

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
May 6, 1985

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

MR. SCHMIDT: — Mr. Speaker, I'd like to introduce to you and through you, to this Assembly, 29 grade 8 students from Ituna, Saskatchewan. Most of them live in the Melville constituency. Some of them may live in the Kelvington-Wadena constituency.

They are here today with their teacher, Mr. Bill Hudema, and their bus driver, Mr. Daciw. I will be meeting with them at 2:30 for pictures and the answering of questions. As everyone knows, politicians have all the answers, so that shouldn't be very difficult.

And I would like everyone to welcome these students to the Assembly, and I hope that they have an interesting time.

HON. MEMBERS: — Hear, hear!

MR. SWENSON: — It gives me a great deal of pleasure today, Mr. Speaker, to introduce to you and through you, to this Assembly, 21 students from Briercrest High School. They are located in the east gallery. They have with them their teacher, Debbie Jones, and their bus driver, Sherry Bone.

I hope that they find question period informative and can learn to be educated voters of the future in Saskatchewan.

I will be meeting with them afterwards for pictures and drinks, and I'd like all members of the Assembly to welcome them here today.

HON. MEMBERS: — Hear, hear!

MR. HAMPTON: — Thank you, Mr. Speaker. It gives me pleasure to introduce to you and to the Assembly, a group of students from Rama, Saskatchewan. I see they've just got into the west gallery over there. They are accompanied by their teacher, Mary Kowalyshyn, Kathy Hausermann, and Joyce Koturbash.

I hope that you're enjoying your tour of the legislative buildings, your stay in Regina, and I hope that you find question period very interesting this afternoon. As my sheet here says, I will be meeting with you at 3 o'clock this afternoon for drinks and pictures.

I would ask all the members to join with me in welcoming the students from Rama, Saskatchewan. Thank you.

HON. MEMBERS: — Hear, hear!

ORAL QUESTIONS

Letter from Road Builders' Construction Association of Saskatchewan

MR. LUSNEY: — Thank you, Mr. Speaker. I have a question for the Minister of Highways. Mr. Minister, this question has to do with the letter from the president of Road Builders and Heavy Construction Association of Saskatchewan. And I suppose you saw that published in most of the

weeklies this weekend, or both the newspapers.

In this letter the road builders are very critical of your inadequate response to the need for upgrading of Saskatchewan highways. They say, Mr. Minister, that the 14 per cent cut in capital expenditures in this year's budget will mean:

... additional deteriorated pavement on all types of roads; increased vehicle operating costs (which they call) a hidden bad-road tax ...; a mortgage on the future, when neglected roads finally have to be replaced; and higher social program costs, as workers who could be more productive are forced to live on unemployment benefits and welfare ...

Mr. Minister, are you now prepared to admit that this budget, which is totally inadequate ... (inaudible interjection) ... and has been, as my colleague says, for the last three years. And will you admit now, that you simply lost the fight with some of your more powerful colleagues in a cabinet, and couldn't get any money for a very important project like highways?

HON. MR. GARNER: — Mr. Speaker, I'm very pleased to reply to the hon. member opposite on a question that appeared in some papers throughout the province of Saskatchewan. I cannot agree, Mr. Speaker, with the member opposite that the highways are in such terrible shape. And in that same letter, the Saskatchewan roadbuilders referred to TRIP Canada (The Road Information Program of Canada), which is an independent consulting firm that was hired by them and all other roadbuilders across Canada to do an evaluation, Mr. Speaker, of the highway network in the Dominion of Canada.

And, Mr. Speaker, I am very pleased to report to this Assembly just some of the facts that were reported by TRIP Canada. Some of those facts are: highway pavement resurfacing and reconstruction needs in several provinces as reported by the Canadian Construction Association, TRIP Canada, shows that Saskatchewan had 6.7 per cent of a backlog in 1983.

