

May 6, 1985

EVENING SITTING

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

TOURISM AND SMALL BUSINESS

Ordinary Expenditure – Vote 45

Item 1 (continued)

MR. ENGEL: — Thank you, Mr. Chairman. Mr. Minister, I unfortunately missed your introductory remarks earlier this afternoon. My colleagues tell me you did your little part in trying to make this session as boring as the other ministers did at the beginning of their remarks before estimates would start. And a simple question, in summary I suppose, I'd ask you. Do you feel that under your administration and in your term of office during the past three years that small business in general — business men at 3 and 4 and 5 and 10 and 20, depending on the size of the town, these small towns, how would you rate how they're doing at this time? Just a general statement of car dealers, implement dealers, lumber yards, small-business men, the manufacturers. How would you rate them, from 1 to 10, if 10 is a good year? How would you rate them from 1 to 10 at this time?

HON. MR. KLEIN: — Mr. Chairman, it's unfortunate that he did miss the dynamic delivery, chock-full of information, that I took the opportunity to deliver on behalf of all small-business people in Saskatchewan, including those in your constituency that I'm sure you're going to start casting aspersions about again, but I'll deal with that at the time.

You talk about boring. When there's nothing more to be said, you're still saying it. I wish that you would, you know, learn to understand small business and what it's all about. But I can tell you, Mr. Chairman, and members opposite, that as a result of my travels around this province the climate for small business is extremely healthy. There is a real feeling of optimism, the business people in all of our communities know that we have returned, once again, to private sector ownership, and our government simply listens to them and provides them with the opportunities that they require to forge ahead.

MR. ENGEL: — Would you care to rate how they're doing on a score of 1 to 10, financially? Would you like to give them a rating?

Now you can talk about how they feel, and what you think their optimism is all about, and we'll get to that a little later. But how would you rate how they're doing financially? How would you rate it — by how much income tax they're paying: by how much time they're spending travelling abroad? Are they following you around the world? Are they being globe-trotters? How would you rate them in any measurement —by income tax, by volume of sales, in measure compared to other years? Give me a rating on one to ten, where you think they're at today.

HON. MR. KLEIN: — Mr. Chairman, again, the business community, if they would appear to watch this line of questioning, would be extremely disappointed in what little information or encouragement the members opposite can provide small business.

We don't rate small business on the scale of 1 to 10, and give them a gold star, as done in kindergarten or nursery schools. No. We treat our business community, rather, with a whole lot more intelligence than that. But I can tell you that since 1982, 3,304 entrepreneurs were as rightfully proud of our province as we are, that they took the opportunity in this good, healthy climate, to open new businesses in this province.

MR. ENGEL: — Well that's all very interesting to talk about the new ones that are around and all, but I think when I meet with farm groups in farm communities — be it at co-op meetings or Sask Wheat Pool meetings, or just general constituency meetings — and I talk to farmers and listen to their complaint, and if you'd ask a farmer to rate his standing where he's at, by either the margin he has between his cost of production and his gross sales, or by the amount of income tax he's paid, or whatever, I think the farmers are prepared to say that they're happy if they'd be hitting in . . . (inaudible) . . . they're batting just to break even, just barely break even.

I was wondering as minister and as being one responsible and in charge of small business, you were saying that I'm seeding gloom and doom. I never rate them. I never said where it's at. I didn't even hint that things were tough or things were good.

I kind of thought maybe you'd like to make a statement, and you'd like to stand up in this House and tell me that since a right-wing government has been in office and since this new open for business attitude is around, I think you'd be prepared to stand up on your little soap box and tell us just how good things are out there. Maybe it's time you . . . I understand you even drag a little box around when you go to conventions. But in here you don't need a box. We'll focus, and watch when you're standing up, and listen carefully.

But I think as minister in charge of an industry that can create the most jobs in the province, an industry that can turn things around for us or will pull in their horns when things are tough, and I wonder if you'd have a statement you would like to make to indicate just where it's at in the business community. I'd like to hear that answer.

I haven't given you a cause to indicate that I'm seeding gloom and doom here, Mr. Minister. I was kind of hoping you'd stand up and tell us that things are better, things are looking good. Since 1982, since you're in office, business people are paying more tax, or building new buildings, or expanding; they're paving their parking lots, or whatever. Give us a measure and tell us how good things really are.

HON. MR. KLEIN: — Well again, Mr. Chairman, I suppose that the first thing I should do is say that rather than rating the small-business community, our government chooses rather to elevate this small-business community to the stature that it rightfully deserves. And to show that, this government created an entire new department, my department, Tourism and Small Business, to deal specifically with their concerns and situations. you missed it earlier, but I will refer to your usual source of reference, the *Regina Leader-Post*, Monday, May the 6th, and I'll quote from it again, because you couldn't be with us this afternoon.

. . . economic forecasters say Saskatchewan's rate of growth this year will far exceed the rest of the country.

Ask all the economic forecasters why they say that.

Although still a farm-based economy, (it goes on to say) Saskatchewan is getting a new infusion of economic blood pumped from its booming oil patch . . .

We're not saying this. The economists are saying this. And further:

. . . Saskatchewan's economy will grow by almost four per cent, while other provinces languish at zero to two per cent. It added that the province's unemployment rate — the lowest in Canada for almost three years — may drop by one percentage point.

Now, we don't say this. Your source of reference says this, sir, and if you would check it, you would see why we're so optimistic.

SOME HON. MEMBERS: — Hear, hear!

MR. ENGEL: — I suppose that's worthy of one hand. That's about one-fifth of, 2 per cent of your caucus agrees with you, according to the clapping that's going on here. But, Mr. Minister, back in 1971, there was a change of government in Saskatchewan from a right-wing government, a government much like what we have in office today. Many of the same faces that would have been there are here today. Your Attorney General and his staff were around in that government; they're still here today. Others I could mention, some names the weren't quite as obvious, but were still in the right wing, and I don't think naming them will indicate, Mr. Chairman, will add to the estimates that are before us tonight, as far as Tourism and Small Business is concerned.

But I had the privilege of chairing a committee back in '71 when we took office, and travelled around Saskatchewan and listened to business men right across the province. And I want to tell you, Mr. Minister, I want to tell you, Mr. Minister, the Attorney General was on that committee. A good friend of mine yet, a veterinarian from Moose Jaw, was the other Liberal member on there, Mr. MacDonald. And five then New Democrats were on the committee. The seven of us travelled around Saskatchewan.

We wrote a good little report that you should get out and look at because what business men are telling me to do, right across Saskatchewan — be it in northern Saskatchewan, or in the central part of the province, or in southern Saskatchewan — business men right across the province are telling me, I wouldn't believe it's possible; in three years these fellows in office have accomplished exactly what Thatcher was able to do in seven years. They have turned things around for us.

I can go from one car salesman to another, one car dealership to another across the province; I can go to implement dealerships right across the province; their lots are full.

You can go to other people that sell short-line stuff. Their shelves are empty. They are not stocking stuff. Why, Mr. Minister? Because their products aren't moving. The things have only been this poor once before in our memory, and that's in '71. Never have sale been as low.

You can talk about the optimistic 3,300 that took the place of maybe 6,000 that left the province. You can talk about that optimism and say it's great. But Mr. Minister, in my small town where I shop and where I go, since you've been in office main street's empty. It's gone. It's gone. A welding repair shop was in Lafleche; it's gone. A John Deere agency was there; it's gone. A lumber yard was there' it's gone. You're telling me there's optimism, Mr. Minister? Is it only in just some of the towns I travel in that it's so bad?

Mr. Minister, I'm facing the truth. And the reality of the thing is this: that the optimism that's are out there saying, oh, if only they'd call an election; if only they'd call an election, we could turn things around like we did in '71.

That's what people are waiting for: that's what people are waiting for. They're waiting for a chance to recover. They're waiting for a chance when the government isn't going to be open for big business, but it's going to consider the little entrepreneur.

And Mr. Minister, I'd suggest that, as minister, you better find out what's going on. You better get out there and start listening to some people.

You know, maybe Africa has . . . Maybe things are doing well there, maybe business men are doing good there. Maybe you should stay at home and start visiting some of the business men around. It seems to me you told me that you didn't get down to Friggstad's to visit that operation down there. I think when there was a crisis on . . . In crown corporations, when they talked about Friggstad's operation, when a crisis was on, Mr. Minister, you couldn't even be bothered to

go down and look what's going on. You couldn't even see what this family's done and try and work out a solution. You waited till it was too late.

Mr. Minister, you're not there for the little guy. You're there for the big guy. And I think the figures reveal that big business is doing not so bad. You say the oil patch is great. Well I hope it is, because we don't happen to have an oil patch.

The Minister of Agriculture told me that it's great for the farmers in his area: they can get a job in an oil rig. Well that's not good enough. That's not good enough. That's not going to sell new John Deere combines and John Deere tractors, or Case, or whatever kind you want to use.

Mr. Minister, things out in the country are so tough that people who have a little money aren't spending it. You call that optimism. How come the sales tax is so far down — the lowest since the last 12 years — the income from sales tax? That's a measure of where business is at. And if you think it's so optimistic, how come sales taxes are down? How come the total revenue from sales tax is down, Mr. Minister?

HON. MR. KLEIN: — Mr. Chairman, the members opposite have never listened to business in their life. I have visited with more business men in the last week than probably your whole committee did in 1971. And what a sorry statement that that is to have to make. And don't think for a moment that the business community doesn't remember that.

They will never forget the inflation rate that they suffered through while you sat idly by, not knowing how to handle it. They will never forget the interest rates that sky-rocketed out of proportion, and you didn't know how to handle that.

You didn't listen to them. You weren't concerned. You weren't interested. And I challenge you to come with me on my trips. I challenge you to talk to those small businesses out there — the used car dealers — and see what they think. They remember you. I challenge you to visit the machinery dealers. They remember you. I challenge you to come with me to visit our chemical dealers and see what their change of opinion is. You know, you're a genius at one thing: you're a genius at arguing about things that you just don't understand.

MR. ENGEL: — Well, Mr. Minister, let's talk about genius. I asked you a question: what about the sales tax/ What kind of indication is that?

(1915)

HON. MR. KLEIN: — Mr. Chairman, while sales tax certainly relates to consumer spending in some way, I think that the small-business community throughout the province is by and large very happy that Saskatchewan's sales tax is kept at a restraint and not near what the other provinces of Canada are. And in discussions with the small-business community, sales tax is far from their major problems.

MR. ENGEL: — I guess you wouldn't want to give us the answer, Mr. Minister. I know you didn't change the 5 per cent sales tax. It hasn't been changed for years and years and years. You've added to it, you've added to it. You've added used cars to it. But I would suggest, Mr. Minister, that if you'd reveal the truth today, that would be a measure of where small business is at.

The ordinary consumer, the guy that sells the washing machines and the dishwashers and so on, the consumer products that are being sold across Saskatchewan — take those business men. Take the next size up and see how much furniture's being sold. Take any measure you want, Mr. Minister, and you haven't got one year, you haven't got one year that'll match the sales that have taken place between '75 and '80, between '75 and '80, and '81 and '82. You haven't got a year, in spite of inflation, in spite of inflation, when you get it shaved down to where it's really at. That's a measure of when they're making money or not.

I'm not talking about what the rates of sales tax should be. I was just saying that the sales tax has been 5 per cent over the years, and that's a good way to measure. And I thought you'd be able to come in this House tonight and say that.

This year the sales tax reveal that consumer sales are up 10 per cent, 20 per cent, or 30 per cent, but you won't admit how much they're down. Why don't you stand up and tell us how really bad it is out there? And why didn't you tell us how many people are hanging on by the skin of their teeth?

I have business men across the country telling me, if there were an election this spring, we'd survive, but if there isn't going to be one, we don't know if we can hang on past July. Go out there and listen to the business men. If you're talking to business men, and you want to tell me that you talk to so many . . . Maybe it was in L.A. during the cold of winter this past winter. Maybe that's when you talked to business men. I don't know, but it wasn't here in Saskatchewan. It wasn't on main street of Assiniboia or Weyburn or wherever you go, because those are the people that are telling us where it's really at, Mr. Minister.

