to go towards?

HON. MR. LANE: — The \$17 million, 17,300,000, to Urban Affairs is for a new provincial capital fund program. It will provide \$50 per capita funding — \$25 in each of two years — to that total of 34 million over two years, to urban municipalities and hamlets to carry out municipal infrastructure improvements. On a given single project, the province's share will be 60 per cent. And the program details and the legislation will be dealt with in this session.

MR. THOMPSON: — Mr. Chairman, Mr. Minister, what you are indicating is here that the \$17 million for Urban Affairs is going to be for capital projects on a per capita basis. And if you will recall, about three weeks ago there was an announcement made that the \$14 million capital projects for Urban Affairs had been cut down to less than \$2 million.

And I say, Mr. Chairman, and I say to you in all fairness, you are taking money out of Urban Affairs and putting it under your agency, and you're calling it Urban Affairs again. And it's for capital projects as you have just stated. Is that part of the money that you've taken out of the Urban Affairs capital, the \$14 million that has been cut back to less than 2 million?

HON. MR. LANE: — Well, the hon. member, one shouldn't listen to some of the members in Regina city council who are confused in that they're talking about urban assistance, which is a totally different program altogether.

MR. THOMPSON: — No, no, Mr. Minister, I'm talking about the capital fund project that was to go to all urban communities in Saskatchewan. You have the Minister of Urban Affairs sitting beside you. That capital project was for \$14 million this year. It has now been cut down to less than \$2 million. Am I right on that?

HON. MR. LANE: — Well, we were not at all familiar with the \$14 million figure that you're referring to because the last program in urban affairs of this nature was the wind-down of the community capital fund. That's now being replaced with an enriched program, the provincial capital fund, and it is shorter term to allow accelerated activity by the municipalities.

MR. THOMPSON: — So you indicate then that the cut-backs — and I'm not talking about the Regina city councilmen or council persons who have indicated problems with capital funding for their streets — millions of dollars cut back on street repairs because of your taking away the urban assistance for streets and roads. I'm talking about the capital works program that has been

cut back by approximately \$12 billion, and now you say it's going to be replaced under your program, and you're adding \$17 million. Are you not replacing the program that has been taken away by your colleague, the Minister of Urban Affairs?

HON. MR. LANE: — No. The community capital fund is finished. It's the last year of the program. It's the last fiscal year. That program ended. We were coming up with a new program, okay, an enriched program. Twenty-five dollars per capita, that's \$50 over the two years per capita, and it's only for two years to allow acceleration of projects. So it's a new program.

MR. THOMPSON: — Well we won't go too much more on this, but are you indicating that the old capital program, urban capital works program, no longer exists, that there's no money in it, and that it's now going to be replaced with this \$17 million?

HON. MR. LANE: — That was the last year, I believe, five-year program was last year, or this the end of this fiscal year.

MR. THOMPSON: — Yes, okay, but you're indicating that it's being replaced with this program that you have under your program. Okay. That answers my question that you have just taken from one department and put it into another one, and most certainly that was true.

I want to also . . . (inaudible interjection) . . . yes, I think the taxpayers out in Saskatchewan are not going to have a hard time to figure this out. And this is a large portion of your budget — \$17 million, as you look at that.

I want to look at another major expense that you have, and I see it's for social services. And I see that you are going to spend \$9 million on creating jobs in the Department of Social Services. I wonder, Mr. Minister, if you could clarify for me just what that \$9 million is going to be spent on.

HON. MR. LANE: — Okay. The Saskatchewan employment development program plus the winter works carry-over, the department responsible for administration in Social Services, the budget is \$9 million, and we're targeting 1,730 jobs. It's designed to fund projects which create immediate and productive employment for individuals of Saskatchewan Assistance Plan. The jobs must provide work experience and skills training. The program provides wage and benefit subsidies of \$4.25 per hour and higher for skilled or supervisory workers.

Eligible projects must create jobs that other wise would not have been created. All employers who are legally entitled to operate in Saskatchewan are eligible. Priority is given to employers who contribute to wages beyond the program's benefits.

The employee is selected from employable assistance recipients.

MR. THOMPSON: — Once again, Mr. Chairman, and Mr. Minister, in all fairness what you are doing here, you are taking money out of the Social Services branch and you're putting it into your job creation branch, and you are now creating jobs to the tune of \$9 million for individuals who are on social assistance, individuals who are employable but not working and are drawing social assistance. And what you are saying to them is that, yes, you can go out and you can go to work and you will be paid \$4.25 an hour. By your own admission you indicate that it will be \$4.25 an hour.

That is the type of programs that you have had operating in this province. That is the type of programs where you get your statistics from. You talk about the unemployment rate in Saskatchewan being the lowest in Canada. Let me tell you, Mr. Minister, if you were to take the individuals who are on minimum wage working for short-term, part-time jobs, or individuals who are working — and there are literally thousands of citizens of Saskatchewan who are working at part-time jobs — and you say that they are going to be paid \$4.25 an hour. And you also indicate that you're creating more long-term permanent jobs than any other government in this province.

I say that that is not true. And as you kept referring to . . . You wanted to go back and discuss another province. Well, I think that we should discuss the problems that we have in the province of Saskatchewan.

And I say to you, Mr. Minister, that you are not creating good solid jobs. I say you're creating part-time jobs at 4.25 an hour. And I just ask you or anybody else in this House, in this legislature, to go out and try and live on \$4.25 an hour. And if they don't take that job at 4.25 an hour, I would suggest that they're going to be cut off of all assistance.

(1530)

HON. MR. LANE: — You can suggest what you want, but there's obviously a difference in philosophy. We believe that rather than have a welfare system which simply pays people to stay on it, that the programs that we've developed to try and give them some work experience and hopefully get into the work-force and break out of the welfare cycle, is a far more positive approach than the one that you suggest.

And when you say 4.25 an hour, you weren't listening, because I said: one, higher for skilled and supervisory workers; and secondly, employers who are prepared to contribute wages over and above 4.25 are a priority, and receive a priority. And last year it was closer to \$5 an hour in terms of what was actually paid. So that that is a floor.

And secondly, they are employable people. And I'm sorry. I simply can't apologize. Twenty-six per cent of them were women; 40 per cent were head of households. I'm sure that the people that were under that program — I'm not aware of any duress — that they wanted to do it voluntarily.

And I think if you talk to people under welfare reform, and you talk to the recipients that are now getting skills development and employment development and skills training, you'll find that they say virtually unanimously that it's the best thing that ever happened to them.

MR. THOMPSON: — Well I can tell you this, Mr. Minister: that is not a fact, that individuals in this province who are on social assistance, who are looking for work, want to go out and work for \$4.25 an hour regardless of their . . . if they are unskilled or not.

And I can tell you that this program is working that way last summer. And I happen to have a son who graduated out of grade 12 last year and went to try and get a job, and the first question that he was asked on this project was, are you on welfare? Are you on welfare? And he'd just come out of grade 12. And he said, no. So he said, well you're not eligible to work on this project. And he was turned away because he wasn't on welfare.

I say programs like this are forcing individuals to go on welfare. And when you take a look at the number of grade 12 students that are going to be graduating this summer, university students who are going to be out for four and five months and are looking for jobs, and they're going to go to a project which has been funded under this program, the first question they are going to be asked is: are you on welfare? And if they are not, then they are not going to be able to get a job. And I think it's unfair for you to stand up in this House and say that individuals are happy, heads of households were happy to be paid \$4.25 an hour, and as you indicated, some of them up to \$5 an hour.