Mr. Speaker, we also look at other provinces around on the backlog that they have. We look at the province of Alberta: 25 per cent of a backlog. We also look — it happens to be the province of Manitoba: 27 per cent of a backlog of reconstruction needs, Mr. Speaker.

Mr. Speaker, I believe this points out along with additional information, and I would be quite prepared to discuss it through the entire question period with the members opposite, of the different problems, and that, facing the road construction industry. But I can report to this Assembly, Mr. Speaker, that Saskatchewan has the report from TRIP Canada of the finest network in the Dominion of Canada.

SOME HON. MEMBERS: — Hear, hear!

MR. LUSNEY: — Thank you, Mr. Speaker. Mr. Minister, are you trying to tell the people of Saskatchewan that because somewhere in Canada there are worse roads than we have, that what we should be accepting today is not a 6 or 8 or 10 per cent cut in our program, but what we should be doing is accepting maybe 25 per cent less and letting our roads deteriorate to a condition which would be worse than any other province's in this country. Is this what you're saying, Mr. Minister?

HON. MR. GARNER: — No, Mr. Speaker, I don't appreciate the member opposite trying to put words in my mouth because I don't know how accurate his information is and his research information is. I would just like to point out, Mr. Speaker, to the members of the Assembly and to the people of Saskatchewan, that the ...

MR. SPEAKER: — Order, please.

HON. MR. GARNER: — Thank you, Mr. Speaker. The maintenance budget in the province of Saskatchewan this year went up by 5 per cent. We intend to take care of the system, the network that is in place in the province of Saskatchewan that the report card was done on. That is very important. As well, Mr. Speaker, we will be reconstructing over 900 kilometres of highways in the province of Saskatchewan in this fiscal year.

SOME HON. MEMBERS: — Hear, hear!

MR. LUSNEY: — A new question to the minister, Mr. Speaker. Mr. Minister, the roadbuilders also say, and they want to point out, and I'd like to point out, Mr. Minister, they say that the positive impact of an adequate budget for highways could have had . . . what an adequate budget could have had on our province.

Mr. Minister, what it could have had was that it could have saved every licensed driver, according to the roadbuilders, an estimated \$70 a year by reduced vehicle operating costs. It could have rehabilitated a vital component of our transportation network, and it could have supported about 1,200 jobs in construction and related industries, as well as 2,300 jobs in other sectors.

Mr. Minister, in light of these positive impacts, can you explain why the adequate resurfacing and reconstruction of our primary highways was still not a priority in this year's budget?

HON. MR. GARNER: — Well, Mr. Speaker, we had better set the record straight. Once again the member opposite does not have all of the facts and, I believe, is trying to mislead the motoring public in the province of Saskatchewan. He talks about extra costs per year for the driver in the province of Saskatchewan. Yes, that's correct. It is \$70.

But, Mr. Speaker, we can also look at some other costs. The province of Ontario, \$97; the province of Newfoundland, \$378. But Mr. Speaker, we also have to look at the province of Manitoba, which their party governs right now and is in a sad state of affairs, and the cost there to the motoring public is \$113 a year. So Mr. Speaker, I think it's very important that all of the facts should be laid on the table.

MR. LUSNEY: — Supplementary, Mr. Speaker. Mr. Minister, would you not agree that we had one of the best highways systems in the country up to three years ago, and now you are saying that we have to, as people of Saskatchewan, accept poor roads in this province. You are saying that we should have what Ontario or Manitoba or any other province has. Why won't you keep up the system that we had before? Why are you letting it deteriorate?

HON. MR. GARNER: — Well Mr. Speaker, once again, and all members opposite, in my budget reply, and I did send them a copy of the '85-86 construction projects to take place this year. And I'm sure not going to read off all of the over 900 kilometres of highway that will be reconstructed in this province, Mr. Speaker.