And sales are down. The sales tax will reveal it's down. Consumer spending will reveal your sales are down. And you go out in the farm community and for sure it's down; for sure it's down. The small farm manufacturers are down.

And what have you done to stimulate it? And if it's so great to come out with your nine and five-eighths per cent interest this year, why wasn't that good enough last year or the year before when you promised it? How come the farmer, the business men have to wait three years? And maybe now they're going to have a promise of it. How come it wasn't good enough last year or the year before when interest rates were high and really hurting? But now that the interest rates have come down, and now that you can get a consumer loan for ten and a half or 11 per cent, now all of a sudden you're going to act on it.

But when the interest rates were up there, why didn't you do something? If you're concerned, Mr. Minister, why did you wait, if it's such a good idea?

HON. MR. KLEIN: — Mr. Chairman, I'm glad that it's recorded in *Hansard* that the member opposite doesn't like our new nine and five-eighths program. I'll carry that message on behalf of the opposition during the balance of my visitations with the small-business community.

But you're talking about retail trade and, you know, I don't know why you try to fabricate your figures. The people out there are not stupid. The small-business community understands. Nineteen seventy-three, which is after the time that you were listing to them, \$1.533 billion; last year, \$4.358 billion. Don't tell me that isn't an increase.

MR. KOSKIE: — Thank you, Mr. Chairman. I want to refer on the same line of questioning as the member from Assiniboia-Gravelbourg, and I want to get down to the specific indicators that you are wanting to put forward, Mr. Minister, indicating why it's so good in respect to the small-business community here in Saskatchewan.

I want to refer you to the Canadian Federation of Independent Business. And they conducted a survey: 731 responses of the CFIB's 4,000 membership, representing a good sample of the 33,000 registered businesses in Saskatchewan. You know what the survey revealed, Mr. Minister? First of all, the survey reveals, for example, that in the last six months of this year only 14.2 per cent of Saskatchewan business increased employment. And that is the lowest figure in Canada other than the Yukon.

You know what's the second thing that they discovered? Conversely, 25.6 per cent of Saskatchewan businesses reduced their employment, again the highest in Canada except Yukon.

The third thing that they found out in the survey in Saskatchewan businesses, and that is, that turning to employment plans for the next six months, 24.8 per cent of Saskatchewan businesses expect increases, which was below every other province except British Columbia and Nova Scotia. A national average of 28.9.

Those are our four particular statistics under a survey. And what I want you to do is to stand up, and not to give us the ordinary rhetoric and rubbish that you have been putting forward, but will you put forward precisely the indicators which you maintain that the business community in Saskatchewan have been doing so well? Is it increase in the number of employees that they are employing? Is it increase in the retail sales in Saskatchewan? Is it the increase in the expansion of investment in small business?

Here is a survey that was taken which clearly and unequivocally indicated a lack of confidence by the business community. Second worst in Canada, second worst only to Yukon in respect to the items that I've mentioned.

And so would you stand up here and indicate what your premise is based on, what criteria you use to indicate that this is just a tremendous atmosphere here for the small-business community in Saskatchewan?

HON. MR. KLEIN: — Mr. Chairman, I hope he gets ready for this one. Again the members of the opposition use the *Leader-Post* as their source of reference. And I want you to know that that Canadian Federation of Independent Business based its findings from 731 responses, 2.2 per cent of the total population.

A far superior source, a far superior source, StatsCanada's investment intention survey — I mean if you think that you can get better than StatsCanada, let me know — which nationally surveys 24,000 — 24,000 — establishments. The latest publication indicates that combined public and private capital investment in Saskatchewan will be 9.8 per cent above 1984's performance, the fourth highest in the nation.

And furthermore, Saskatchewan private investment in capital expenditures is expected to be 15.5 per cent over 1984, the highest increase in the country.

SOME HON. MEMBERS: — Hear, hear!

MR. KOSKIE: — I'd like to ask the minister whether he could comment on the retail sales, the increase in the amount of retail sales in Saskatchewan vis-à-vis the rest of Canada. Would you indeed indicate whether or not we fared well in respect to retail sales during the past year?

HON. MR. KLEIN: — Mr. Chairman, I would like to tell this Assembly that in 1984 the retail sales were up only marginally, and I suppose mainly due to the drought, over which no government in the world can take any positive steps to guard against it. But I can tell you this: that retail sales in January of 1985 rose 12.2 per cent in the one month, and probably led the nation with those increases.

MR. KOSKIE: — Now that we have established that the retail sales was a poor performance and is a good indicator that the business community does not have the massive sales which they are dependent upon, let's go to another indicator in the Saskatchewan economy. Let's go to construction. And would you indicate to me how the construction industry has fared during 1984? Can you indicate as to the number of private dwellings that were developed during the past year in comparison to the previous year or in the '70s?

HON. MR. KLEIN: — Mr. Chairman, I don't have 1984 with me. The latest figures I have is 1983 relating to construction, and it was up in the area of \$100 million — not quite.

MR. KOSKIE: — Well I was referring specifically to the number of housing unit starts, as an indicator. And I want to indicate to the minister that in 1984, under your government, there was 5,222 starts, and that is the lowest number of housing starts since 1972. I believe, the lowest activity in the construction industry. Now that's one indicator again which you have admitted to, that is in serious trouble.

Retail sales are down; housing starts are down. I'd like to ask the minister, in 1984, whether or not the annual rate or percentage change in the gross domestic product indicated any basis confidence in the growth of the economy.

(1930)

HON. MR. KLEIN: — Mr. Chairman, once again I don't have the '84 figures, but my information shows that the gross domestic product in 1983 was up almost 6 per cent over 1982, and I would again clarify that retail sales are not, in fact, down.

MR. KOSKIE: — Retail sales were the worst in Canada, and you have to admit that one of the worst in Canada. I want to, in respect to the gross domestic product, which is a good indicator of how the society, the economy, is functioning . . . The annual rate of change, per cent, in 1980 was 18.1 per cent; annual rate of change, increase, in 1981, 15.1; 1982 when you took over, 1.3; 1983, 5.8; and dropped again in 1984 to 3.1 per cent.

So taking a look now at the housing starts, that's down. So the construction industry, and the small business in this construction industry, is a depressed area.

We have looked at the housing, at the gross domestic product, and you indicate that that has dropped. We took a look in respect to the housing starts, gross domestic product, and we also looked at the retail sales, and we indicated that that was, in 1984, relative to the rest of Canada, one of the worst performance in the increase in retail sales. Just a very small percentage increase.

Now those are three significant indicators, which seem to indicate that business was not really booming so far as the small-business community here in Saskatchewan. And if you take a look at unemployment, Mr. Minister — 8.6, and you start bragging about that being the lowest in Canada. But if you look back into when you took over, it was at 4.7 per cent and has increased to 8.6 per cent. And if you take a look in the city of Saskatoon and also in Regina, you find it in double digit unemployment.

Now what are your indicators? Retail sales — poor; housing start and construction — poor; if you look at domestic product — poor.

Please come forward with the specific indicators that indicates that it never has been better for the small-business community, because the business community that I'm talking to say it's never been better for the oil companies and they agree with it. It's never been better for the oil companies in Saskatchewan. But they are saying in so far as the small-business community, they are suffering, and it's basically because of your policy. You came in with it. Open for big business — that was your policy. You adopted that; you spent \$300,000 on a welcome to the outside investors; and nothing has happened, other than to give away the oil resources.

Specifically I want you to indicate what are the indicators that you are banking on. Unemployment is up. Welfare rolls are up to the highest in the history of this country, in this province. There's 64,000 people receiving welfare benefits, and if you look at the amount that you're paying out under benefits — just under one program of the social Saskatchewan assistance program — its' \$192.8 million that you're paying to support welfare recipients. That's up from \$92 million when you assumed office. Over \$100 million annually more on welfare; 45,000 people unemployed; business going bankrupt.

And if you look at the list of bankruptcies, you find: in 1983, 108, from January to April, went bankrupt; you look in 1984, the same quarter, January to April, 103; if you look in 1985, January to April, 114 bankruptcies, business bankruptcies, in Saskatchewan.

Those are some of the areas that we have looked at, and as my colleague has indicated, if you go from town to town, you find . . . You go to Saskatoon and the largest implement dealer is bankrupt. You go into the other towns, into Humboldt, and the implement dealer — bankrupt. You go across this province, and dealership and business after business is going bankrupt.

So let's get down to some of the facts, and a realization that this government, basically what it did is to desert the Saskatchewan-based business community and now they're coming, you know, trying to beg to get their favour.

They were out enjoying the big league, you know. The Pioneer Trust boys, the biggest business in Saskatchewan, oh yeah, supporting the Tories, preaching their gospel: get government off our back and we'll make her go. And now who's the taxpayer paying off, clearing the deck for, is for Willie Klein.

I don't know if he's a relative of yours or not, but I'll you, he was preaching the gospel of free enterprise like you have. And who's the first guy at the trough to save the investors, is Will Klein and his boys. And what I'm saying to you, I think you owe something to the people of Saskatchewan to come clean with them, to show an interest — a sincere interest — in the small-business people, because, after all, they are the generators of Saskatchewan economy.

It's not the big oil companies who are raping our resources and taking off the money into Houston, New York, and to Calgary. So I guess what I'd like to do is, rather than the superficial baloney that you are shooting here, if you would come forward with some of the specific areas of contact that you've had with the small-business community, some of the indicators which really indicate that this government is working with the small-business community and will indeed see a turn-around in the economy of Saskatchewan.

HON. MR. KLEIN: — Mr. Chairman, the only expert at handing out baloney disguised as food for thought is the member opposite.

For your information, there was a drought, unfortunately, that Saskatchewan encountered last summer. And it's unfortunate that you choose to make so lightly of the problems that struck our agricultural sector. Of course, the gross domestic product would have to drop with that kind of a failure, so your questioning along that line is totally ridiculous. And again, all the forecasts for Saskatchewan indicate that Saskatchewan will lead the nation in economic growth.

And again, I invite you to come with me into the small-business sector. Let's go talk to some of those great big oil companies that are ripping us off. Let's go down and talk to those small-business boys that work in the oil patch. You have enough guts to tell them that. It's small business, the little oil drilling companies, the little service industries, in Swift Current, in Estevan, and in other areas. And you have the nerve and the audacity to call that big oil companies? No wonder they remember back in 1971.

Tourism. What is tourism? You people don't know. I'll explain it one more time. Tourism is nothing more than a collection of small businesses that we respect very highly.

Again, you know, I wish that the opposition would stay in the House a little bit more so that I wouldn't have to be so repetitive. But for the sake of the member, I will repeat again.

Job creation. Regina and Saskatoon led western Canada, the third- and fourth-best records in the nation, first and second in western Canada; 365 per cent more business starts than failures; over

3,300 business starts since 1982; bankruptcy rate factor lower than the national average.

I could go on with a litany of accomplishments and programs that we are delivering to the private sector, that they are enjoying. And I would suggest that you go and speak to them and listen because they will tell you about our programs.

MR. KOSKIE: — Well I want to reiterate, Mr. Minister, that you can't get off quite as lightly as you are by saying that the oil boom is so good for Saskatchewan. You know, you brag about the activity, but let's take a look at what it means to the treasury of Saskatchewan for programs and so on.

One point two billion dollars was the value of oil back in 1982. The revenue to the province, to the people of this province, was \$700 million. That value of oil sold has increased to 2.4 billion. And you know what the revenues to the province is? Six hundred and fifty-five million dollars.

Well I'll tell you that's quite a holiday for the oil companies who are taking the revenue. It has been calculated that 200 to \$250 million annually in royalty holidays and tax holidays you have given to the oil companies. and what have you given? You know what? You promised in 1982 during the campaign that you were going to give business community a break in interest rates. And you know what you did? You brought in advertising of liquor for the . . . right away for the breweries, because they donated money to you, your party. That was an emergency.

But to the small-business community, no, no, don't give them any money. Wait until those interest rates come real down low, and then we'll give them something. Well I'm telling you, the small-business community are on to your games, Mr. Minister, and your government's.