Some of these projects were abused, and I see them abused, where individuals were working on one project and were loaned off to other projects. The individual at the other project did not have to pay the wage. It was being paid by the program that you speak of.

And I just ask you, Mr. Minister: do you think it's fair to the young folks in Saskatchewan who are graduating out of grade 12, or university students who are looking for jobs this summer, to have

to be . . . to want to take part in this program under the \$9 million that you have allotted to Social Services, and the first question is asked, are you on social assistance? And you tell me, if they are not, will they be hired?

HON. MR. LANE: — Well I hope that the hon. member's son went talking to other people because there are different programs. And last year for example we had the business development program — and you may recall that one, and I was disappointed that you voted against it — which was \$5,000 grant for each new permanent job created for one year. And I believe that over 2,000 new jobs were created under that program. The interesting thing about that program, hon. member, is that after the program was ended, December 31st of last year, 87 per cent of those were still working in that job that was created under that program.

And secondly, we do have programs for graduates, and I've referred to a couple of them. And we're looking at programs, and I've referred to TOPS (Traffic Operator Position System), and I've talked about the graduates in industry program to get people into new jobs and give them the first leg up in the work-force.

So having said that, there are different programs for different purposes. And I hope that he perhaps considered applying at other employers who are taking advantage of these other programs which are designed for different specific purposes.

MR. THOMPSON: — Well, Mr. Minister, you make it sound very easy. You're just assuming that there is many projects taking place. And I tell you, in northern Saskatchewan if you get one project in a northern community you're very fortunate. And for you to say that if they refused on the one project that they should just go to another project because there are a number of projects out there to take advantage of, I say them projects aren't there., that they don't have that choice. Young people don't have that choice. And if there's a project down in Weyburn, it's pretty hard for a young individual who is living in La Loche to take advantage of that program.

My question was: if a student who has graduated out of grade 12, or a university student who is living in the area where there's a project funded by Social Services under your \$9 million fund, are they eligible to work on that project, take that job if they are not on social assistance?

HON. MR. LANE: — No, because the project is designed for those on social assistance. I mean, it's designed specifically for those. I've referred to some of the others, the economic development programs, that I can see why they wouldn't be eligible for other programs.

And don't misinterpret what I'm saying. I realize the difficulties in northern Saskatchewan, and I'm not trying to minimize those. But having said that, I'm asking you to understand that some programs are designed for specific needs and specific clientele. And those specific programs that you're referring to, one of the criteria is that they, in fact, be on welfare. There are other programs which are more general in nature which are not targeted to that specific group.

So I'm not for a minute saying that it's easy, and I wasn't trying to suggest that. But I am suggesting to you that there are, in fact, other programs. And I suspect that northern Saskatchewan is going to benefit more out of tourist development initiatives than any other part of the province, in relative terms. And I hope, frankly, that I have your support in terms of the initiatives of trying to encourage tourism because that has some long-term potential for northern Saskatchewan.

MR. THOMPSON: — Thank you, Mr. Minister, you've answered my question there, and I thank you for that. You have indicated clearly that the \$9 million in your budget is specifically for social assistance recipients, and anybody that is not on social assistance is not eligible for any portion of that \$9 million. And I have no problem with that.

I have no problem with crating employment in northern Saskatchewan. You talk about the

tourist industry going to boom up there this summer, and I sincerely hope that we do have a good summer, and that a lot of our young people who are unemployed up there will have an opportunity to take advantages of the projects that you have enunciated today. And of course we will not be able to debate that again until the fall session.

I want to now turn to the Indian and Native Affairs Secretariat where you have allotted \$2 million. Could you indicate what that \$2 million will be designated for?

HON. MR. LANE: — I'll get that information. I do call the hon. member's attention that there are other programs that your constituents may be eligible for. When you talk about that specific program, we do have other programs for people who may be physically handicapped, or disabled as well. They're the only ones eligible for that program. You know, they're targeted for a specific purpose.

Certainly we have some over \$8 million targeted just for summer employment programs which, obviously, northern students (and that includes high school students) for the first time — over grade 10, going back to school — will be eligible for it as well.

With regard to the Indian Economic Development Program, I think that was your last question. We're targeting 35 jobs — its \$2 million — funds, projects which can demonstrate their economic viability over the long term and their ability to create jobs. Priority is generally given to projects in areas such as agriculture, forestry, manufacturing, resource development, tourism and small business. Application for funding is reviewed by the Indian advisory board of Indian and Native Affairs.

The capital costs to the bands — the program covers capital costs up to maximum of 250,000, provided that the grant does not exceed 40 per cent of the total capital cost.

And I can supply you with the criteria for the program rather than go through the total criteria,. In 1984-85, 35 jobs were directly created. Our estimate is between 3 to 400 direct and indirect jobs combined were created. The number of projects in '84-85 was 116.

MR. THOMPSON: — Thank you, Mr. Chairman, when you were talking about grade 10 students eligible for these projects this year, are you talking about grade 10 students that have reached the age of 16 — or is there an age limit on that?

HON. MR. LANE: — I'm sorry, it's my mistake. It's grade 12 students going back to school, not grade 10, that we're targeting some 8,000 summer jobs. There's a total of \$8.4 million allocated — last year it was less than 4 million . . . (inaudible interjection) . . . Grade 12; grade 11 graduates going into grade 12. We'll get that specific information for you.

The responsible department is Advanced Education and Manpower for the administration.

The subsidy level is 50 per cent of the employee's wages up to \$3 an hour or \$400 a month, whichever is less, and payment's made upon completion of the employment period.

I can give you the specific criteria. Students legally entitled to work in Canada and are at least 16 years of age, they must be attending high school or post-secondary institutions in '84-85, and intend to return in the fall of 1985.

MR. THOMPSON: — And we're speaking, Mr. Minister, of the Indian and Native Affairs Secretariat, the \$2 million. This is the program we're talking, or have you switched over to a provincial program?

HON. MR. LANE: — I'm referring to the summer program that you asked about. The latter one is the summer program, yes.

MR. THOMPSON: — Okay. Just a short question on this one. On subvote 10, are we dealing strictly with treaty Indians on that one?

HON. MR. LANE: — Yes.

MR. THOMPSON: — Mr. Chairman, I want to turn to 11 for Parks and Renewable Resources, and you've got, grants to New Careers Corporation, \$2.610 million. I wonder if you could just explain what that is, Mr. Minister.

HON. MR. LANE: — The New Careers Corporation which came into effect, I believe, last year, provides career training and employment to individuals receiving provincial financial assistance. It has developed a corporate structure and an administrative system, has formulated and implemented a career training program, and has successfully undertaken construction at three project sites. They are Goodsoil, Elbow, Regina Beach. And now, in conjunction with the winter works program, so it's a first, is the Northern Forest Stand Improvement program which we announced in the winter, and I believe you received communication on that.

(1545)

Since the corporation's inception in may of 1984, 100 Saskatchewan residents have been hired as trainees. During '84-85, the corporation sponsored 36 per cent of the hired trainees to full-time programs at post-secondary institutions. Sixty per cent of those trainees have been retained. Of those retained, 98.4 per cent were on social assistance — not quite 100 per cent. Of that total, and these are duplicated figures, 27 per cent are of native ancestry, and 8 per cent are female.