But I think once again we should just state of how the system was built before. The minister would stand up in the Assembly and announce this great project array. But in 1982, Mr. Speaker, seven out of every 10 roads that were announced by the previous NDP minister to be reconstructed, or constructed, there was no funds available. That's not telling the truth to the people of Saskatchewan, Mr. Speaker. We don't operate that way under a Progressive Conservative government.

SOME HON. MEMBERS: — Hear, hear!

MR. LUSNEY: — Supplementary, Mr. Speaker. Mr. Minister, are you saying that the road construction association is wrong in what they're saying about our roads, and that you should not be spending that kind of money in providing jobs?

HON. MR. GARNER: — Well, Mr. Speaker, once again, what I am simply saying to the people of Saskatchewan is that there will be over \$200 million, tax-paying dollars put into the road network in the province of Saskatchewan.

And one other point, Mr. Speaker, that if the road system is so bad, in the very near future we will be looking at expanding the primary highway system from 2,000 miles to 4,200 miles — the first time this has ever taken an expansion like this in the province of Saskatchewan. It will save the motoring public and trucking firms in the province of Saskatchewan in the next 10 years, \$45 million. I believe that's a positive step forward.

SOME HON. MEMBERS: — Hear, hear!

MR. LINGENFELTER: — New question to the Minister of Highways, and it has to do with the report which the member from Pelly has questioned you on, and the letter received from the association of Saskatchewan roadbuilders. And the letter in part, and I quote, indicates:

The recent provincial budget, however, failed to address these issues. Instead the government actually reduced by 14 per cent the capital expenditures on highways.

Now, Mr. Minister, at a time when the Minister of Finance is announcing record tax increases both on used vehicles, income tax, as well as massive increases on property, can you indicate how you managed to get a 14 per cent reduction? Did you ask for it, or how did that come about? How did you get a 14 per cent reduction? I would be interested to know the process.

HON. MR. GARNER: — Well, Mr. Speaker, the member opposite is complaining about a 14 per cent reduction in the highway budget. Maybe he would like to go back to the Shaunavon area and tell the people that — Eastend, Saskatchewan, that we shouldn't be reconstructing the Red Coat Trail. He should maybe — as late as this last Saturday, I was at the Yellowhead meeting, Mr. Speaker — and tell them that we're not going to finish the Borden bridge, you know, another major connecting link.

Mr. Speaker, it's very obvious. Our priorities are with people, with education, with health care. The road system is very viable, not the scare tactic that the NDP opposite is trying to use.

MR. LINGENFELTER: — Supplement to the minister. I would ask him just a simple question: how did you manage to get a 14 per cent reduction? Did you ask for it, or did the Premier indicate that's all the money there was? How did you manage to get a 14 per cent reduction in your budget?

HON. MR. GARNER: — Well, Mr. Speaker, we maybe work a little different. In fact, I know we work a lot different on this side of the House. We sit down and work together with our colleagues in cabinet and caucus and with the people of Saskatchewan. Those are where the decisions are made, and that is it.

MR. LINGENFELTER: — Mr. Minister, I'll ask you a new question: can you indicate, Mr. Minister, how much increase you asked for? Can you indicate that?

HON. MR. GARNER: — Well, Mr. Speaker, I believe if the member opposite wants to find out what was asked for, what took place at budget finalization, I would suggest that, when the next provincial election comes, they could try and try very hard to be government of Saskatchewan. Then maybe they could sit in those same chairs.

But Mr. Speaker, I know the people of Saskatchewan cannot be fooled any more by the NDP.

MR. LINGENFELTER: — Mr. Speaker, a new question to the minister. I have here the *Public*

Accounts for this year that explain very clearly what happened in the minister's budget last year. I refer to section 16 of the *Public Accounts* under the Highways and Transportation operation which indicate that under executive administration, that section of your department that your office and where the, I suppose, the \$62,000 in your personal expenses came from, there was actually an overspending of \$60,000 in that area, while at the same time, in the area of maintenance there was \$4 million underspent.