The oil industry, you've given it away — 200 to \$250 million in tax and royalty holidays annually to the oil companies.

You know, another interesting little thing in respect to potash that I discovered. You know, when we left office the Potash Corporation of Saskatchewan had 65 per cent of offshore sales, approximately 1.8 million tonnes. You know what they have today? Their percentage of sales has been cut down to 43 per cent, and they're selling about the same as they were when this government took over.

And you know what else they're doing? They're helping out the big privates. They're helping out the big private corporations a little more. Oh, but the potash is, oh, record production. But, you know, we developed and expanded the Lanigan mine — developed and expanded the Lanigan mine. And it can increase with the new lake, the new mine, an additional 2 million tonnes annually.

And I asked, you know, I was excited because we had put this into place, and I said, and it's my constituency, and I asked the minister how many people was going to increase employment there. How many more new people were going to be employed? Because the old lake, the old mine produced about 1.1 million tonnes; the new mine, 2 million tonnes.

And you know what the minister said? He said, well, I don't think there's going to be any more employees because, he says, I think what we're going to do is shut down the old lake, cut it out of production so that privates can add their position in the markets. We're going to shut down that. Yes. And he says, we're going to run the new lake with the same employees.

So okay, you take oil. They've given massive sums, massive sums away to the oil companies. You take the potash. What they're doing is that there's a conscious decision to share the market with the international corporations. All I say, Mr. Minister, if you were fair at all, if you had any reasonable concern about the small-business community, the generating aspect of this economy, why don't you take 50 or 100 million from the oil companies that you give away and

pump that into the small-business community and see whether or not there would be some benefits in the small-business community? Why don't you? . . . (inaudible interjection) . . .

(1945)

Get serious, says the member from Regina South. Sure, give it away to the oil companies. That's what he wants. Give it away, he says. So what I'm asking the minister, if indeed you were serious, serious about helping the small-business community, then why don't you address the situation of massive give-aways to the oil companies and to the private potash corporations and give some of that money to the private businesses?

HON. MR. KLEIN: — Mr. Chairman, I don't know if I really detected any form of a question out of all that. He covered everything from soup to nuts, but didn't talk about uranium. Why don't we talk uranium and your policies — let's close the mines and put 10,000 folks out of work? Why don't we do that?

And then why don't we nationalize everything else that's left that you think is pretty good? You know, you're careful . . . (inaudible interjection) . . . The member from Regina Centre needs a little lockjaw. I wish you'd get up and ask me some questions instead of shouting out of your seat. You don't know anything about small business, that's your problem.

You know, Mr. Chairman, they're very carefully staying away from the estimates and the programs of Tourism and Small Business. I mean, let's get at it. And again you're knocking all the small businesses in the oil patch. Let's go out there and talk to their families and friends and their employees — you know, the regular folks out there in the oil patch that don't quite see it your way. Let's tell them what you think about them.

You know, I don't know what to say, Mr. Chairman. I would like to get on with the task of doing our estimates and our programs, but it seems that, you know, they're as confused as ever about our department. And I'll try to nurture them along as best I can.

MR. SHILLINGTON: — Mr. Minister, . . . I'll take a liberty with the phrase. To call this man a minister is to stretch the meaning of the words, but I'll describe him as that.

Mr. Minister, I wonder when your government is going to have the integrity to admit your economic development policy over the last three years has been a complete and total failure. The growth in retail sales is the poorest in Canada; rate of job creation is half what it was before you took over. Growth in the gross national product is third worst in Canada. Rate of job creation is the second worst in Canada.

Mr. Minister, that is precisely because you have come into office and the whole thrust of your economic policy was to force-feed big business. The underlying philosophy was one for business. That reads, open for big business. Open for business is a clarion call for businesses outside the province to come and do the job for us because you haven't got any confidence in Saskatchewan people or Saskatchewan business.

And, Mr. Minister, the facts speak for themselves. It has been a complete failure. There is no significant success — not a single incident, not a single example of a major success to be accredited to open for business. It was a complete and utter failure. In the process, Mr. Minister, you have neglected small business and you are doing so again. By any standards, m-Mr. Minister, your budget should be a disgrace. At a period of time when small business needs success, are asking for it; the spending in your department, Mr. Minister, has been reduced.

Oh, it isn't reduced entirely. There's a huge increase in communications — huge increase in communications. And I am surprised that the budgeted figure is 3.371 million. I'm surprised, Mr. Minister, that would pay for the number of press releases you issue. You're really in the big leagues with the press releases.

Mr. Minister, the largest single increase in your budget is easily your increased communications. There are only a half a dozen subvotes which are increased, and your increase is in communications. You have a 20 per cent increase in business information and research, which is much the same thing. You're spending more on communications, more on business information, and a great deal less, Mr. Minister, on assisting small business.

Mr. Minister, you may get red in the face and yell in this Assembly all you want. You may say what you like. But I'll tell you, you'll not believe, the public out there judge you not by what you say, but by what you've done. What you've done for small business is a zero. You're planning to do less this year. I ask you, Mr. Minister, how you pass off this budget, which contains a reduction in spending, how you pass that off as being a program to assist small business. Mr. Minister, you ought to resign. If you had any integrity whatsoever, you'd resign.

HON. MR. KLEIN: — Mr. Chairman, typically the opposition are always down on everything that they're not up on. So you know, again, the member opposite talks about economic development. You have to save a few questions for my colleague, the Deputy Premier. He will refer to that. My colleague, the Minister of Energy and Mines, will certainly respond in detail for the oil patch.

But now you're talking something, finally, that relates to my program. You're talking about our communication budget. How big an answer do you want? How long an answer do you want? Are you telling me that you are so ashamed of your province that you don't want to take it out to the rest of the world and tell everybody how good Saskatchewan is, how good our people are?

That's what that communication budget is. We happen to be extremely proud of our mosaic culture. We happen to be extremely proud of our attractions. We're proud to be extremely . . . or we're happy and proud to be where we are with our heritage and with our history. And we want to go out and tell the world about that, something that you never did.

Tourism before was with Parks and Renewable Resources, and it related to the provincial parks and that was it. My friends, tourism will be the largest industry in the world by the end of this century. That's a fact. The largest industry in the world, and Saskatchewan is going to be a part of it. And Saskatchewan is going out there and we're not any longer the best kept secret in North America. We're proud of our heritage, and we're proud of our land, and we're proud of our people.

Go and wave like that to the people in the province. Go say, ah, we're not proud of our province. That's what you're saying. And we have expanded our budget, and we are going out and we are telling the people about the good things that happen here in Saskatchewan.

MR. SHILLINGTON: — Mr. Minister, your tourism . . . your budget on tourism, about which you have so much to say, has enjoyed a minuscule increase in spending. Tourism development is a modest . . . personal services in up a modest \$2,000. Other expenses is up some \$30,000. Tourism marketing is up by a couple of hundred thousand dollars. The two of them together, the increase in both votes under tourism does not equal the increase in communications.

Mr. Minister, I suggest to you that it's not a proper expenditure of tax funds to be telling the world how extremely proud you are to be extremely proud of Saskatchewan's cultural mosaic. I just do not see how that falls under the realm of Tourism and Small Business.

I say to you, Mr. Minister, what you're doing with this huge communications budget and the even larger expenditures in them, you're trying to save the Conservative ship from a near-certain shipwreck whenever you get the nerve to call an election. That is what you're doing. That is what the people of Saskatchewan think you're doing, and it's on that basis that you're going to

be judged, Mr. Minister.

I suggest for all the talk you do about tourism, the increase in what you spent on tourism is a great deal less than the increase in communications. Indeed, the total amount spent on tourism is considerably less than half what you spent on communications.

Mr. Minister, the largest single expenditure in this budget is your propaganda bill. The largest single expenditure in the budget is your propaganda bill — \$3 million, three times what you spend on tourism. I say to you, Mr. Minister, that is not a proper expenditure. You are being judged by what you've done, not by what you say. What you've done is pathetic. What you say in your committee, in your \$3.3 million communications budget, is not doing a bit of good, Mr. Minister. I'd suggest that you ought to move this funding to some other portion of your budget and spend it on something real instead of the silly trash that your propaganda bill pumps out.

HON. MR. KLEIN: — Mr. Chairman, on one hand the member opposite says we're spending too much, and when he gets shot down now he comes back and he says it's propaganda.

Mr. Chairman, I want you to know that last year the biggest increase in the history of our province in communications was made — the biggest ever that we spent — and \$1.3 million was outside the province. They don't vote for us out there.

So don't call it propaganda. You're ashamed of your province. You don't want to tell the people about the North. You don't want to tell Regina about La Ronge. Is that what you're saying about that?

The first ever federal-provincial tourism agreement, signed by our province under our administration — \$30 million over the next five years in tourism, and you've got the nerve to stand there and call it propaganda.

MR. KOSKIE: — Well, I'd like to . . . When we got to the very sensitive area of the hand-outs to the oil companies, he wanted to dismiss that. He wanted to . . . He said, I don't want to talk about the give-away to the oil companies; I don't want to talk about \$200 million of tax holidays.

Well, what I want to ask you, Mr. Minister, if I look at the interprovincial comparison of personal taxes and charges . . . And I would have thought that one of the things that this government might have do if it was concerned about the welfare of Saskatchewan people is to have cut personal taxes, decrease them in a time when there is hard economic times being faced, rather than giving the holiday to the oil companies. But let's just take a look at the interprovincial comparison of personal taxes and charges. If we take a look in the last year that we were in government — the last budget was brought down in 1982 and this carried on because there was no change. If you look at the provincial income tax, the tax credit rebates, the health premium, the retail sales tax paid, the gasoline tax, you know what you got? How much a person on \$15,000 per annum had to pay in Saskatchewan for provincial income tax. And tax credit and rebates were taken into account, health premiums, retail sales, gasoline tax. All right? Now they've done away with the gasoline tax, they said, and now that makes everything better in Saskatchewan.

Well let's see what's the comparison with this person on a 15,000 income. You know how much the subtotal is in Saskatchewan in 1982 when we left office, how much that person had to pay? One hundred and seven dollars. Do you know what he has to pay today?

AN HON. MEMBER: — What's he got to pay?

MR. KOSKIE: — Two hundred and fifty-seven dollars. The same person on 15,000 income. In 1982 when we left office, the person with a 15,000 per annum income, \$107. Today, after they've taken off the gas tax, do you know how much he pays?

AN HON. MEMBER: — How much?

MR. KOSKIE: — Two hundred and fifty-seven dollars. Now, that is quite a policy for the people of Saskatchewan.

What you have done, Mr. Minister, and you can't deny it because you can look at the comparison tables . . . And these are in the minister's budget address, and in the subsequent document in 1982, and the difference is \$107 under us, \$257 today to a person with an income of \$15,000.

I ask you, how can increasing massively the taxation be in the interest of revving up the economy in Saskatchewan when you are extracting more and more with the biggest tax hike increase in the history of this province?

(2000)

HON. MR. KLEIN: — Mr. Chairman, this is the committee of finance as it relates to Tourism and Small Business, and all of that didn't have anything to do as it relates to my department. Obviously the opposition doesn't like the responses they receive when it does relate to my department, and I think that I would like to get back to my questioning. I think the members opposite know very little about small business, but I have to admit that they know that very little might well.

MR. KOSKIE: — I'd just like to indicate to the minister, obviously he doesn't want to talk about the policies which are adverse. We are saying it has been tough under your administration in respect to small business operating in this province.

First of all, you had a big business, open for big business policy. You spent millions of dollars travelling the world to induce them to come here, and what I'm saying to you, Mr. Minister: surely there is an adverse effect on the small-business community when Saskatchewan people are having to be taxed so highly in comparison to what they were.

How can you say that your department, you're running it in the interest of the small-business community, when you are in fact increasing substantially the taxes? That's counter-productive, Mr. Minister, and I ask you, do you agree that increasing massively the taxation and the taxation on the purchasing power of lower-income people is conducive to stimulating the business activity in this province? That's what I'm asking you.

HON. MR. KLEIN: — Mr. Chairman, let's talk for a moment about small business, if that's what he wants to do. Let's talk about the high interest rates back before 1981, 1981 and before.