MR. THOMPSON: — Thank you, Mr. Minister. I now want to turn to subvote 17, and that's the young offenders facilities capital grant, and I see you have for that, \$4.115 million, and that's for young offenders. I wonder if you could explain that program and just how that is going to apply in the province.

HON. MR. LANE: — Well, as the hon. member is aware, the new Young Offenders Act requires that young offenders that are incarcerated must be sentenced to facilities that are separate and apart from adult offenders.

Now that definition is fairly broad, and we're satisfied that with some modifications in the provincial correctional centres, separate and apart facilities can be put in place.

But the proposals are as follows: to upgrade the Regina youth centre, 835,000; site preparation and cells, another \$100,000.

In Saskatoon, the correctional centre upgrade and additions in fencing, which will be somewhere around approximately 350,000; the upgrading of Kilburn Hall will be approximately \$1.5 million.

In Prince Albert, renovations to the correctional centre, North park Centre renovation, correctional centre fire safety changes, and the youth residence, will total some nearly 300,000.

In North Battleford, upgrading the Saskatchewan Hospital facilities for young offenders will be about 860,000. And we are looking at the placement of a youth offenders' work camp, and we estimate that'll be approximately 150,000, but no final decision has been made on that.

MR. THOMPSON: — I'm sorry, Mr. Minister, I didn't get the last. Was it work camp?

HON. MR. LANE: — We are considering the establishment of a young offenders' work camp. A location has not been decided, and final decision has not been made. We're estimating right now about \$150,000 for construction of that.

MR. THOMPSON: — Mr. Minister, when you talk about the work camps for young offenders, and we do have . . . I know for sure there's one at up near Pinehouse in northern Saskatchewan, where young offenders are taken when they serve a short period of time, I believe, maybe six months and under. That has been quite successful. I see that all the expenditures for expansion and renovations to convert to is — so that young offenders can go in there — is in southern Saskatchewan.

I would ask you, Mr. Minister, to give a commitment to northern Saskatchewan where we have so many young individuals who are in trouble and are being sentenced on a regular basis. I would ask you to take a serious look at expanding the work camps that you have up in northern Saskatchewan — the bush camps where they can go out and work and can produce pulp, or if it's thinning out the forest, whatever it may be.

But I think that for the government to continue to send young individuals from southern Saskatchewan to a southern facility is a bad move. And I would ask you to give us a commitment that you will expand the facilities up in northern Saskatchewan and maybe move some of this money around in this summer.

HON. MR. LANE: — We are giving active consideration to the camp being in northern Saskatchewan, but no final decision has been made.

MR. THOMPSON: — Thank you very much, sir.

MR. SHILLINGTON: — I want to follow up for a moment on a line of questioning by the member from Athabasca. I have here an application form which states the following about that particular job program: (a) it's available. It is said to be . . . It is headed on the application form, a welfare reform initiative.

You say it hasn't anything to do with increasing unemployment. It has a lot to do with increasing unemployment but has little to do with increasing employment. It also states that priority will be given to projects which last 20 to 26 weeks.

Mr. Minister, will you admit what was painfully obvious to the municipality which gave me this application form, and that is that this program had very little to do with solving unemployment, and everything to do with getting people off of welfare on to a job for 20 weeks, and then on to the rolls of the unemployment insurance commission.

Will you admit, Mr. Minister, that's really all you ever hoped to accomplish with this silly program which gave people 20 to 26 weeks work? Will you admit that the reason why only welfare people were eligible, as my friend said, the reason why priority was given to projects lasting 20 to 26 weeks, was because all you cared about was to get them off welfare and on to unemployment? You could care less if they were able to find permanent employment.

HON. MR. LANE: — Well, I'm again disappointed that you would take that position that . . . (inaudible interjection) . . . Well not everyone else is. I suspect that the vast majority of the people of Saskatchewan, including many in your party, tend to support the efforts of the government on welfare reform. And for many people on welfare who are employable, it has been a long-term situation, and getting them into the work-force is a positive benefit if it's even for a short period of time.

Not all the programs are short-term. Although the average is 23.7 weeks, many stay on with their EDP employers, Employment Development Program employers, in either full or part-time capacities. Many of those clients now having been on the work-force and have established a work-force record, track record, are able to acquire either full or part-time employment due to the work training that they have received. So I suggest that they do have long-term benefits. I

suggest that giving many people even the first opportunity to get into the work-force is a positive benefit, coupled with other programs of improving the skills of those on assistance. And we've gone over the programs in those areas. They will have a long-term positive benefit. And I'm sorry you feel that way. We obviously have a difference of opinion.

MR. SHILLINGTON: — If the purpose was other than to lighten the bloated welfare rolls, then why were the applicants limited to people on welfare and why was priority given to such short-term projects?

HON. MR. LANE: — We have several, I indicated last night in a rather scintillating speech, of the short-term, medium-term, and long-term proposals, and I listed under each category which programs fell into the respective category because I indicated that the matter of unemployment is very complex and requires short-term, medium-term, and long-term proposals. And I listed them.

I believe that programs that allow people on welfare to get some work experience have a positive, long-term effect. And I believe that programs, which allow welfare recipients to take training programs and upgrading programs have a long-term benefit not only for the individual involved, but for society as a whole so that these people can become contributors to society.

And to take the argument that you give about transferring it merely to unemployment insurance, that's not accurate. Some 20 per cent were hired with ongoing employment; 75 per cent were employed in businesses. If by chance they do go into unemployment insurance, we make provision for a top-up, to make sure that their benefits are continued. So it's not just a transfer.

We make sure that there is, in fact, a cost to the province, and there is. But I do believe that they will have long-term benefits. And it's interesting that those who are under this program are the first to give credit to the program for at least giving them some hope.

MR. SHILLINGTON: — Well, Mr. Minister, if the purpose of the program was to assist the public in getting employment, why wasn't it available to all of them? Why was it just available to those on welfare? I suggest it was because this government places more priority on solving its financial problems because of the welfare rolls, than you do in solving the financial problems of those who are unemployed. You care more about your welfare rolls than you do about the unemployed. If you hadn't of, you would have made this available to all and the program might have been more successful.

Mr. Minister, you've given us no adequate explanation for what you describe as your welfare reform proposal. That's clearly what it was. That's a euphemism which this government uses for lightening the expenditures which it makes on welfare. You may think that's good politics. I know the government does think it's good politics, at whatever cost, to save money on welfare even if it means that welfare people are going hungry and are not getting the sort of encouragement and benefits and support they need to get off welfare.

But I say to you, Mr. Minister, that your approach with respect to welfare in general is very destructive. In particular with respect to this program, if you had made this program available to all unemployed people, it would have been a lot more successful and it would have been a lot fairer.

HON. MR. LANE: — I've found another plank in the New Democratic Party's platform. They now want employment programs for those that are working, because that's just what you asked for. Why would I give a program to people, not give it a program, and extend it to everybody who is working?

Now here's what we have for those who are working. We will double the capacity of the technical training schools and a major increase in the community colleges so they can take the

upgrading and the new training. That's for people that are working. Okay?

We have another program for those on welfare. You say we had nothing for people who were not working but not on welfare, and of course that was quite incorrect in that we had the small business employment program that created over, I believe — what was the figure? — small business incentives program created over 2,000 jobs last year. And as I said, 80 per cent of those stayed on as full-time employees, a significant percentage staying on.