Now I want to ask you, Mr. Minister, whether the 14 per cent reduction announced in this budget is the only thing that will be reduced, or will you once again underspend in the maintenance and overspend in the area of public administration where your travelling expenses are covered off?

HON. MR. GARNER: — Well, Mr. Speaker, once again it looks like we're getting into the estimates of Department of Highways a little earlier than I believe what the House Leader has called. When we get into estimates, I'm quite prepared to share that information.

But also, Mr. Speaker, while we're at it, the members talk about underspending and that in a department. You know, last year it snowed on October the 15th. I cannot control the weather. When the snow came in October the 15th, the construction season was shut down and so was the maintenance.

MR. LINGENFELTER: — Final supplementary, Mr. Minister. I was referring to the 1983-84 estimates, which your snowstorm that you're talking about didn't occur. But what I would, Mr. Speaker, what I would ask the minister: if he thinks there's going to be a winter next year, and if he thinks so, if he'll take that into consideration in constructing roads and start them a little sooner?

HON. MR. GARNER: — Well, Mr. Speaker, once again it's getting into an area where the member opposite believe that I can predict when winter is to come, or when the snow is to melt. I don't propose to have that expertise. If the member opposite has it, that's fine and dandy, but we will take care of the highway system in the province of Saskatchewan better than the NDP government ever dreamt of it.

Sales Tax on Used Vehicles

HON. MR. BLAKENEY: — Mr. Speaker, I direct some questions to the Minister of Revenue that deal with the budget which was brought down on April 10 and containing the biggest tax increases in the history of Saskatchewan.

Specifically my question deals with your government's decision to break its promise to eliminate the sales tax and, instead, extend the sales tax to used vehicles. In a recent issue of the *Estevan Mercury*, a used car dealer in that community is quoted saying this, and he's referring to the tax on used vehicles:

It probably cost us \$25,000. I'm not sure we can squeeze another 5 per cent out of sales. The government ought to get off the backs of small business. They've given lots to the oil industry. It's about time they gave something to farmers and small business.

That's a car dealer in Estevan.

My question to you is this, Mr. Minister: did your government understand that slapping a 5 per cent sales tax on used vehicles would cost dealers across the province tens of thousands of dollars in additional taxes that they would have difficulty recovering from hard-pressed purchasers?

HON. MR. ROUSSEAU: — Well, Mr. Speaker, the Leader of the Opposition is a little bit confused, I think, in the application of the sales tax on used vehicles. It's not paid for by the dealers; it's paid for by the consumer as he buys it on the difference of the purchase price and the trade-in vehicle.

HON. MR. BLAKENEY: — Mr. Speaker, a supplementary. I am not confused at all, nor neither are the purchasers. Do you deny, Mr. Minister, that when a dealer has \$200,000 worth of used vehicles on his lot, that he has to raise the price, the effective price of 5 per cent? Do you deny that that affects his sales? Do you deny that between the two of them, the dealer and the consumer, they're going to have to pay, and the dealer's going to have to share his burden?

HON. MR. ROUSSEAU: — Well, Mr. Speaker, I have had meetings, as a matter of fact, with the automobile dealers. Mr. Speaker, I have met with the Saskatchewan Motor Dealers Association executive. The program and the plans were discussed with them . . . (inaudible interjection) . . . No, not prior to, after — after the announcement by the budget.

Mr. Speaker, they fully understand the situation. They're quite pleased about the action this government has taken because in the long run, where the taxation of the vehicles will be spread more equitably and equally amongst all purchasers of vehicles, that they will benefit in the long run, and, in fact, the inventories that you are referring to has no credence at all in the statement that the Leader of the Opposition is making, and has been admitted to by the motor dealers association.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. Mr. Minister, do you deny that when you apply this tax you're levying double taxation? You're going to collect tax on, let us say, a used 1983 vehicle which paid a full tax on the full price when it was purchased in 1983. Now, when it is sold a second time, you're going to collect another tax, so that you're going to collect a tax on two or three times the value of that vehicle.