I was one of those small-business men then. I was one of those small-business men living with those interest rates. And I said to the government of the day, I said, what are you going to do about it? Don't know.

Let's talk for a minute about runaway inflation. I was in business in those days. From 1971 until 1982 I was in business. Let's talk about them and the high inflation rate. And I said to the government of the day, what are you going to do about those inflation rates? I don't know.

So then I said, well you know, there's got to be something that you can do. They said, we got a good idea. Let's nationalize everybody and take over these businesses, and then we won't have to try to help them out. Let's start Crown corporations and let the government own everything. That's good for everybody.

Let's talk some more about small business 1971 to 1982 when I lived in it. Let's talk for a minute

about the paper burden . . . (inaudible interjection) . . . I got one good small business. You could rent out your mouth as a flycatcher. Let's talk about the paper burden that you people imposed on me when I was in business. Job creator, all right. You had to hire a staff of people to sort out the mail. Let's talk about the 1,500 regulations that we knocked out after we started Tourism and Small Business.

So let's talk about some of this climate, and why the small-business community is simply delighted with the Progressive Conservative government that they overwhelmingly elected in 1982.

MR. KOSKIE: — Well I want to ask the minister: do you agree that increasing the personal income tax . . . And I give you the statistics here. After you have said that, oh, one of the great things that you did for small business was to remove the gasoline tax. But you know, here is a person at 15,000 income who paid \$107, and now pays \$257 for those items that I've indicated including . . . And now there's no gas tax. But he pays 257 compared to 107. But I'm asking you, do you think that increasing taxation, the massive increases that this government has imposed, that it is consistent, or in the interest of stimulating the business community? Simple question.

HON. MR. KLEIN: — Mr. Chairman, finally I'm given the opportunity to talk about some of our programs. I respect the opportunity that the opposition afforded the government with that. I'll deal with only the small-business portion of our programming.

In financing, we have our Venture Capital Tax Credit; we implemented our fixed rate financing program; we have industrial incentives; we have wage incentives to create all those jobs that we require for the people of our province; tax reduction for manufacturing and processing. Now we've introduced our new Small business Interest Reduction Program. We have our business resource centres that are capable of providing timely, accurate information to the business community when they need it, which is now, not six months down the road after they've invested a lot of start-up money and it doesn't work.

We have our management assistance program. We have our community economic development plan. And the list goes on. And it's the same in tourism. And if you'd like to, I could recite those for you as well, Mr. Chairman.

MR. ENGEL: — Mr. Chairman, Mr. Minister, the Small Business Interest Reduction Program: under what department, or what area, or where are you funding that one from? Where would I see the estimated expenditure this year?

HON. MR. KLEIN: — Mr. Chairman, on page 37, out of the employment economic development fund, you will see several departments listed there accessing their funding; subvote 20 is the Small Business Interest Reduction Program.

MR. ENGEL: — I was wondering, because I heard and read that the minister was promising the business community some \$20 million and only saw 9 there. Is there another place where there's more money of that program?

HON. MR. KLEIN: — Mr. Chairman, this is a three-year program and if the rates stay the same as they are, we could estimate it to be 20 million. Conversely if the rates sky-rocket, we have afforded the small-business community the protection and stability of this nine and five-eighths interest for the next three years. And, of course, as the interest rates may go up, we would have to increase the estimates to accommodate that.

MR. ENGEL: — Can you take a minute to describe what business men will qualify? And are there special job qualifications involved that he's going to have to create to qualify for this loan or is it really an interest reduction program?

HON. MR. KLEIN: — Mr. Chairman, most small businesses in the province of Saskatchewan will qualify for this program and all eligible loans existing as of May the 1st, and we estimate that that will be in the area of 4 to \$500 million. There's no question that as a result of that stable interest rate, it will certainly maintain or perhaps create jobs.

Regarding new loans that will be taken out, we have a \$50 million annual ceiling. And obviously the impact of the new loans that will be taken out for the establishment of new businesses or for the expansion of existing businesses will obviously create employment.

MR. ENGEL: — Mr. Minister, during the election campaign when your party spooked the people of Saskatchewan into supporting you, business men across the province were felling the pinch of stock at high interest rates, and the interest rates of the day were high. Today they're down to almost half of what they were when the economy was booming and buoyant.

But the question I'm wondering about, Mr. Minister, is that business man has cut back on his stock that I talked about earlier, when you go in and he has regrouped his shelving and his shelves are down — or not a Robinson chain store that went right out of business, but business men that are still around — can they use this money for financing working capital, inventory financing?

HON. MR. KLEIN: — Mr. Chairman, I'm more than pleased to say that that's exactly what it's designed for, is for operating capital or for term financing. And the member opposite is absolutely right. Boy, were the rates ever high in 1981.

MR. ENGEL: — I'd like a little more specifics there because it really scares me when you give this number. Now you consider yourself the front man for the business community in Saskatchewan, and you got to carry a soap box so the people can find you.

But it worried me, Mr. Minister, when you transfer this program and let that Liberal colleague of yours, the Attorney General, handle that number because that throws an altogether different slant on it. Why isn't that money down there on page 96 where you had some small interest abatement program — why isn't it funded and functioned and operated out of your department where the business man goes to? Why are you camouflaging and trying to make the Attorney General look good?

HON. MR. KLEIN: — Well, Mr. Chairman, we obviously have to have some money to deliver this program. The program will be delivered through our department, and the administration for the delivery is included in our regular budget. But the money has to come from somewhere, and it's coming from the Employment Development Fund. And it's that simple.

Let's talk for a moment about the nine and five-eighths because I have had a lot of question from the business community: why nine and five-eighths? And yes, it's true. In 1982, the Conservatives made a promise that we would supply low-interest rate financing to the small-business community at nine and five-eighths per cent.

Then they say: well, where did you get that from? So I tell them this: nine and five-eighths is what the prior administration gave a \$45 million mortgage to, to a firm from eastern Canada. A developer from eastern Canada came into our province and got nine and five-eighths on 45 million. So we said, we'll do that.

But now we've changed our mind a little bit. We've still given the nine and five-eighths, but we said, we'll give them 50 million a year for new businesses and expansion, and we'll open it up to everybody, rather than putting that 45 million limit on it. So it's probably 10 times the size.

Then our campaign promise was for 25,000, and now we said, no, we're going to double that. We're going to make it for 50,000. Why do we do all this? And that's a fair question. And we do

all this because: do we ever have a lot of faith in the small-business community of our province and how they create jobs, not the government. Small business creates jobs, and that's why it's in the fund that it belongs in, the Employment Development Fund.

MR. ENGEL: — That sounds great, Mr. Minister, and I hope your Liberal colleague can deliver because the business men that I talk to, the people that want to survive, the people that want to hang in there until the next election, come whatever, Conservatives or whatever, they'll say, we'll make it; if we get the nine and five-eighths per cent money, it'll help. But if we don't, we'll make it anyhow and we'll get rid of those guys. We'll get rid of those retread Liberals and those guys that are giving us the same kind of economic benefits that we got when they were in office the first time around.

(2015)

And Mr. Minister, you made a little mistake when you put that retread Liberal in charge because the Liberals that are coming back to me, former business men that are coming to me and are saying, we don't like that guy in charge of that kind of money. We don't like it. We had him before. We had him before, and it wasn't working. And things got so bad back in Main Street, Saskatchewan that they turfed out Ross Thatcher and his cronies. Every one of them are gone, and it's going to be a long time till they come back in Saskatchewan.

And, Mr. Minister, I want to tell you when business men from Saskatoon and from Regina and from Eastend and from wherever are phoning into our office and are saying, when's the election going to be because we got to get rid of these guys. Mr. Minister, they don't want money to create new jobs. They want their nine and five-eighths per cent money you promised them to survive — to survive. And if you got it in there on a job creation thing and it's just going to be coloured up and you got to run through two departments to get them . . .

I thought you're the one that stood up in this House and said that you're going to do away with all this red tape. I thought you stood up here just a few minutes ago and bragged about how much red tape there was involved in operating under the former administration.

Well I want to tell you, Mr. Minister, I remember those days. Those were the days when I and you were making some money. Those were the days when I could afford to buy my means of travel. Today I can hardly afford the gas. Mr. Minister, things are pretty tough. Things are pretty tough.

The construction industry is tough. A leading distributor in Saskatchewan told me that he sells the odd grader to the few R.M.s, but to the contractors, for get it. Forget it. They're not buying any equipment. Why aren't the contractors buying road equipment, Mr. Minister? Why aren't the building contractors buying payloaders, and cement mixers, and gravel trucks? Why aren't they spending money, Mr. Minister? Why aren't they buying new airplanes?

Well I want to tell you why: because they don't have any hope in your government. They know they haven't got a chance. You talk about some numbers. You talk about some numbers. You bragged to the business men and said, we're going to have \$20 million for job creation. And the budget isn't maybe enough then . . . Klein indicated that that amount could easily go to 30 to \$50 million.

Well, Mr. Minister, it's not in the budget. That 50 million isn't in there. Under the retreaded Liberal, it's only 9 million, and under your program it's 3,500. You call that interest abatement? Well I want to tell my business friends that it's not there. It used to be there.

They used to be able to go to the department of industry and commerce. They used to be able to get 5,500, 6,000, 7,000, 48,000 for every job they created, but they don't get that any more. They don't get that any more. It's not there. It's not there. You're not spending any money. In a

program where you could be providing some funds to create some jobs, you've got an 89 per cent discount, Mr. Minister. I don't think it's there.

And if you can convince this Assembly and this House that there's \$20 million there, I'd like to know where it is because it's not there. And then you tell your business friends it's going to be 30 or 50 million. It's going to be lots of money. Mr. Minister, talk's cheap. Talk's cheap. Come up and cough up and come up with some bucks, and the business community will say and decide whether it's there or not.

I had a business man tell me one time that he couldn't support me. He couldn't support me, he says, because if I vote for you, my son will be down working at the co-op. That's the words he told me back in '67.

Well in '71 I went back to see this same business community, this same business man. He called his people back into his little coffee shop, the men that he had working for him, and he said: you know, in '67 I told Engel if they vote for me, my son'll be working down at the . . . You guys will be down at the co-op looking for a job. That's what he said in '67. By '71 he said, if we don't get a change, and if we don't get rid of these Liberals, my son'll be down looking for a job some place else.

And Mr. Minister, they're in the same tough fix today. They built onto their building. They added a new body shop, and they expanded, and they bought more property, and they were going strong. And guess what? Today they're in trouble again.

And he told me, in just three short years, these guys turned it around as fast as Thatcher did in seven. And you better go out and start talking to the small-business men around. They're not selling the gravel trucks, they're not selling the payloaders because there's no work. There's no work. The contractors have nothing to do. They don't need them. They don't need this equipment.

And that's where the bucks are, Mr. Minister. If you want to know where the bucks are, it's when there's building going on, when there's construction going on, when the economy's buoyant — not when they talk about new rinks.

We can have all kinds of talk. You talked about the same hospital three times in a row in the budget, but the hold in the grounds' still there. Regina's biggest swimming pool's still there at the General. Construction hasn't gone ahead. Three times you've talked about it. Talk's cheap. Come up with the bucks.

When I was in sewer and water and construction, we did work until the Liberals got elected and cut off the grants to the small towns, and things went backwards. I know where it's at to have a right-wing, reactionary government. I know where it's at. I saw it first-hand, and now I'm seeing it second-hand, because these second-hand right-wingers aren't as good as the first-hand ones were. You did in three years what Thatcher could survive in seven. It only took you three to get there.

Mr. Minister, face up to it. Tell your colleagues where it's at. We're at the very bottom. If we get any lower, we're looking up, Mr. Minister. Things have never been poorer in Saskatchewan, and it's because of your interest in small business and the business community — it's not there. You've got a few jobs that are gold-plated for your friends. but it's not here. It's not there.

You just haven't got it because the 20 million you talked about for nine and five-eighths isn't there. It's there if you can create some jobs, you got some fancy colouring, you go through two departments and all the red tape, you might get some money if you can prove you're going to hire some more people.