So we have targeted programs for different needs. And it's not a single issue, as the hon. member seems to suggest. We added, as well, for people who are not on welfare but who were not working. We look at the Industrial Incentive Program. And that program in the budget contains an appropriation of over \$7 million. It pays \$7,500 for each manufacturing or processing job, up to a maximum of 25 per cent of the eligible cost.

So I . . . And in the first year the incentive under that program was about \$11 million. And the capital expenditures that came about because of the incentive program were nearly \$60 million invested by the private sector, and that created over 2,000 jobs. So there are programs for those people.

MR. SHILLINGTON: — Mr. Minister, the opposition caucus had a series of what we called round table discussions this spring. Three members of the caucus — they weren't always the same three members — in 11 different centres, held round table discussions, not public hearings. They were by invitation only, although some people did, some members of the public did stray in. But they were neither advertised nor were they invited in that sense.

It was an attempt to discuss issues across the table with people who have direct experience. One of the things that was said everywhere, from the first to the last, was that the emphasis of this government on short-term job is more destructive than helpful.

I happen to have before me the clipping from the Yorkton newspaper, *Yorkton This Week*, of March 13, '85. It just happened to be the first one I came to. The headline is: "Need for permanent employment stressed during NDP hearings." I could go on and read the article, but I won't. That theme was common everywhere.

(1600)

What was said to us is that the emphasis on short-term jobs is not helpful because it doesn't give young people an opportunity for a career. I formed the impression during the hearings that young people don't expect . . . They don't think the world owes them a living. They do believe the world owes them an opportunity to start a career, and that's what the misguided economic policies of this government and this current economy is doing — it is denying young people the opportunity for a career.

But the participants went even further than that, and suggested that the emphasis on short-term jobs is actually destructive. You build up people's hopes; you drop them in the trash can 20 weeks later. And their frustration increases, and their difficulty in finding a job increases, because then they have to explain to the next person they apply for a job for why the last one only lasted 20 weeks. It doesn't produce a very useful job résumé to have a bunch of short-term jobs in it.

Mr. Minister, as I said, this was said everywhere from Swift Current to La Ronge. In every single one of the round table discussion we had, that comment was made before we got very far. In case, Mr. Minister, you think that that is solely a preoccupation of the NDP, the members of the public (and they certainly weren't all NDP who came to the round table discussion) . . . (inaudible interjection) . . . Well, there was some Conservative Party members there, too.

Let me read for you a quotation, and then I'll ask the minister if he thinks he can guess who said

it. From *The Globe and Mail*, January 26, 1985:

Sweeping factory floors, painting park benches, and putting disorganized files into order, are no longer the kind of short-term job creation and summer employment programs the federal government wants to support . . .

It's obvious who said it; it's the federal minister, the Hon. Flora MacDonald.

I ask you, Mr. Minister, if you won't rethink the error of your ways, if you won't admit what the federal minister is saying, and that is that the emphasis on short-term jobs — your preoccupation with short-term jobs — may be effective to solve your problems with the loaded welfare rolls, but does nothing for those young people who seek the opportunity for a career.

HON. MR. LANE: — Well if anybody gives any credibility to that statement I would be absolutely amazed. First of all . . . (inaudible interjection) . . . No, to what you just said. Because I spoke for quite awhile, I spoke for quite awhile last night exactly on three areas: one, the short term; secondly, the medium term, which is the transition to employment; and finally, what should be done on long term. And I gave a rather extensive brief on each of those.

And I talked about the medium term, which is training people for re-entering the work-force for skills training. And in the budget there's over \$13 million allocated for that. Five million dollars, and I ask the hon. member to listen, \$5 million, because what you're telling me, if the NDP don't understand the program . . . And I was heartened to see on the occasional news clip the round table discussion that you had around the province, and a round table was all that you needed for the crowds that attended, and that the members who were holding the meetings outnumbered those who attend on their invitation. And I saw that although it was by invitation, that subsequently you had to run newspaper ads trying to get the public to show up. But keep listening to them because they're giving you good advice.

In the budget then, this is medium term — \$5 million for Access youth program, an increase of \$2 million. It's expected to create some 1,725 jobs, and these are for young people, to give them job-specific training and experience which they need. And they don't have to be welfare recipients, and this is work experience and skills training.

We do have an additional \$6 million for the Saskatchewan Skills Development Program to provide training for social assistance recipients. Now you can't get a job for a social assistance recipient unless you give some long-term skills training, which we're doing. Now that's long-term employment proposals.

I've announced . . . The Minister of Finance announced a rather imaginative new program, the Trade Opportunities program, so our top graduates will have the opportunity to help Saskatchewan businesses develop export markets; and secondly, take time in those export markets to develop an expertise to better serve that market and enhance the trade opportunities. We will fund both first and second years.

We were the first government to go with the students, graduates, and industry program, and for this year, that's being administered by the Saskatchewan Research Council. And for the first year, to deal with the graduate, giving the university graduate an opportunity to get into the work-force, they are included under that program \$1.5 million. We expect 250 university students and graduates to get employment.

I talked about the native career employment, which I've indicated to the hon. member is longer-term. So we talk about the employment support program — longer-term. We talk about the New Careers Corporation. We've already gone over that, medium to long term — a further \$2 million.

So I went through and listed, and then I talked as well last night about long-term programs — okay? — because there are the three components of the strategy. And I listed those: \$3.25 million for regional development; \$9 million this year, \$20 million over the next three years.

I was interested to find out that you were opposed to the program of nine and five-eighths for the small-business man. Some \$400 million in loans will be written down to as low as nine and five-eighths. That will give stability for the small-business man. And already the interest on that is significant.

We talked about long term, the Industrial Incentive Program — \$7.3 million. That program last year passed its original targets by generating over \$58 million worth of industrial and expansion plans, and creating over 2,000 new permanent jobs.

So I go on with the long term, and we went over them last night. I venture to say to the hon. member that no government in Canada — and we can certainly compare with our neighbours to the left in Manitoba — no government has done more to look at long-term economic development than this government. We fully recognize that some short-term programs are necessary, and some short-term programs may even be desirable. And to give some people a first opportunity to enter the work-force, I don't think as a negative; I think that's a very positive program.

MR. SHILLINGTON: — The next thing we know, Mr. Chairman, this government is going to be claiming that the increasing prison population is yet another way that you've created long-term careers for people. Mr. Minister, that's about all that you haven't included in this budget, when you claim that you're creating jobs. As I say, I expect to hear at any moment your claim that thousands of more people have careers, long-term careers, because you've put them in jail.

Mr. Minister, all I'm going to say with respect to your claim that you have created long-term employment is that I am gratified that nobody is believing you. And nobody is, Mr. Minister.

Mr. Minister, I want to know what amount you have budgeted for advertising. What are you planning to spend on advertising? I say that because I see this ad, patently designed to do nothing but bolster the government's political fortunes — not designed to be informative; not designed to assist people calling on the details of any program; simply designed to bolster the government's fortunes.

And I wonder, Mr. Minister, what's your department's share of this effort at the taxpayers' expense to re-elect this sorry excuse of a government?

HON. MR. LANE: — Well, in light of the discussions today, we are very much under budget and I'm going to recommend that we spend far more, because obviously the members opposite have not been listening. In 1984-85 the agency spent \$60,000 advertising. That was primarily the winter works program. That program set a target of 4,500 jobs and we created over 6,000. In 1985-86 we have budgeted 450,000 to publicize and promote the 25 different programs within the fund.