HON. MR. ROUSSEAU: — Mr. Speaker, as I have indicated in this Assembly before, the Government of Saskatchewan has finally come of age and is now in line with all of the other governments in Canada, when they've always taxed on the basis of the difference of used vehicles. And that same analogy is applied throughout the history of taxation of vehicles in Canada. Because, if you sold in Manitoba, which is your party that is in power in Manitoba, if you sell a used vehicle today, or sold it three years ago for \$10,000, and you sell it again today for \$10,000 or \$8,000, you're collecting the tax again, as they did then.

What is the difference? I ask you: what is the difference between the policy we have now and the policy that has been in existence in all other provinces in Canada, with the exception of Alberta, since they've had taxation or sales tax applied to vehicles whether they were new or used. They've always had it in all other provinces. So does it make any difference whether the tax was collected as a new vehicle in Saskatchewan or a new vehicle in Ontario or Manitoba, British Columbia or anywhere else, or whether it's applied as a used vehicle, or a tax on a used vehicle? It's the same difference because the tax has always been applied, in all other provinces, on the vehicle every time it's sold.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. Mr. Minister, you were a part of an organization which promised to eliminate the sales tax. You campaigned on that basis. You pointed to Alberta. Why will you not now point to Alberta and eliminate the sales tax, as you said you would, on vehicles?

HON. MR. ROUSSEAU: — I'm not sure I heard the last question. It was a little noisy on that side of the House there, Mr. Minister. But, Mr. Speaker, we're doing exactly what we promised in the last election. We've already eliminated the tax on children's clothing. We have eliminated the tax on the power bills, which is in the millions of dollars savings to the taxpayers of Saskatchewan.

We've reduced and eliminated the tax on many more agricultural products that they had been asked to eliminate when they were in power, and ignored, to help the farmer in Saskatchewan. And we've already done that. We eliminated the gas tax, Mr. Speaker, as the first action taken by this government in 1982, and we will continue to do so as we said, as the Premier has said, and as the members on this side of the House have said in the last three years. We will continue to do so as we can.

And the change in the taxation of the vehicles that was brought in under the budget provides a far more equitable tax to the people who buy vehicles. Because I want to tell the Leader of the Opposition that the people who buy new vehicles are people who earn their living with a vehicle, the young people who buy new vehicles, or the low income earners who buy new vehicles.

And what you're suggesting, and the way you had it when you were in government, is let's tax those people, and we'll forget about the rest. So this way it's fair. It's spread out to more . . . for the tax load to be shared by more people. And I know, because you've already indicated that if you . . . as a campaign promise that you've started already that you would change that again. You would want to reverse the trend. You would want to go back to what you had before, against what every other province in Canada has.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. Mr. Minister, you talk about reducing taxes. Do you agree or disagree with the Minister of Finance's estimate that this change will be mean an extra \$35 million over 5 years out of the pockets of Saskatchewan consumers?

HON. MR. ROUSSEAU: — Mr. Speaker, I don't have the amount of money that will be involved in the collection of the taxes the way that we were proposing it now, and the way it is being changed, and I don't think anyone will really know how much money will be collected from a taxation of used vehicles on the difference —on the difference.

And let's keep in mind, Mr. Minister the way it was before is when you bought a vehicle, you paid the tax on the full amount regardless of whether you had a trade-in or not. Now, at least, you only pay it on the cash difference that you're paying for that transaction.

So no one is going to know what the taxes are, or what the tax collected will be until we've had some experience, which I suggest to you will be at the end of this fiscal year.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. Whether anyone will know, will the minister acknowledge that the Minister of Finance estimated an extra \$7 million a year over 5 years — \$35 million?