But you tell the business man out there whether he can get a job or not for restocking or for paying the interest on the stock he's got there. That's what costs him the money because there are rows and rows and rows of equipment sitting there. It's not selling. Nobody's buying it, thanks to your business approach to running a province. There's no economy, no buoyancy there. There's a lot of talk from you, but there's no action. I don't see any action. The business reps you've got around the province that are there because a committee decided that that's what the business men need: they're not busy; they're not giving any advice; nobody's coming to them any more. What happened? How come you haven't got a program in place?

I think you'd better rethink your philosophy to making a country sing and to build the economy up to a place where it'll move and we'll get somewhere; we'll get somewhere. But with a budget that is 50 per cent of what it was last year, I don't see what you're going to do. Total to be voted, 13 million instead of 27 million. Mr. Minister, I think that's a disgrace. That's a disgrace. You said you're spending 20 million on nine and five-eighths, and you've only got 13 million total for all the programs. What are you telling people?

Some of your colleagues think it's a joke. The business men out there don't.

HON. MR. KLEIN: — Mr. Chairman, the member got carried away. Not only doesn't he understand business, he can't even read. Or else if he stayed in the House . . . I wish you people would come in a little bit more often than one at a time, so that I don't have to go through everything. Except that it's all right with me. Our total budget is not reduced. This has been explained before. We had the sunseting of the small business employment program. Don't look so small or so surprised. And the I explained how, even though the small business employment program was out at 12 and a half million, our new programs are somewhere around 14, so in fact our budget is increased a million and a half.

If you ever started asking the right questions, and when we get to that subvote, I can explain it to you. The other members are sitting there nodding their head affirmatively. They were here this afternoon.

But I'm really disappointed on behalf of the small-business community to learn that you're against our interest reduction program. I'll go out there and I'll tell them that your party is in opposition to low interest rates, because that's what you've said. You preach doom and gloom. You know, and the people in the North, where I visit an awful lot, they really feel badly, badly let down and poorly represented because their MLAs are going around preaching the same philosophy of doom and gloom in the North.

And you know what? The people in the North won't believe them. They've got a great optimism, and they're happy, and they're enthusiastic, and then they got a down-in-the-mouth MLA that's telling them, no, it's no good, it's no good. We put it in simply because small business is buying. They are buying equipment, they are buying inventory. And because they are buying, we decided to deliver a program — not to some Eastern developer; no, no, you've got it wrong — we're delivering a program to our own Saskatchewan small-business community, where it should have been delivered to in the first place.

And I don't know that there are any Liberals left in this province. I don't think so. But if there are, I can assure you that you're the last party that they would look at.

We've even got a maverick in this House doesn't know where he wants to sit. And he doesn't even want to join you guys. So I guess, Mr. Chairman, all I can say is that if the members opposite don't appreciate the time the nine and five-eighths program, why do you hate small business? They're good people. They're nice people. Learn to talk to them. Learn to listen to them. Learn to like them. Don't hate them.

They're good folks. They make things happen. They're the engine that drives this economy and we provide fuel to that engine.

SOME HON. MEMBERS: — Hear, hear!

MR. ENGEL: — Mr. Minister, you can only, you can only say to the, like . . . You remind me of you know that story in the Bible? When . . .

AN HON. MEMBER: — David and Goliath.

MR. ENGEL: — Yes. David and Goliath. I guess. I wish it were that. I wish it were that, Mr. Minister. You can walk by a business man, and you can say God bless you. I feel for you. You're the engine that generates the economy. You're the one. I think you're the greatest.

And then you turn your back on him, and you give your money to the oil companies. Or to Manalta Coal, or to Mannix. That's who you give your money to.

Mannix came down; friends of the premier of Alberta. His company came down to my constituency and took over a coal mine with \$12 million of his own money. The rest you backed to the hilt. You let him buy the equipment; you let him buy the shop; you let him buy the mine site; and you sold him the job.

He has a contract for 35 years to deliver coal at cost plus. That you consider as job creation. Not one new job. For \$12 million you gave away our right to determine what the power's going to be. And you transferred the power workers to the private sector.

That's what you call job creation.

Well, I don't like what you did for Mannix. I don't like what you did to those Sask Power workers. And maybe I'm hitting a sore spot because some of your colleagues are starting to bray beside me here.

But, Mr. Minister, your \$20 million Small Business Interest Reduction Program isn't far. That's what I don't like about it. I think the business men deserve it. And I ask you: why wasn't it good enough last year, or the year before when you promised it to them, when the interest rates were high? But now that the interest rates are down, you'll give them three-eighths of a per cent. Three-eighths of a per cent.

Mr. Minister, you should stick your head in the sand because the business man that's in there can get his money for 10 per cent, and he doesn't have to fill out a bunch of red tape when he goes to his local bank or credit union, whereas your program he's got to go to the retread Liberal, the Attorney General, to see if he'll qualify. You haven't only got one minister involved to do a political blood test, you've got two — two ministers they got to go through to see if they get their nine and five-eighths per cent loan.

Don't tell the public I don't want nine and five-eighths per cent money. We've been asking you for that for three years because since the day you were elected you've promised to implement it. You've cheated and short-changed the business men for three years. For three years you've short-changed him. That's why they're hurting today. Mr. Minister — because you didn't keep your promise and you didn't meet your commitment. And you wonder why we've got the lowest increase of new jobs for business men that have increased their employment only 14 per cent. The lowest in all Canada, and you call that a record.

(2030)

Mr. Minister, if your program works, and if your nine and five-eighths per cent program works,

I've got a lot of buddies that are lined up for it, and you'd better deliver, or we'll be back here telling you to. We'll be back here holding you to it because three years you've let them down. For three years they've waited, and they haven't got it. And the business men are telling me, right across the province, they can't wait until your boss calls an election. They can't wait. They're phoning us from all over. In fact, the former competitor of mine that I used to bid with phoned my office the other day. I never dreamt that he'd support us.

AN HON. MEMBER: — They can't wait because the next time they are going to make it unanimous. They're going to wipe you right out. The next time it's unanimous.

MR. ENGEL: — Mr. Chairman, maybe he'll stop braying pretty soon.

MR. CHAIRMAN: — Order. Is the member from Assiniboia-Gravelbourg finished?

MR. ENGEL: — Mr. Chairman, you're not going to comment about those donkeys braying over here? Mr. Minister, Mr. Minister, is the nine and five-eighths per cent money going to be attached to job creation, or is it going to be money available to them like you promised during the election campaign? Have you changed your commitment on that one as well?

HON. MR. KLEIN: — I'll explain it one more time for you. We changed our commitment, all right. We changed our promise, all right. We doubled the amount from \$25,000 to \$50,000. That was the first charge. And then we went 10 times larger in the limit, from \$45 million to 500. Those are two of the charges.

Oh, we changed another thing: the program is for three years, not one. That's why you don't understand these numbers. You have trouble dealing with one year, let alone three. I'm trying to make it easy for you. Applications are presently being forwarded to our department.

So we're delivering. We promised, and we're delivering. Twenty thousand application kits are out right at this moment. So tell your business friends — now I've got to rephrase that — tell the business people in your community that they can go and apply right now at their bank or at their credit union. The kits are there. And the program is in effect.

This year, the estimate is \$9 million because it's a part of a year, from now until — the program went May the 1st, until fiscal year. I don't know what it'll cost for three years, but we have given the small-business community the protection that they want.

You know, in 1982, the Conservatives made three promises. We promised home owners that we would protect them from high interest rates, and we did, and we did. We promised young farmers that they would have low-interest money so that they could buy their own farms, and they got it. We promised small business low-interest rates, and now they, took, have that and they will have it for three years.

I'm proud, Mr. Chairman, of my department. I'm proud of my officials, my consultants, my field-workers, everybody associated with our department. You're not only knocking small business when you knock our programs. But you're knocking the civil servants in my department, and I don't like that. They listen and they advise the small-business community. They work with small business to do and deliver the programs.

Our winter works program, for instance — that's also on page 37 — that you don't like. Well, you weren't in this afternoon; let me tell you a little bit about how my civil servants helped with the small community to deliver that, fairly well distributed around the province. Reports from our regional offices indicate that Regina and Saskatoon accounted for the greater share of these jobs. There were 2,825 jobs.

Now between one and 200 jobs were created in each of the regions, each of the regions where

our business resource centres are, where my department works daily with the small-business community and reports back to me on their happenings. But between one and 200 jobs were created in each of the regions of Swift Current, Moose Jaw, Estevan, Tisdale, Prince Albert, and the Yorkton area, at over 250 jobs.

MR. KOSKIE: — Mr. Minister, you were busy alluding to the promises that you made during the last campaign. I wonder if you would agree that one of the main planks in your party program was that you would, in fact, remove the sales tax. Would you agree that that was a commitment of your party during the last election?

HON. MR. KLEIN: — Again, Mr. Chairman, that is not within my department. However, we have removed it from children's clothing, and we have removed it from our power bills. So we're making a start.

MR. KOSKIE: — That's quite a start, Mr. Minister. You made an unequivocal commitment to the business community and the people of this province that you would, in fact, remove the sales tax. There was no doubt about it that was the promise. That amounted to about \$350 million as a basic promise.

And you know what you've done to really help the business community? Do you know what you did to help the business community? You didn't remove the sales tax, but you introduced a new sales tax — a sales tax on used vehicles, a double taxation. Implements or vehicles where the tax has been totally paid, now consumers purchasing that vehicle have to pay another tax. Opposite, totally contradictory to your basic promise to the business community and the people of the province.

And I want to, I want to read the position of your party when you were in opposition. And this is from the now Deputy Premier, and he said, "We would remove the sales tax. This is the most regressive tax there is. It is a tax that falls heavily on the working person, and this tax would be eliminated by the Conservative government."

I just remind you, Mr. Minister, that's what you said when you were in opposition. You said it during the campaign, and now what you have done is introduce yet another sales tax on used vehicles. Now can you possibly indicate that you do indeed have the interests of the small-business men and the consumers of Saskatchewan at heart, when in fact, you can go completely contradictory to what you were promising the people prior to the election and during the election?

How can you say that? Do you not agree, Mr. Minister, that you could indeed stimulate vastly the purchasing power, and assist the business community —rather than a lot of different individual programs — if you had indeed lived up to your commitment of removal of the sales tax; that the substantial benefit to the business community and all of the people of Saskatchewan and, in turn, the business community, would have been enhanced if you had kept that election promise, namely the removal of the sales tax rather than increasing it?

Because by increasing the sales tax on used vehicles, what are you doing is extracting something like \$35 million over the five years just in that increased taxation. How can you say that you're working with the business community when you promise one thing, get into office and reverse the position that you had, and indeed what you promised them?

How can you indicate that it's consistent with helping the business community? I'd like to have the minister give a rationalization of how he is indeed assisting the business community and the purchasing power of the people of Saskatchewan when you, rather than remove taxation, have increased it very substantially.

HON. MR. KLEIN: — Mr. Chairman, Progressive Conservatives have delivered many, many, many

election promises. I could do a litany, but I don't believe that now is the time or place because we are trying to deal with our estimates. Other promises will be delivered in the future. I ask the opposition, let's get back to estimates and programs of my department. Are you not interested in small business? Are you not interested in tourism? I have all my officials here. We want to tell you, we want to tell the people, about our programs: the Saskatchewan marketing benefits; the Buy Saskatchewan program; all of our tourist programs; all of the good things that are happening instead of talking about doom and gloom and wasting everybody's time.

If you want to find out, stay on the topic. I don't have any problems with responding to your questions if they relate to the job that we're supposed to be doing here tonight. But this gobbledegook that you're carrying on is nonsense.

MR. KOSKIE: — Well, call it what you like, but I'm going to continue with it because one of the essential areas and ways of helping the small-business community and helping the ability of people to purchase, and in turn help the business community, is to increase their purchasing power. And what you have done, Mr. Minister, is to extract an additional \$35 million by in fact imposing yet another sales tax. And you can't deny it and you don't want to talk about it because it's most unpopular.

And the member from Saskatoon south, some call him, he has a name CB or something like that, but we'll leave that go. But if you want to get into the debate, member from Saskatoon South, you should do it.