And as I say, in light of the discussion today, I will freely admit that that is totally inadequate, and I will be arguing for a significant increase.

MR. SHILLINGTON: — Well, finally the minister has said something that's accurate. You're going to need a lot more help in getting this sorry excuse for a government re-elected.

Mr. Minister, one of the many failures of this government in the area of the economy — and as I said, you cannot separate the economy from employment; the problem is the same, just different faces of the same mountain — one of the many failures is your complete failure with respect to the private sector. Your economic policies in so far as they deal with the private sector

are almost a complete and total failure.

You began office in 1982 with more enthusiasm than good sense. You began with the open for business philosophy. Funny, Mr. Chairman, I noticed that phrase has almost disappeared from the language of members opposite. Still very common among language of members of the opposition, because we allege it is still your policy. You just no longer have the courage of your convictions.

Your policy, Mr. Minister, is to wait in the hope that somebody'll do the job for you. The facts are, Mr. Minister, that nobody is doing the job for you.

I refer to the fact, and your Premier is always suggesting that you've created more jobs in the private sector, and it just is not so. I quote from Statistics Canada which suggested that during the three years you have been in office, some 214,000 jobs have been created; but 9,000, or 64 per cent of those, were created in the public sector.

So your record, Mr. Minister, in the private sector, is almost non-existent — a measly 5,000 jobs. Where you needed 35 to 40,000 jobs, you've created five. Sixty per cent of the new jobs which you are claiming are created were created in government. I suggest to you, Mr. Minister, that's a pretty poor record. It's one that needs re-examination. It's one that needs a fresh approach and something other than this budget and these estimates which are nothing more than cosmetics, nothing more than an attempt to wallpaper over the problem until after you can get yourselves past another election whenever you have the courage to finally call it.

I suggest, Mr. Minister, it is time you adopted a new policy, come up with some new ideas, because the open for business approach has been a complete failure, and I think the silence of members opposite with respect to the program is an admission of just that.

HON. MR. LANE: — The silence is the boredom for the rhetoric of the member opposite. Now I suppose that the truth would come about the following way. If the hon. member opposite is prepared to tell all of the small business in his riding that because he does not believe in them, they should not apply for the nine and five-eighths, I would like to see the letter. And I hope he sends me a copy. Because I'm quite prepared, as I say, to spend more money in advertising, and I'm quite prepared to send the letter to every businessman in the member's riding and say that you don't want them to apply to nine and five-eighths because you don't believe in the program. We don't keep the statistics unfortunately on the basis of the small business employment program last year which, as I say, created about \$58 million in capital expenditures, how many from the hon. member's constituency, but I'm sure there were several.

(1615)

So your statement just doesn't hold water. It's not a fact accepted by the vast majority of intelligent people in the province, and I think that the vast majority that I know, that the vast majority of small business in the province of Saskatchewan freely admit today that they are far better off than in any other province in Canada.

MR. SHILLINGTON: — Well if you think that, then you really ought to try calling a by-election in Regina North East. I really invite the members opposite to put their newly found courage to the test. Your courage obviously failed you this spring. It has failed you heretofore, but I suggest if you finally think that the public are on your side with respect to this budget and this economy, which is the overarching issue, then call an election in Regina North East. Members aren't going to call an election in Regina North East because they know they'll get shellacked. They know they'd lose it.

Mr. Minister, I don't know whether or not you have any intention to deal with the question, and that is why over the last three years have 60 per cent of the jobs that have been created, been

created in the public sector. I'll tell you why. It's because your economic development program is a sorry failure. The open for business has been a joke.

Mr. Minister, there are farm more businessmen live in your riding than live in mine. But the ones who live in mine . . . Some of the ones who live in mine are wearing a button. It doesn't say "Open for Business." It says "Hopin' for Business." And it sums up the frustration and the anxiety of small-business people when this government's in office.

The whole approach, Mr. Minister, of your open for business was a clarion call to big business to come and do the job for us. Implicit in the whole suggestion of open for business was that we couldn't do the job for ourselves, that we had to get outsiders in to do the job for us.

The economic history of this province, Mr. Minister, is the opposite. During the late '40s, the '50s, and the early '60s, when the CCF were in office, it was their approach that we shouldn't be calling on outsiders to do the job for us (with some exceptions); we should be doing it for ourselves. And they took a bankrupt province and turned it into a province the economy of which was the strongest in Canada.

I remember, Mr. Minister, in April 1964 when the election was called. I've still got, somewhere, still got the front page of the *Financial Post*. Saskatchewan had the highest per capita income in Canada that year.

Along comes the '60s with a government with which you had some association, the Liberal government. Ross Thatcher had a conference. Anyone guess what the motto was? Strange, it was "Open for Business." I've still got the pamphlet, actually.

What happened during the '60s when we were open for business? The economy of this province went on a toboggan ride to the point where in 1971 the government was unceremoniously booted out of office and disappeared from the landscape.

In 1971 another government was in office which believed in the Saskatchewan people, believed we should do it ourselves, and that's what we set about to do. Whether it be in resources, or whether it be through our aid and assistance to small business, it was the belief during the '70s that Saskatchewan people could best do the job for themselves.

And once again, when you had a government in office that believed in Saskatchewan people, believed we could do it ourselves, the economy boomed. And Saskatchewan went in 1971 from being the poorest sister of confederation to having one of the strongest economies in Canada.

SOME HON. MEMBERS: — Hear, hear!

MR. SHILLINGTON: — Back in comes this government, again which doesn't believe in Saskatchewan people, which by saying "Open for Business" calls upon others to come and do the job for us. What happens? What happens? The economy goes on a toboggan ride once again. I can read you those statistics again.

I say to you, Mr. Minister, that when you finally get up enough nerve to call an election, or a by-election, but when you finally get up enough nerve to call an election, this government is going to go and you're going to be replaced by a government, once again, which believes in Saskatchewan people.

We won't have a silly slogan like "open for business." We'll tell the people that we have faith and confidence in them and they can do the job for themselves; they don't need outsiders to come and do it for them. And I'll venture to say, Mr. Minister, that in the last half of this decade and the first half of the next one the economy of Saskatchewan will once again be something that Saskatchewan, that Canadian people will look to with envy.

Mr. Minister, your economic policies have been a disaster. The statistics which I just read suggest that. I ask you to admit he obvious so at least you can make a clean beginning and start with a program which is based on the facts rather than on your own fantasy.

HON. MR. LANE: — Well, I find that frankly a laugh. There's the hon. member who stands up and says, we did it all ourselves when we were the government. He said he did it all himself when he was the government. Let's take a look at Chartwood Developments in downtown Regina. Let's take a look at that home-grown enterprise.

You went outside the province and gave a sweetheart deal to an eastern Toronto developer at nine and five-eighths. You didn't even give the Saskatchewan people an opportunity to develop downtown Regina. You were so ashamed of Saskatchewan developers, and you were so down on them that you wouldn't even give them the opportunity. You gave a sweetheart deal under the table so that you wouldn't deal with local people.

As a matter of fact, as a matter of fact, if we take a look at their oil . . . (inaudible interjection) . . . yes, we had the courage to go hold a public inquiry. You didn't have the courage. As a matter of fact, you had such a scandalous deal in the Cornwall Centre, when we try and get the files you got them buried down in Toronto so that the government can't their hands on them. Now that's part of it. Let me tell you . . . And I think you were part and parcel of it if I recall. Certainly he was.