HON. MR. ROUSSEAU: — Mr. Speaker, I believe that figure is, in fact, the figure that was budgeted by the Minister of Finance. It's an estimate at best. It's a guess based on certain historical volume of business as done with vehicles in this province.

However, as I've said earlier, it's a figure that we won't know what the amount will be until the end of this fiscal year.

Elimination of Property Tax Rebates

HON. MR. BLAKENEY: — Mr. Speaker, a question to the Minister of Urban Affairs. Mr. Minister, this deals with the impact on municipalities — and I have picked urban municipalities, or might equally have picked rural municipalities — of the elimination of all property tax rebates, and I am referring you to comments made by a number of persons on municipal councils, and referring here to alderman John Deadlock, at Estevan, who has said that:

The dropping of the rebates will cause difficulties for municipal governments because people who paid their taxes on time, in order to get the rebate, will no longer have that incentive. There is a substantial reason for believing there will be a delay in the payment of property taxes, causing municipalities to have to borrow extra amounts of money.

Do you agree that that is a likely circumstance, and have you made any provision for supplying municipalities with extra money to cover their extra interest payments?

HON. MR. EMBURY: — Mr. Speaker, I think the answer is no.

INTRODUCTION OF BILLS

Bill No. 67 — An Act to amend The Motor Dealers Act

HON. MRS. DUNCAN: — Mr. Speaker, I move first reading of a Bill to amend The Motor Dealers Act.

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

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 54 — An Act respecting Apprenticeship and Qualification for Certification in Certain Trades

HON. MR. CURRIE: — Thank you, Mr. Speaker. I rise to move second reading of An Act respecting Apprenticeship and Qualification for Certification in Certain Trades. The Act, together with the general regulation and trade regulations, have been under review by the Apprenticeship and Trade Certification Branch since 1982.

Virtually no changes have been made to the Act since 1953, nor to the general regulations since 1958, and they no longer reflect the standards required by industry. The proposed changes are in direct response to demands by industry and were identified in consultation with the Provincial Apprenticeship Board and the trade advisory boards for the 26 designated trades.

The proposed changes will improve the overall standards of the Apprenticeship and Trade Certification program, respond to the demands of the trade advisory boards and the Provincial Apprenticeship Board and facilitate the implementation of the proposed changes to the general regulations, and the trade regulations which have been requested by industry.

Basically, the 40 or more changes are technical in nature and will improve the administration and legal integrity of the Act. At the present time, for example, the apprenticeship and trades certification consultants are empowered to inspect the records of employees where work in a designated trade is performed, but they are not empowered to enter premises to inspect the records.

Provisions are also being made for the hearing of complaints and appeals and for judicial review. These changes are supported by the provincial apprenticeship board and the trade advisory boards which represent equally employers and employees, labour and management.

Most, if not all, of the major employer associations and unions which are linked to the designated trades are represented on these boards. Briefly I shall mention some of the proposed major

changes. Joint training committees are established for the purpose of training apprentices in a designated trade. The committee represents employees and employers. Some committees are already in existence.

On the advice of industry, we are proposing that status certificates be deleted from the Act. In the past, status certificates were issued on the basis of an examinee failing an examination or not having the required training experience. Industry standards will be recognized on the basis of the completion of technical training, on-the-job training, and examination. The concept of subtrades will be introduced. This will accommodate those designated trades that requested providing training and certification in major sectors of their trade.

Mr. Speaker, I believe that we have the support of people affected by the amendments proposed in this Bill. Mr. Speaker, I move second reading of The Apprenticeship and Trade Certification Act.

MR. LINGENFELTER: — Mr. Speaker, we will be taking a close look at this Bill in the days that are coming up, and my colleague from Regina Centre is going to be dealing with it, and I would beg leave to adjourn the debate.

Debate adjourned.