As I was indicating, Mr. Minister, you made also another commitment. First of all, you said that you would cut the sales tax, eliminate it. The second thing that you did — and here's the hon. Deputy Premier again speaking, and you carried it on in your election campaign — we would have a 10 per cent across the board reduction in provincial income tax. That's what you said. And as I indicated to you how you helped the small-business man and the consumer of Saskatchewan, I've indicated to you in the comparable table, for a taxpayer with a total income of 15,000, he now pays \$257. In 1982, under our budget, that same person paid \$107.

Now what I'm asking you, Mr. Minister, if indeed it would seem that the most logical step in assisting the business community would in fact be to remove the sales tax, to decrease the income tax during the time of economic strain. But instead, what you have done is introduce the most massive tax increase on the small-business community that Saskatchewan has ever known. I ask you again: how can you possibly justify, on the one hand, trying to pretend that you're providing programs of assistance, and on the other hand, massively increasing the taxation on the small-business man, both through income tax and through sales tax? How can you justify it?

HON. MR. KLEIN: — Mr. Chairman, I should tell you that the \$257 is the third lowest in Canada, but I don't suppose they want to hear that.

But let's talk about how we are assisting the business community: no tax on manufacturing and processing; no sales tax on power bills; no sales tax on prototypes; 1,500 regulations, gone; gas tax, gone. Targeted tax cuts, livestock tax credit, the Venture Capital Tax Credit.

Other business programs: product development, management development program, our winter works employment program, our fixed-rate financing program, Small Business Interest Reduction Program.

Special . . . (inaudible) . . . our business resource centres, our marketing assistance program, our Community Economic Development Program, community profiles, buy-locally days, our entrepreneurial immigration policy, our Sask marketing benefits, our farmers markets, our northern business development, our northern loan fund, our northland agreements; sales tax on prototypes, gone. That's some of them.

(2045)

Let's talk tourism for a moment, because tourism is nothing more than a collection of small businesses. Our tourism marketing assistance program, which is a co-operative program with the tourism industry to help market tourism, which you don't believe in. You said that earlier.

Our Saskatchewan host program, a hospitality attitude upgrading program that will train 4 to 5,000 people in 142 communities this year. I suppose you don't like that either because you don't like our friendliest people in the world to be even friendlier. You don't want tourists. That's what you said.

Ambassador program, because we are proud of our province and we want people to sell our province. Our convention sales, our tour development policy, and on and on. Our Crown land policy, our lakeshore development policy, our advocacy role. We're busy. Why don't you ask some questions that relate to those? You know why? You don't care; you don't understand. You're trying to pass yourself off as the champions of small business.

Let me tell you. Let me tell you I was in business from 1971 through 1981 when you guys were there, and you did nothing — zero. You want to see your record of programs? Right there, blank, just like your questions.

MR. KOSKIE: — Mr. Minister, I want to indicate to you, Mr. Minister, that the small-business community are asking questions. And they're asking questions like this. Why is this government giving massive amounts of tax holidays and royalty holidays to the oil companies to the tune of 200 to \$250 million annually?

They say, why are they doing that, and on the other hand, when it comes to the people of Saskatchewan, the people that built this province, why are they asking over five years to extract \$350 million in increased income tax? And why are they extracting a further \$35 million from the sales tax on used vehicles?

And they're asking this question: why are they taking away the programs which were benefiting us, the property improvement grant which is about \$80 million a year across the province?

Do you realize the significance of taking \$1,000 out of the pockets of every farmer? Every farmer in this province, you've extracted \$1,000. And think of the impact that that has in every community, and the impact that it has upon small-business men in those communities — \$1,000 for every individual farmer in a given municipality.

So they're asking, why is this government . . . And they said, try to get an answer from that minister who's supposed to be representing us in small Business and Tourism. Ask him why he doesn't stand up for us, we who built this province. We who built this province are being deserted, because he's extracting \$350 million on extra income tax, \$35 million on the sales tax on used vehicles; and he's taking away, on the average, \$80 million in property improvement grants.

And they're asking, Mr. Minister. Of course, you can't stand up and justify it. But at least give them your rationale for having taken some almost \$900 million over five years from the people of Saskatchewan.

So they're asking you, Mr. Minister, to stand up and, first of all, to indicate why you broke your essential promises, and why you will give benefits and tax holidays to the oil companies and, at the same time, you're extracting huge amounts of increased taxes on the business community and the Saskatchewan people.

I think you have to answer that question. We deserve an answer to it, and the business

community want to know. So I ask you again. This is very relevant to the whole philosophy of what you're doing. What you're doing is taxing Saskatchewan people and giving it away to the oil companies. Why have that policy, Mr. Minister? That's what the small-business men and the Saskatchewan people are asking.

HON. MR. KLEIN: — Mr. Chairman, I believe that I, in fact, have responded as far as it relates to our department. I believe that I have covered over and over and over again, and it seems that they just don't want to listen.

I feel that they must be asking the same questions of the other ministers as it relates to their department whether it has anything to do with their programs or not. But, Mr. Chairman, may I suggest that we pause here for a minute and take another look at some of the programs that the members opposite are complaining about.

While we feel that these are new programs which we have introduced to support business and industry, and thus generate more economic activity in the province, certainly, judging from the response they have received from business and industry, they seem to think that they're filling an important requirement in the business community. But let's consider, Mr. Chairman, these new programs for a moment. Let's talk about our new programs.

If they're not so wonderful, as the opposition claims, maybe it isn't that our administration is that good in introducing these programs if they're so poor.

AN HON. MEMBER: — Lousy.

HON. MR. KLEIN: — Lousy. I'm glad you said it, because more importantly, Mr. Chairman, perhaps the performance of the opposition, in their long years in office, was so bad in not at least making an effort to bring in some of these programs. These programs should really have been in place many, many years ago. No question, you should have dealt with the interest in 1980, 1981.

There was nothing preventing the former administration from bringing in these programs, and we would have been obligated to give you the full credit for it. It's a pity that the former administration couldn't have their old department of industry and commerce introduce some of these good programs. If that former department had only spent some of their time sitting down with the business people to ask for their advice and their recommendations, to hear their concerns, to listen to their problems — if they had only made some meaningful contact with business and industry, they could have had some of these programs in operation even before we assumed office. But unfortunately they showed so little respect, so little respect for business and industry that they never consulted with them in their long years in office.

And now in opposition they have the nerve to try and pose as the champions of small business, but who, during their long years in office, wouldn't give that same business and industry of this province not even the time of the day. They couldn't have any time to even meet and listen with them.

Business people, Mr. Chairman, of the province have good memories. They won't ever forget how they were treated during those long years of office. They won't ever forget that, and they don't ever want to return to those days.

The former government could have introduced some of these programs. There was an obvious need for these programs if only the members opposite, when they were in government, had made contact with business and people in the rural communities. You would have seen the tremendous initiative and energy of the business people of your own rural communities. That's all.

You've got no time for them now, even. Same thing. No time. We're not running out of time. I

don't mind talking about my business communities. If you would have only consulted with those small communities, they would have seen the need themselves for those programs, but they never did.

We on this side of the House, Mr. Chairman, meet regularly with business and industrial groups right across the province. We want to hear their ideas and suggestions of the kinds of services and programs that they want from a business department. And after listening, then we act.

The result, Mr. Chairman, is the new programs that we've been speaking about, hopefully that the opposition would be inquiring about. But when they were in office they had the same opportunity to introduce those programs, but they never did. And the simple reason that they never consulted with business and industry is that they didn't want to hear what business and industry had to tell them.

MR. KOSKIE: — In so far as consulting with the business community, you are saying that you consulted, and I was wondering whether in fact you got the concurrence from the business community that it would be a wise move, and the consensus by the business community that you should put in an interest reduction — nine and five-eighths — interest reduction program, rather than increasing the sales tax. And I'm asking you whether you consulted, whether it was an agreement of the business community. Did you have the process?

You say you consult with the business community. Did you consult with them in respect to whether they wanted the sales tax? Did you consult with the business community and the people of Saskatchewan whether they wanted that massive \$350 million increase in income tax? Did you consult with them when you removed the benefits that were previously paid to them under the property improvement grant?

In other words, what I'm asking you: did you, in fact, have a communication with them, and are you saying that the business community of this province said, Mr. Minister, I want you to take away my property improvement grant; I want you to raise my income tax; I want you to put on a sales tax on used vehicles? What consultation process did you have in respect to the imposition of these massive increase in taxation?

HON. MR. KLEIN: — Mr. Chairman, absolutely. Of course we've consulted the business community. We do in everything that we do. We deliver their programs. We don't deliver government programs.

Or my colleague, our Minister of Finance, Bob Andrew — you know very well that he consulted with the business community in the budgetary process. You know he was out there listening, and that's how the budget was developed.

You don't like to hear this consultation process, do you, because you don't understand how it works. You go out on a consultation process, and what are you looking for? You're looking for doom and gloom.

A year ago the business community told us they wanted fixed-rate financing. They got it. You didn't even know that. Last estimate, why didn't you ask me about it? I would have told you about it.

Now they said, now deliver to us the nine and five-eighths program that the opposition delivered to the great, big, developing companies from eastern Canada, and give us the same deal. We said no, we won't — we won't. We'll give you ten times the amount, and we'll give you double the number.

MR. KOSKIE: — Just a specific question, though. In respect to the imposition of the particular tax which affects in a very massive way the business community and also the consumer

purchasing power, you've extracted millions of dollars from them. And I think when you extract millions of dollars from the purchasing power of the people of Saskatchewan, and you extract again additional money from the business community, that that is very, very adverse to helping business to revitalize.

And when I asked you specifically, did you get a consensus from the business community asking that they increase the sales tax, that you increase the income tax, and that you, in fact, get rid of the property improvement grant . . . I want to ask you: have you specifically got the concurrence with the chamber of commerce, the boards of trade, the business community, in respect to exchanging this massive increase of taxation for the programs which you are introducing? Have you got a commitment and a concurrence by the business community of Saskatchewan?

HON. MR. KLEIN: — Mr. Chairman, our Premier visited with a chamber from your very constituency within the last few weeks or month to an overflow, capacity crowd . . . (inaudible interjection) . . . I'm going to tell that chamber that you're accusing them of being a Tory group. I'm going to carry that message back to them. You watch me carry that message back to that business community, and they'll tear you apart on that one.

(2100)

Tourism — our approach is working. There's a new awareness of Saskatchewan, a new awareness of Saskatchewan, Mr. Chairman: a place to live, a place to invest in, a place to visit, a place to be proud of, a province on the move. Hotel business up over 5 per cent. Restaurant business up over 2 per cent . . . (inaudible interjection) . . . I do ask the Regina restaurants that. Park visitation, up 25 per cent. That's with the propaganda that you're accusing us of giving them. Museum visits, up. Tourism inquiries, up a whopping 65 per cent already this year.

We're enjoying a partnership with the business community — a partnership that you never ever did enjoy; a partnership that you never ever will enjoy.

And I'm sorry to hear the member from the North just so down in the mouth because your people, my friend, are so optimistic, are so enthusiastic . . . why don't you ever show up over there? Why don't you ever talk to your business community and see how good they feel about the province? It might help you. It might change your attitude over there, and you might be proud of living from — and coming from northern Saskatchewan, and proud of what your people are doing up there, and proud of how they're taking advantages of our program, and go back and compliment the small-business community and the tourist operators in the North.

Go and tell the northern outfitters that they're a lousy outfit. Go and tell the northern outfitters, the same as your colleague did, that they're nothing but a bunch of Tories.

This isn't politics. This is good ordinary common sense.

SOME HON. MEMBERS: — Hear, hear!

MR. ENGEL: — Mr. Minister, how much did the administration costs amount to last year on the venture capital program? How much did you spend administering that program?

HON. MR. KLEIN: — Mr. Chairman, first of all I would like to tell the member that to date six VCCs have registered with a total capitalization of \$1.2 million. Seven more have incorporated, but not yet registered, with a proposed capitalization of close to \$15 million. And 28 others are in various stages of development with a proposed total capitalization of over 18 million. Our administrative costs are approximately \$150,000 to administer the Venture Capital Tax Credit Act. And I believe that that's about all the information that you'd want at this time on it.