Let's take a look, Mr. Speaker, at the efforts of the government opposite to try and get a heavy oil upgrader in the province of Saskatchewan. Did they use local people? No, they weren't going to use local people. They didn't even talk, Mr. Chairman, they didn't even talk to the Federated Co-op and The Co-operators in Saskatchewan to get an upgrader in the city of Regina. Talk about local people! You wouldn't even talk to them.

Interestingly enough, when they talk about all the local people that they used in mining, who did the northern mining? Amok, Uranerz, Eldorado Nuclear, Gulf — all these home-grown local companies. As a matter of fact, the only local companies you used to try and get economic growth last time was government.

And you doubled the number of Crown corporations.

And you increased, as a percentage of the provincial gross domestic product, the size of government.

You just had absolutely no idea of going to use local business men and try and give them an edge, a competitive edge, a leg up, and an opportunity.

So don't try and say, we did it all ourselves. As a matter of fact, what the legacy you gave was that there was economic walls around the province of Saskatchewan so that outside people would not look in, that we didn't have the small business prepared to get into export development where they should have, where tourism was cut down and constrained so that people spent a day and a half passing through, and I suspect that day and a half came is when Via Rail shut down. That was the legacy.

You didn't create an attitude in the business men of this province that we can sell world-wide. And you didn't create an attitude in the farmers of Saskatchewan that we have to be competitive, and we're proud to be competitive, and that we're prepared to be competitive.

So I suggest to come up and say that you did it yourselves . . . You insisted on government doing it, but you didn't let the people do it, and they haven't forgotten it, and they don't forget it, and they won't forget it.

And I suggest, Mr. Chairman, that at least the legacy of this government will be, is that the people of Saskatchewan are beginning to look to the 1990s and into the next century and where the province will be. And for the first time the farmers are making their voice heard, and recognize that they want change and they want to be competitive. And they know that they have to compete in world markets, and they want to be ready to do it.

And for the first time we've got small business men going to China and around North America and overseas, trying to sell Saskatchewan products. And they're not walking around with their head down, saying, the only socialist province in North America, and how embarrassing it is, and, yes, I know it's not good, but, you know, we're trying, and maybe you'll like a look at our product here, and, boy, if you're interested we could set up an office outside of Saskatchewan so you don't have to come in. And that was the attitude and the legacy that you left.

Well the people aren't looking back, as you indicated in your opening remarks — they wanted to go back to the 1950s. They don't want to go back to the 1950s. And they don't want to go back to the 1960s. and they don't want to go back to the flag-burning of the 1970s.

For the first time the people of Saskatchewan are looking ahead. They're looking ahead, and they're looking ahead with some pride and some confidence. And, Mr. Chairman, that's a legacy already of this government, and one that we're very proud of.

SOME HON. MEMBERS: — Hear, hear!

MR. THOMPSON: — Thank you, Mr. Chairman. Mr. Minister, I want to indicate to you that you have just stood up in this House and talked about everything being home-grown, that the New Democratic Party when they were in power they insisted that everything was home-grown, and that we should not take credit for any job creation projects that we have in this province.

Let me tell you, when you talk about your slogan, open for business, it's just the complete opposite. When the New Democratic Party was in, we had jobs. We created jobs, and let me tell you, we were open for business.

SOME HON. MEMBERS: — Hear, hear!

MR. THOMPSON: — Now, since in the three years that you have come into power, the jobs that you have created are 60,000 unemployed, 55,000 on welfare, and then you lump up all this here funds from every department in here.

But you want to talk about Amok, and you want to talk about Uranerz. You want to talk about the potash corporations and their head offices. Let me tell you, Amok, Uranerz, they all settled in this province and they developed this province when the New Democratic Party was in. And we encouraged them to come into this province and develop. We encouraged them.

And it tells you just to take a look at the years when they came in. they came in under a New Democratic Party government. You don't see any major development under the Conservative government. No. Uranerz and Amok came in under a New Democratic Party government. And they worked well, and they're still working well. Only there's a cloud over their head.

But let me tell you, Mr. Minister, and I want to say that you can get up in this House and you can hoot and holler about the New Democratic government being closed for business. Well let me tell you, we were open for business in the 1970s, and we are now closed.

And I tell you, we didn't make any sweetheart deals with Manalta Coal from Calgary. We didn't sell off the drag-lines, and we didn't sell off the coal mines. And that's the type of business that we have in this province right now under a Conservative government — going back right to the 1964s to '71 era, where everybody left the province, and we had to come back in as a party in '71

and bring this province back.

SOME HON. MEMBERS: — Hear, hear!

MR. THOMPSON: — I just tell you, this is true. Look what was developed under the New Democratic government, and you compare it to your policies of 60,000 unemployed and the type of programs that you're bringing in and you're camouflaging.

I take a look here at one, two, three, four, five, six departments. That accounts for \$107 million of the agency that we're discussing here right now, and it's all being put into Urban Affairs. It's replacing the capital program of Urban Affairs. Its social assistance programs are being brought in.

That's what happening today, and I say, Mr. Chairman, that this is not fair. And it's not fair that the minister should get up in this House and make the type of political speech that he has made, and that's why I wanted to respond to it.

(1630)

I also want to ask you a question after I've made these few comments, Mr. Chairman. I would like the minister to explain to me, Supply and Services to be voted, \$26,390,200. Could he indicate where that money is going to go to?

HON. MR. LANE: — We'll get that specific information. I just want to remind the hon. member opposite who is the leading proponent of shutting down the uranium industry in the province and fully supportive of his party policy and I think we all know that, and I know the people of northern Saskatchewan know that, which is a further plank in the NDP employment creation proposals. It's interesting and a little known fact because it was covered by well by the previous administration.

You know, when they talk about potash mines, they didn't open up one new potash mine in the years they were in, but I'll give them some other interesting figures — that between the years 1971 and 1981 the population of Saskatchewan had a net loss of 41,000 people due to out migration, 41,000 people less. And already the net increase due to migration, okay, in the years of the Conservative government is already 12,000.

In 1984, 3,059 new businesses were incorporated in Saskatchewan. And in 1985, the Conference Board of Canada that predicted that Saskatchewan will lead all provinces in economic growth.

So I suggest to the hon. members that in fact your record consisted of two economic objectives: you were going to expand government to be as big as you could make it and own as much of the economic sector as you possibly could; and you made significant moves to get as much control of farm land as you possibly could. And those were the two fundamental objectives. So having said that, I will supply to the hon. member the list and I'll get it typed up. I can have it to you by tomorrow if you wish.

A total of the government facilities capital under that specific subvote where the renovations are and the Department of Supply and Services, that'll have to be voted under the, I believe the subvote of that department. We will supply you all the renovations or court houses and schools and/or T.C. Douglas building renovation legislation. I'll get you that whole list and supply it to you.

MR. THOMPSON: — Mr. Chairman, Mr. Minister, am I right that the \$26,390,000 is for capital projects under government services and renovations to government facilities?

HON. MR. LANE: — Yes.

MR. SHILLINGTON: — Thank you very much, Mr. Chairman. Mr. Minister, I just happened to have found a document. Nobody in the province think this is very authoritative, so I apologize for its use. But the member opposite might recognize it. It's the budget address of April 1985. As I say, I apologize for my source. Nobody in the province puts much stock in it. But members opposite may give it a bit of credence, I don't know.

I want to read to you some statistics from this budget address. "The Private and public Investment in Saskatchewan." It's on page 41.

In manufacturing — and I'll give you two segments which are thought of as the private sector — manufacturing; secondly, trade, finance and commercial services . . . the manufacturing side and the service side.

Manufacturing in 1981 — the investment in the province was 183 million. In 1984, 188 million — a growth of a mere 5 million. In trade, finance and government services, the other side of the private segment, investment in 1981 was 525 million; in 1984 down to 495 million. Sum up those two and you have a total decrease in private investment in the period of time in which you have been in office of \$25 million.

The increase in the investment comes in the institutional government departments. There we see that in 1981 public investment was 593 million. Under this free enterprise, lean and mean government, it's up to 682 million. Increasing investment in Saskatchewan, Mr. Minister, has not been in the private sector, not in manufacturing, not in trade, finance and commercial services, which are the private sectors. Increase in investment in this province has been in the public sector. So much for open for business.

HON. MR. LANE: — I'm glad the hon. member brought those statistics because it's noticeable that the big loss occurred in 1981, and we've been on a steady growth and repair and restoration since that time, and in each year since the last disastrous year of the New Democratic government. As I say, we have begun to regenerate, restore, and rebuild the economy you left in shambles. And it's been a steady upward growth ever since.

MR. SHILLINGTON: — Well, Mr. Minister, just deal with the facts. The facts are: in the private sector you're down by 25 million; the government sector you're up by 90 million. Does that not suggest that your open for business philosophy has not been much of a success?

HON. MR. LANE: — Well, it's interesting to note, like I say, that the last disastrous year of the New Democratic government . . . we have now exceeded in total the public and private investment of your best year. And that's in a recession in 1984. That's with a drought and flooding in rural Saskatchewan, that it still did better than your best year.

And I suggest that the Economic Council of Canada is absolutely correct, and the figures that you'll see in 1985 are not going to embarrass you, they're going to embarrass everybody that bothers to tell others publicly that they hold a New Democratic membership card.

So I suggest that we've had to rebuild and regenerate, and I've suggested that because of your policies which, as I say, were on two fundamental directions — government ownership of the economy, and government ownership of farm land — and that's what you're remembered for.

MR. SHILLINGTON: — Well, Mr. Minister, if you want to talk about figures which aren't in the book, let me refer you to some other figures which are not in this book, but were contained in your last economic review put out by the Department of Finance. And those figures, Mr. Minister, make it abundantly clear that Saskatchewan has lagged the Canadian economy, that the Canadian economy as a whole bounced back long before the Saskatchewan economy did.

Mr. Minister, let me . . . I don't actually happy to have that document with me, but let me refer

to another source which suggests that your open for business philosophy, your approach to jobs and economic development, has been an abysmal failure. I refer to an article in the *Leader-Post*, dated April 6, 1985, points out some of the . . . Let me just give you some of the rather worrisome things that this article points out.

It points out, for instance, something I said earlier, and that is that unemployment is at an all time high at 9.6 per cent. In Regina and Saskatoon, it's at 10.8 and 11.2 respectively, but even worse is the lack of confidence among Saskatchewan businesses. There was a survey done, not by the government for one, but by the Federation of Independent business, and it indicated a substantial increase in unease among the governments — among what is supposed to be your constituency, small business. They surveyed in Saskatchewan 731 and, in a nutshell, the results show that Saskatchewan is lagging other provinces in almost all categories.

As Dale Botting of the Canadian Federation of Independent Business said, Saskatchewan business men are not very optimistic.

The survey reveals that only 14.2 per cent of Saskatchewan businesses increased employment. It's the lowest figure in Canada, except for the Yukon.

Conversely, 25 per cent of Saskatchewan business reduced employment. That again is the highest, except for the Yukon, which was a way down at 17 per cent.

Turning to unemployment plans over the next six months, 24.8 per cent of Saskatchewan businesses expected increases in employment over the next six months - -the lowest, except for B.C. and Nova Scotia. The national average was 28.9.

Conversely, 6.4 per cent of Saskatchewan businesses expect to decrease employment in the next six months — higher than anyone except Nova Scotia, and again, B.C. The national average was only 4.5 per cent.

I can keep on going indefinitely, Mr. Minister. I won't. the fact is Saskatchewan businesses lack confidence. They lack confidence, because they have seen this government squander its opportunity to provide leadership, squander this province's resources, figuratively as well as literally. Literally, instead of having Saskatchewan resources in Saskatchewan working for Saskatchewan people, you have seen to it that the resource revenue, all of it goes out of the province. All goes to the multinationals.

In return, all Saskatchewan people get is an ad in the *Leader-Post* and *Star-Phoenix* from Gulf Oil saying, thanks.

My gosh, I would thank somebody if they gave me \$240 million. I'd put it in a whole page of the *Leader-Post*. I don't blame them for doing it . . . (inaudible interjection) . . . I don't know if I would do it for \$50. I might incur a substantial loss on the advertisement.

But I say, Mr. Minister, your suggestion that Saskatchewan businesses have confidence in the new Saskatchewan just is at variance with the facts. The fact is, Mr. Minister, the economy of this province is at an all time low. Saskatchewan businesses . . . And the statistics which I read earlier point to that. The Saskatchewan business men know that, and you're doing them a disservice by suggesting the problem doesn't exist.

You suggest it doesn't exist in your speech, and by this dismal excuse for an Employment Development Agency budget. You suggest it doesn't exist with respect to unemployment.

I say to you, Mr. Minister, withdraw this sorry bit of cosmetics. Bring back something that's meaningful. Do something for small business and for the unemployed in Saskatchewan.

HON. MR. LANE: — Well I simply challenge the hon. member to vote against the specific Employment Development Fund. I would like to see it on record that you are, in fact, opposed to the expenditures. And I suggest to the hon. member that, in fact, that the hon. member has his opportunity to express his disappointment with the Employment Development Fund.

I don't think that view will be shared by many of the people in Saskatchewan. And I refer to the Conference Board of Canada that said that if growing conditions return to normal, Saskatchewan economy will grow by nearly 3 per cent this year, higher than the national average of 2.4 per cent.

So I suggest, as the growth varies and a couple of provinces that were so low get some growth, they're obviously going to have a relative percentage increase higher than those with a steady growth. In fact, we've had that more than steady growth.

The population is up. The number of jobs are way up. More people are employed today than certainly when the New Democratic Party was in power. And I suggest to you that the business community does have that optimism. The ones that don't have the optimism are the New Democratic Party.

MR. SHILLINGTON: — Well, Mr. Minister, if you dismiss out of hand the survey done by the Canadian Federation of Independent Business, and I guess you do . . . It doesn't jive with your own cooked statistics.

Let me refer you to the department of regional economic expansion. They did a survey, completed in January, which, although a little kinder to Saskatchewan, still shows a lack of confidence and a declining confidence. This year investment is expected to increase only 5.5 per cent. That is half — one-half — the national average.

Even more disconcerting are the between-survey revisions, which show a decline of 9.1 per cent in Saskatchewan compared with the national average — plus 0.5 per cent.

Mr. Minister, not only does Saskatchewan businesses not have confidence, as is shown in the economy, as is shown by the survey done by the Federation of Independent Business, but what is even worse as it shows it's declining, since the survey done by the department of regional economic expansion is later in time and shows a situation which is actually worse.