MR. ENGEL: — Would you run the very first number by me again, please. I missed the first one. I

got the seven, seven in the process, but how many incorporated, six?

HON. MR. KLEIN: — Mr. Chairman, six VCCs have registered with a total capitalization of over \$1.2 million. Seven more have incorporated, but not yet registered, with a proposed capitalization of almost 15 million. And 28 others are in various stages of development with a proposed total capitalization of over 18 million.

MR. ENGEL: — Well, there's only one program that this government has implemented that has taken the cake — shall I put it that way — in comparison to this one, and that is, my friend, the Minister of Agriculture's counselling and assistance program for farmers. I think when the Tories, when the Tories get involved in implementing new programs, they go all the way. They go all the way.

Now my friend, the Minister of Agriculture, in his administration of his counselling assistance program spent \$5,500 for every farmer that got a loan; \$5,500 for every farmer that qualified — 108 farmers, 108 farmers, \$5,500 alone.

Here we have a situation where six are incorporated — and we'll take your word for it, that the other seven will sign up pretty soon— 13 for \$150,000. Mr. Minister, that makes the Minister of Agriculture look like a real administrator; \$5,500 alone is peanuts compared to what you can spend getting a loan in place. Peanuts! Because this cost \$20,000, the prairie venture corporation that you incorporated; \$10,000 administration costs for every Venture Capital corporation that's in place.

Now, Mr. Minister, you can get all the information from the Minister of Agriculture you want, but he's the one that needs help, because you farmers are telling me, if we'd have got the \$5,500, we could have used that money, instead of spending \$5,500 alone on administration costs.

But you're getting advice from a good source, so I'll let you explain why you think spending \$10,000 to get your rich friends to be able to save some income tax for every Venture Capital Corporation that they put in place — if you think that's a good deal.

And how much of that money . . . Now I see there's some changes coming on and I'm listening to it. Yet they can carry that if they haven't got a venture that they can put their money into, they can carry it ahead for five years, their tax credit, even if they're not paying income tax. When a Venture Capital Corporation is incorporated, Mr. Minister, does that mean that these guys have gotten together and put some money in a fund, or does that mean that that fund has been invested?

HON. MR. KLEIN: — Well, Mr. Chairman, I too will wait till we get into committee on the amendment because by the question, obviously they not only don't understand business, they don't understand The Venture Capital Tax Credit Act. I might add, Mr. Chairman, that my Minister of Agriculture says that everything that the hon. member mentioned about agriculture is hogwash. So I pass the message along.

Are you telling me that my civil servants are not capable of administering this program? Are you telling me . . . oh, you're shrugging your shoulders. Say that to all of the government employees. You're saying that they're not capable of delivering a program. That's what you're saying. Can you imagine the educational process that goes on if we had a dude like you coming in? It would take a guy a month to explain it to you.

We are now working with 41 companies. We are developing, if these go through, \$34 million in equity that will develop about a \$100 million worth of activity. Are you saying that in nine months that's no good? Would you like to put that up against your record? I would. I would love to do that. We don't consider a program like in tourism — burning the American flag on the steps of the Legislative Assembly — is not a tourist attraction. So we've got a lot of different

programs that we don't agree with between the two of us.

MR. ENGEL: — Mr. Chairman, I'm not sure why he keeps bringing up this fact that Sterling Lyon burned a flag in Manitoba, what that has to do with his estimates. I'm really surprised that he'd brag about the former leader of the Conservative Party burning a flag because it was burned on the steps of the Manitoba legislature when he was the premier.

And, Mr. Minister, I would get out of the gutter if I were you. I'd get out of the gutter if I were you because you try and tell me that there were no programs implemented. When we talk to the business men, Mr. Chairman, they asked us and said, the farmers got ag reps. The farmers got places they can go to. Why can't we have that in the business community?

So we divided the province into some regions, and we put up some business reps. Those people consulted a lot more than 41 business men and give them some good ideas. They gave them some good ideas, Mr. Minister, and don't go telling and pointing your finger at us because we had a business administration program that was working. They could have a business man come in, and the people could make loans and get some money. And they'd get some money where it counted. If they started a new business, they got some cash for every job they employed.

This new program that you're recycling a Liberal to try and administer and putting in two ministers for red tape instead of one — it's bad enough going through one department, now you've got to go through a second one.

But, Mr. Minister, the Minister of Agriculture can call you all the names and tell you all the things you want, but the 108 farmers told me that if they'd of got a \$5,500 cheque, they'd of got something — they'd of got something. This way they got a piece of paper that was a lot of — just so much paper, because the loan guarantee program was guaranteed by the farmers. He had to sign on the dotted line that they could sell his land if he wouldn't make his payments.

It wasn't a guarantee by your government, it was a guarantee that forced the farmer into a situation that he was very, very untenable. And this program here, this venture capital program, I asked you a simple straight forward question: how much of that money is into capital? How much of that money is into actual projects, into venture projects, or is it some fund there that some business men can use as a tax evasion? How good is your new program working?

Tell me, Mr. Minister, what ventures are out there that have opened up a new business, or is it like the present federal leader of the Liberal party and their venture capital program, and some very interesting stories came out of that. I imagine we'll hear some of that on your program as well yet, but what ventures have you funded with that venture capital program? What ventures have been started?

HON. MR. KLEIN: — Mr. Chairman, I'd like to clear up a couple of misnomers. First of all the flag was not burned by Sterling Lyon . . . (inaudible interjection) . . . Your cousins, your cousins in Manitoba burned the American flag . . . (inaudible interjection) . . . Aw, come on, check your own sources. You know darn well you guys burned it.

And I want to carry your message back, and I'm making notes. I'm making notes of all these remarks that you're making because I'm going to carry your records through the entire width and breadth of this province.

You just called VCC tax evasion for small business, and they will resent that remark forever. Forever they will resent that remark . . . (inaudible interjection) . . . Yes, yes, and I'll get it out of there, and I will use that quote. You called VCCs tax evasion by small business. You don't even understand what it's there for, and you know why? You don't care. Why do you hate small business? Why do you hate small business, you guys?

And it's not investment by small business, it's investment for small business by the people of the province. They're the ones that have a tax incentive, not evading taxes. We're trying to encourage the people of our province to invest in our province, to invest in our small businesses.

Your prior administration, most of the programs were designed for about 2 per cent, 2 per cent of the business community. There were no resource centres that they could go and appeal to . . . (inaudible interjection) . . . I don't know. Why not? I should ask you the question. Why didn't you set them up?

You know why, probably because you had a mound of regulations taller than I am, and even if I stood on my chair, the regulations would be higher than that. We took those and paper work, paper work. My God, did you guys ever believe in paper work because you didn't want to create the jobs in the private sector. You wanted to create the jobs in the government so that they could read the paper, make regulations, read some more paper. Do you know how many trees you killed with all that paper?

MR. ENGEL: — Well, Mr. Minister, it's great. You can stand up and you think by resaying something, you can convince, you can convince people that we said something completely different. Well, I want to tell you, Mr. Minister, I'm a friend of the small-business men, because they're calling and they're talking to me. They're talking to me, and I don't mind; I'll listen. And they're listening tonight.

(2115)

And the best thing that ever happened in this House was when they put TV in there, Mr. Minister, because every time you stand up, you shoot another hole into this Tory sinking ship. You shoot another hole in it from the inside out. You're like the guy that was in the war that when they said shoot at will, he shot at his buddy.

You know, I don't know why you do that. But you stand up here and make one point after the another. And, Mr. Minister, you still never answered the question, so I'll repeat it one more time. How much of this venture capital has been invested into ventures, into business ventures? One dollar, \$1 million, \$30 million — how many ventures have you invested in?

HON. MR. KLEIN: — Mr. Chairman, I'm glad that the member opposite agrees with the proceedings being televised, as I do, because there is no question that the business community that is watching will definitely know who their friends and allies are. They know that already though, so they don't have to worry much about that. But they can see in living colour the ridiculous remarks made by the members opposite, so we'll just keep going.

First of all, I will tell you that regarding venture capital corporations, regarding venture capital corporations, they have 18 months to invest 40 per cent of their pool. They have 30 months to invest the balance. They are all operating within the prescribed guide-lines. They must make prudent investments on behalf of their investors. That's why the time limit is there. So it's not magically that dollars appear and they say, okay, here you are. But here have been a couple formed in Saskatchewan, for specific purposes, that are up and running and that totals in the area of \$700,000 in invested capital, right now out of the 1.2 that are registered.

MR. ENGEL: — Two, two have actually found a venture that they could invest in and that would meet your criteria. Is this what you're saying?

HON. MR. KLEIN: — No, that's not what I'm saying, and they just pointed out there is a third one, so three were framed for specific purposes and that, those dollars of equity have been invested, in the specific area ones. The other three that are registered are general pools, and they have up to 18 months to put in their investment, and they are very prudent about how that investment will be put together because they must protect heir investors.

MR. ENGEL: — Well then I have great hope for this venture capital program, because before 18 months are up, there will be an election, and there will be some new enthusiasm and invigorating activities going on that they will be able to meet the letter of the law and find an investment to make, because I can assure you, Mr. Minister, that there's going to be a repeat of the '71 performance. There's going to be a repeat of that.

Business is at an all-time low, and no wonder you've given them 30 months to invest 60 per cent of it. Now wonder you've almost stretched it to the three-year limit, saying you've got three years to find someplace to make this investment. And I said to you, Mr. Minister, I didn't talk about the business men because if they can set up their program that'll qualify, they'll do it. They'll do it when the time is right.

But that time isn't going to be right until they get rid of your guys. That's why I said that it's good that they're watching this procedure because they know whose side you're on. They know whose side you're on. They know the numbers that my colleague from the Quill Lakes brought out, clear and straightforward, and that you didn't answer.

They know we spent two and a half hours here, and we finally got one answer. Two, two of your venture capital programs had been invested at a cost of over \$150,000.

That's worse than the Minister of Agriculture's performance. That's worse. But then we shouldn't expect as much of you because you're smaller. But you know, Mr. Minister, you're not so small that you can't be seen when you're travelling around. You're not that small, because I see here that you've done pretty good numbers on your travelling, Mr. Minister. You've managed to hit Palm Springs in the coldest winter of '84. You've gone along to Africa, and to London, and to England, and to West Germany to promote tourism. Have you got any results other than a smart tan to show for these trips?

HON. MR. KLEIN: — Mr. Chairman, I'm Minister of Tourism and Small business. I make no apologies for the fact that tourism is my business. And tourism is travel. And if I turn out to be the number one world traveller selling this province — that I bust out with pride all over on — I have no problem travelling to wherever I have to go to sell our province.

And it's not a cost, but it's an investment. And you people don't understand the difference — the same way as our Deputy Premier when he travels. And I would like to see the Deputy Premier out of this province all the time selling this province because he can make things happen, as we can make things happen with tourism.

But you never understood the fact that tourism was a business either. You had tourism tucked away in some little area of your shops that meant nothing, but we're saying, no. It's bigger than that. Tourism is a business and, as such, we want to go out, and we want to do some business, and we want to bring people here.

I can tell you that after that African trip, the world conference of teaching organizations will meet in Saskatchewan in August of 1986.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. KLEIN: — This conference is a prestigious international congress which will attract an estimated 800 delegates to our province, excellent media coverage in the United States, the United Kingdom, and European markets where all the teachers in the world will be telling their students about Saskatchewan . . . (inaudible interjection) . . . Something, oh boy, that's what you feel, huh?

The member of Quill Lakes, first of all, accuses a chamber of commerce in his constituency of

being a bunch of Tories; that's his first accusation. And now the pride of his province busts forth because he said, boy oh boy. You don't want the teachers of the world telling the kids about Saskatchewan, hug? Well, we happen to disagree with you.

And that, my friends, gets you advertising that money can't buy.

MR. ENGEL: — Mr. Minister, this is very, very interesting that you happen to talk about Regina being the host city for the biennial gathering of the teachers in 1986. That was a known fact before you left the province. So Klein intends to promote Saskatchewan at a gathering in small, west African nation — this article was printed before you left. And the article indicates that Regina will be the host city, so Klein intends to go to Africa to promote it.

Mr. Minister, this article was written on the 1st . . . the eighth month is what month, August? The 1st of August, 1984, this article was written. When did you go on your trip to Africa, Mr. Minister?

HON. MR. KLEIN: — I make no bones about the fact that it was slated to come here, but we listened. The Saskatchewan Teachers' Federation . . . (inaudible interjection) . . . I'm not changing anything. The Saskatchewan Teachers' Federation asked us to attend to help promote this province and to get more people to attend this conference. And we have no problem with that. And as a matter of fact . . .

AN HON. MEMBER: — You have no problem but the truth.

HON. MR. KLEIN: — I have no problem with the truth. If you would like to see the letters from the Canadian Teachers Federation — they were just so delighted with the province of Saskatchewan attending to help them sell the province and the country of Canada, to attract these visitors from around the world, these teachers to come to Saskatchewan. That was the purpose of our mission, and there is no question of the success of that purpose.

MR. ENGEL: — When I asked you why you went to Africa, you say, I went there and because I was in Africa, they're going to hold this conference in Regina. That's what the record points out. That's what you told us, Mr. Minister. And you tried to make a big deal. And that conference was decided before you left. That conference was decided before you left.

What other benefits did you bring to Saskatchewan because of your trips around the world, to West Germany, to London, and to England? What other promotions were in place before you left and then you decided to go?

Mr. Minister, I think you enjoy a little tourism. I believe that. I believe this little minister likes doing a little bit of travelling and getting around. And I still think . . . at taxpayers' expense. But I still think that the only thing you brought back to Saskatchewan was your tan. Because how many people decided to come and visit us in the heart of 1984 winter from Los Angeles when you went down to the beautiful, sunny South? How many people decided to come back with you because of that trip?

Mr. Minister, I think you are doing a commendable job of seeing the world. But as far as promoting Saskatchewan, you seem to forget about that. You seem to forget about it. You try and take credit. You try and take credit where credit isn't due.

Mr. Minister, I think tonight was a blatant example of someone playing with the truth, playing with the truth and trying to make out how wonderful a job he's doing in Tourism and Small Business when, in fact, the small-business men of Saskatchewan have never had it this tough. The small-business men have never been in the depressed condition like we are today.

And as far as tourism is concerned, Saskatchewan tourism is up. We're visiting our parks more. But that's because of under your administration, we can't afford to go abroad like the cabinet

did. The people of Saskatchewan have to stay home. And it's a good thing that we get to see our province. It's a good thing that we get around a little bit because it's cheaper to enjoy the privileges and the things that are around there.

(2130)

How much did these trips cost you, Mr. Minister? What did it cost the taxpayers to send you on this list of trips that I've asked you about here? What are the total costs of your travel?

HON. MR. KLEIN: — Mr. Chairman, if anybody thinks that four days in Africa, four days in Germany, three days in England, and four days in the air, is a holiday, I've got news for you. I do take holidays — not since I've got this new job, I don't. But in the old days, when I was a struggling business man without the help of the provincial government or anybody else, you bet, my wife and I took a lot of vacations. And there's a heck of a difference between a vacation and a business trip, and I'm proud of travelling wherever I travel to and selling Saskatchewan.

As a result of the trip to Germany, an additional three new tour programs from West Germany and the United Kingdom, for our province, the only gateway into Saskatchewan, for your information, on international travel. And one of the problems that we have to attract tourism or tourists from outside of our country or Europe is we don't have a gateway.

When people land in Canada they either land in Montreal, Toronto, or Vancouver. But we do have one, and they happen to be a gateway out of Saskatoon. Wardair flies from Saskatoon to Gatwick in England. We do have a gateway, and we're going to try to use those people, and we're going to try to use those tour operators in West Germany, and as far as it relates to Palm Springs, you bet.

Ask any of the — get your colleague beside you there — ask him to check with the northern outfitters. Their business last year was up 25 per cent. Ask them what the American portion was up as a result of the fact that people down there, for the first time, heard about Saskatchewan.

Do you know that we've got tour operators down in the States with a lot of traffic, tour buses full of people looking for new markets that didn't know a thing about Saskatchewan, didn't know that we had roads, didn't know that we had hotels and television and all those things? Why didn't you tell them that before? Because you don't believe in tourism; you don't believe in small business. I happen to disagree with you . . . (inaudible interjection) . . . Oh, I'll tell all of our tourism operators now that you're saying they're full of baloney.

AN HON. MEMBER: — You are.

HON. MR. KLEIN: — No I'm not. And I know exactly what I'm doing for our tourism operators and for our small-business community and for the people of our province, and they're simply delighted with it.

HON. MR. BERNTSON: — Mr. Chairman, I just think that it's time that we — and recognizing, of course, the importance of the efforts of the Minister of Tourism and Small Business — I think it's time we put the rhetoric to the test and see just how much of it is rhetoric and how much is sincere. And so we'll just ask for a vote on this little motion, because I believe that the organization of world — the conference of world teaching organizations coming to Regina in 1986 is a very, very positive step. So I would move, seconded by the Minister of Education:

That this committee commend the government of Saskatchewan in its efforts to attract the world conference of teaching organizations to Regina in 1986.

SOME HON. MEMBERS: — Hear, hear!

MR. SHILLINGTON: — I'd ask you for a ruling on the legality of that. If it is legal, the opposition would probably vote in favour of the thing. Who could be against something that inane? I question, I can tell you that we are against the excessive travelling which this government has done. But that is not what this resolution addresses. And I ask you, Mr. Chairman, to rule on the legality of this. We are dealing with the minister's estimates, we're not dealing with the government's proposed efforts to attract something that has clearly to do with education.

MR. CHAIRMAN: — The motion is in order and is the committee ready for the question? All those in favour, say aye. All those opposed, say no. The ayes have it, unanimous. Call in the members.

(2147)

Motion agreed to on the following recorded division.

YEAS — 41

McLeod	Sandberg	Schmidt
Berntson	Klein	Meagher
Lane	Dutchak	Glauser
Rousseau	Embury	Sauder
Duncan	Martens	Zazelenchuk
Katzman	Maxwell	Weiman
McLaren	Domotor	Morin
Garner	Folk	Blakeney
Smith (Swift Current)	Hodgins	Thompson
Baker	Parker	Engel
Hepworth	Smith (Moose Jaw South)	Koskie
Schoenhals	Hopfner	Lusney
Dirks	Myers	Shillington
Currie	Gerich	

NAYS — 0

MR. CHAIRMAN: — After reviewing the rules in the members' handbook, page 64, Committees of the Whole House:

That the practice of permitting substantive motions in the Committee of the Whole and Committee of Finance be discontinued. (Adopted December 10, 1980).

So this will not as a precedent.

SOME HON. MEMBERS: — Hear, hear!

MR. ENGEL: — Mr. Chairman, my colleague, the member for Regina Centre was on his feet to try and assure you of that, and you ruled him out of order. You wouldn't even let him talk about it. But you would let this House stand up, and say this isn't a precedent; we're not going to make any motion like that. We can't move a motion to chastise the minister for his travelling allowance.

The last question that I'd asked you, Mr. Minister: how much did that trip cost you, the trip you tried to take credit for for bringing the conference here, that we support. And that was planned by the teachers' federation before you ever decided to go to Africa? How much did that trip cost you?

HON. MR. KLEIN: — Mr. Chairman, I have to apologize for my grin. First they were complaining about my going and then — and that “no” vote — they voted for it so obviously . . . (inaudible interjection) . . . I know.

I, first of all, would like to clarify that most of the time all of my travel is well-planned, well-promoted, to the people of our province. It's not like I'm sneaking off doing something that I'm ashamed of. No, not at all, but rather it is a dedicated, working trip, fully outlined to the media, to the people of our province, the purpose of the trip, the objective of the trip, the pride that we take in our province.

And it's not only the results that the conference itself will bring back to the province, but certainly how we lay out the welcome mat for them here in Saskatchewan, will, to a large measure, determine whether or not those teachers will ever come back to visit Saskatchewan again. And they may very well visit Saskatchewan when they come for the conference. But more directly to the post, the total cost of my trip, Africa, West Germany, and London was \$7,828.02.

MR. ENGEL: — The minister, when he was interviewed by the press, was vague on expenses for the trip, saying the cost would be shared. He said expenses will include about \$2,200 with another \$2,300 in airfare. He will leave Thursday and be back August the 15th. And at the time of this writing of this article that was in the *Star-Phoenix*, I suggested that he would attend a world conference of federation of organization of teaching profession assembly.

Regina will be the host city for the biannual gathering of teachers, and I think it's clear, it's clear to all of us, and I want to make absolutely sure it's clear, that this conference was planned before you went, and you did spend a third more that you told the press you'd spend before you left.

You're always so open about your numbers, and you're free to give numbers of a \$4,300-trip which actually cost \$7,500, or \$7,800. And, Mr. Minister, I think that's another example of you trying to misled all the time, or trying to cover-up, trying to pass the buck or blame somebody else, and then you'll stand up and you'll call us names and you'll get into one thing or another kind of a harangue, but, Mr. Minister, you're not doing your job.

You're having a lot of fun doing it. You're enjoying your travels, and you're taking some friends along, and you hope you're got enough that have gone travelling with you that might re-elect you again. Well, people are smarter than that. People are smarter than that because you can't take all 11,000 of your constituents along on a trip, Mr. Minister. You can't take all 11,000 along with you, but the thing is going to be those people are going to say our little Minister of Small Business and Tourism has let the people of Saskatchewan down. Here's another blatant example of someone that likes to talk big numbers and likes to talk about all the wonderful things he can accomplish, and really doesn't accomplish anything.

There's a few questions that we want to get into that relate particularly to some of your interesting travel ventures, and I'm going to pass to my colleague and seat-mate at this time if he has a question he'd want to ask before the time is up.

MR. THOMPSON: — Thank you, Mr. Chairman. Mr. Minister, I'd like to direct a question to you, and it's regarding the houseboats that are going into La Ronge here in the summer of 1985. Could you indicate, could you indicate if your department has any involvement with the houseboats that are going on Lac La Ronge; and if so, could you indicate the amount of financial involvement that you have?

HON. MR. KLEIN: — Mr. Chairman, I would just like to, first of all, start with a comment regarding Africa. And I didn't let anybody down; I'm very proud of what we accomplished. I took one person with me, my executive director of tourism, and we went again at the request of the Saskatchewan Teachers' Federation. I don't believe I let them down. We went with the

Canadian Teachers Federation, who was extremely happy with the support that we showed them.

Regarding the houseboats in La Ronge, our department has absolutely no financial assistance involved. We do head up the interdepartmental committee that carries the project through the various departments to insure that all of the various agencies that would be involved in that type of operation — the proper clearances, approvals, and permits would be issued in that light.

MR. THOMPSON: — Mr. Minister, I wonder if you could indicate if you have had any concerns expressed to you by the tourist operators in La Ronge regarding the houseboats, and the possibility that there may be some pollution involved in La Ronge, and also the fact that maybe a lake such as La Ronge is just not ready for that type of an operation? Could you indicate, Mr. Minister, if this has been relayed to you?

HON. MR. KLEIN: — Mr. Chairman, we have met with various interest groups in the La Ronge area over this operation, and, as is not unusual, we have people that are in favour of it, and, of course, we have some people that may have slight opposition or be hesitant about it. However, I can assure all of the people of La Ronge that they have met all the environmental controls, all of the health controls, and the approvals for the safety of the boats. All of those permits have been done.

There will be, for your information — although further to expand on the operation because I'm delighted as I'm sure that all of the business community in La Ronge will be once it's off and running — there will be a two-year monitoring process to ensure that that operation does, in fact, operate within the guide-lines that are proposed; and the lease is for three years. And after the course of operation, to ensure that everybody is satisfied and happy with the results that we get, then we will proceed from there. But I can tell you right now that all of the precautions that can be determined have been looked at and have been accepted as totally acceptable.

The committee reported progress.

The Assembly adjourned at 10:01 p.m.