Again I suggest to you, Mr. Minister, that if you want to do something for the people of Saskatchewan, if you want to have any hope of salvaging this government, I suggest you withdraw this budget, start again, bring back a budget, Mr. Minister, which addresses the problems and doesn't try to avoid it — doesn't try to cosmeticize over it.

Bring back a budget which does something for small business. Bring back a budget which does something for the unemployed. And take away the sorry, silly economic development fund which commits you to nothing, means nothing, is going to accomplish nothing, and about which nobody will remember or care.

HON. MR. LANE: — I don't know whether you're expecting a response on that. I don't think it's worthy of a response.

MR. SHILLINGTON: — Well, Mr. Minister, I want to get on to something . . . I want to get on to what is probably the most serious failing, Mr. Minister, with respect to employment, and that is the tax increases. Mr. Minister, probably the most serious impediment to increased employment in Saskatchewan is, in fact, the tax increase. The retail . . . Saskatchewan enjoyed the lowest rate of growth in retail sales in Canada. That might suggest to you either the Saskatchewan people are impoverished, or it might suggest to you that Saskatchewan people have no confidence, as is the case with small-business men from the surveys we've just seen.

Mr. Minister, you have done grave damage to whatever confidence small businesses and consumers had left with these tax increases. Exactly what Saskatchewan did not need right now, exactly what the job market didn't need, exactly what the business community did not need right now was these thundering tax increases — 7 million per year in the sales tax, 80 million per year in the income tax, and 100 million per year in the property tax rebates. That is a tax increase not just for working people, but it's also a severe tax increase for small businesses and farmers.

Mr. Minister, where were you when these tax increase were being discussed at the cabinet table? Were you in the washroom? Where were you? Did you not speak up on behalf of your agency, jobs, and the economy? Were you not there saying, "Mr. Finance Minister, this is not the most intelligent budget in the history of the province; it's going to be one of the worst"? Did you not do your job? Did you not care at all about the responsibilities given to you with respect to jobs?

When this was being discussed, did you not go and fight on behalf of the unemployed and on behalf of small businesses and farmers who generate jobs? Were you absent in body? Were you absent in mind? Or were you just not thinking, Mr. Minister, about what this budget's doing to the Saskatchewan economy?

HON. MR. LANE: — The average small-business man that's eligible for nine and five-eighths will get a rebate of well over \$1,000 — far in excess of what he gave up on the property improvement grant, far better off.

Secondly, he has stability, which he has not had. The very figures in terms of consumer spending are directly attributable to the drought, and the hon. member knows that.

And finally, if we keep in mind the situation of farmers, that in 1980, if instead of buying uranium mines the then government had put the money into interest subsidies to the farmers to reduce those interest rates from 20 and 21 and 22 per cent down to at least 11 or 12, the farmers would have had a great deal of money to spend over the last few years.

MR. SHILLINGTON: — I don't know whether . . . Mr. Minister, let me put the question to you as directly as I can: do you think the tax increases are good for business and good for the employment market?

HON. MR. LANE: — I have met with builders that for the first time have said that a government is giving them long-term stability which they have never had. They complained about now only this government, they complained about past governments and others that, oh sure, there's all this capital expenditure around election time, and then it drops off and they have now work for a year or two.

The industry has made it clear — for the first time they've had long-term stability. And when they see the expenditures in schools and hospitals over a five-year program, they're far more happy with the stability than the ups and downs and the volatility of government playing with the market-place in the past. And I suggest to you that they are quite happy with that.

I suggest to you as well, as I said, that the nine and five-eighths will benefit a significant number of small-business men in Saskatchewan other than those in the members' riding, because I know he's made it clear that he doesn't want his business to participate.

Having said that, yes, for the first time they've got long-term stability.

MR. ENGEL: — The minister has just drawn me into this, and one that I absolutely couldn't resist, Mr. Minister. You talk about long-term stability in the business trade, or in the building trade, and the long-term stability and how the builders don't like a heated-up economy and then fading down to nothing. One of the best ways to measure how well builders are doing is by how good

the lumberyard business is doing.

And Mr. Minister, I think you should come down and talk to the people and the builders in Gravelbourg and Lafleche maybe, just to name two examples of rural Saskatchewan where the builders are telling you in no uncertain terms that things are pretty tough out there. For the first time in my lifetime, and that goes back a long way, we've had two lumberyards close since your term of office, and both in the last year. Two lumberyards have decided to close their doors.

Now you can say that's poor management and this is a situation where they're not making it go, but those were managed by the Co-ops, Co-op lumberyards. And if there's any situation where you can't hang on and you can't make a go, a Co-op lumberyard should be able to. But the Gravelbourg Co-op lumberyard decided to have their sale and close their doors. Lafleche Co-op lumberyard closed their doors.

Mr. Minister, that's an example of a government that hasn't provided a stimulus for building. Rural building, small-town building is a thing of the past. They don't know where it's at. They close their doors; they shut their lumberyards down, because they don't have any hope with you. They know there's no chance of recovery.

You talk about long-term planning and long-term stability. Mr. Minister, they don't believe you. They don't believe you.

HON. MR. LANE: — Well I was pleased the other day to receive an invitation to the opening of a new lumberyard in Lumsden. That opening will take place in May and I'm sure the hon. member . . . I can arrange an invitation if he wishes.

I will admit that in southern Saskatchewan the drought has had a serious impact, not only on lumberyards — on implement dealers, on car dealers. But they know full well why their sales are down. It's because in a drought, in a drought people don't buy, and I wouldn't expect them to buy.

And I was very pleased in the successful Thunder Creek by-election to be in a couple of lumberyards, going over the poll lists, and going out with the owners of the lumberyards campaigning successfully.

MR. ENGEL: — Mr. Chairman, the minister sat on a committee in 1971 as a Liberal member. The minister sat on a committee in 1971. And Mr. Minister, if you were as available as you were back in the early days of '71 when you first got elected, and you'd make a little tour of Saskatchewan like we did in those days, you'd hear a message that's exactly the same, only it's a little more intense, it's a little more intense.

Mr. Minister, if you want to talk to car dealers, they'll tell you the only time we made less money was when Ross Thatcher was the premier of this province. Things are as tough as they were back in the '70s and in '69 and in '68 and in '67. Things are as tough. And the difference now is that it took Ross Thatcher seven years to put the business men, the car dealers, the implement dealers, it took them seven years to get their backs to the wall. It only took you three years. It only took you three years to accomplish the same thing in rural Saskatchewan like your former boss Ross took in seven years.

And Mr. Minister, the program you've set before us, I thought there would be some hope, because you brought with you the experience of your former government and your days as an executive assistant. You brought that experience with you, and you should've learned from history. You should have learned from history of the things that don't work. And yet you come back with the same kind of programs as Ross had. You come back with the same tired out, same slogan, same thing. Mr. Minister, it's not working.

And you could crowd as many Liberals around you as you like, but the people of Saskatchewan are ready for a change. They want a change, and they know how to get it, Mr. Minister.

HON. MR. LANE: — Would you mind repeating the question?

MR. SHILLINGTON: — I've got something that's got to be said. No, I was just kidding. If you want to adjourn it, we'll pick it up tomorrow.

The committee reported progress.

The Assembly adjourned at 4:59 p.m.