Bill No. 61 — An Act to amend The Department of Revenue and Financial Services Act

HON. MR. ROUSSEAU: — Thank you, Mr. Speaker. Mr. Speaker, I am pleased to rise today to introduce Bill No. 61, An Act to amend The Department of Revenue and Financial Services Act. This Bill, Mr. Speaker, consolidates the revenue administration provisions of several taxation statutes under The Department of Revenue and Financial Services Act.

These statutes, Mr. Speaker, have evolved on an independent basis over time and, as a consequence, a lack of uniformity in the administration, collection, and appeal provisions has developed. These amendments, Mr. Speaker, will bring uniformity to these provisions and will result in a more consistent and equitable treatment of taxpayers. Also these amendments are consistent with our government's program of regulatory reform.

Mr. Speaker, there are two major changes that I wish to mention. First, we are repealing a provision requiring taxpayers to pay the outstanding tax prior to an appeal. We feel removal of this requirement will be fairer to taxpayers. And second, we are introducing a provision that legal and other costs incurred by a taxpayer at a Board of Revenue Commissioners hearing may be paid by the minister where the appeal is successful.

Mr. Speaker, it's interesting to note that last week when I introduced first reading to this Bill, particularly now that I've identified in particular two areas, it's very interesting to note that the members opposite voted against this Bill on division. So they are on record as being opposed to this Bill. So we feel that these changes are consistent with our government's goal to provide a fair and equitable service to all taxpayers.

As a result of the proposed consolidation, nine revenue Acts will require consequential amendments.

Mr. Speaker, I take great pleasure in moving that Bill No. 61 be now read a second time.

HON. MR. BLAKENEY: — Mr. Speaker, I will want to address some remarks on the contents of this Bill, and I beg leave to adjourn the debate.

Debate adjourned.

Bill No. 62 — An Act respecting the Consequential Amendments resulting from the enactment of The Department of Revenue and Financial Services Amendment Act, 1985

HON. MR. ROUSSEAU: — Mr. Speaker, this is simply a housekeeping Bill which makes changes made necessary by the amendments to The Department of Revenue and Financial Services Act. I therefore move second reading of this Bill.

HON. MR. BLAKENEY: — Mr. Speaker, I think logic and tidiness suggests that the two Bills should go together, and accordingly I will beg leave to adjourn the debate.

Debate adjourned.

Bill No. 63 — An Act to amend The Municipal Revenue Sharing Act

HON. MR. EMBURY: — Thank you, Mr. Speaker. I am pleased to move second reading of a Bill, An Act to amend The Municipal Revenue Sharing Act.

Our government is committed, Mr. Speaker, to retaining the concept of revenue sharing with the province's municipalities. In fact, Mr. Speaker, we have, over the past several years, been undertaking extensive discussions with the Saskatchewan Urban Municipalities Association and the Saskatchewan Association of Rural Municipalities to review all facets of the revenue sharing program, including possible revisions to the distribution formula and alternative approaches to the indexing — the funding to the economic growth of the province.

In addition, Mr. Speaker, the Local Government Finance Commission is continuing its review of all relevant aspects of municipal finance, and it is expected that the commission will make its final recommendations to cabinet by the summer of 1986.

Since the work of the commission is linked so closely to revenue sharing, it would be premature to make changes in this important program without the benefit of the findings and recommendations of the Local Government Finance Commission.

Accordingly, Mr. Speaker, this Bill provides as an interim measure while discussions continue with SUMA and SARM, and while the commission completes its work, that the total available for revenue sharing in the '85-86 fiscal year is to be equal to the total amount available for the payment of grants at the beginning of the '84-85 fiscal year.

As well, Mr. Speaker, our government is also assuring that all urban municipalities will receive the same basic per capita and foundation grants in 1985 as in 1984.

I'm pleased that we are able to maintain the grants at last year's levels during this period of economic restraint. This responsible approach, Mr. Speaker, demonstrates three important points. First, that we recognize the important role revenue sharing plays in municipal finance. Secondly, that we acknowledge the need to achieve a satisfactory resolution to local government financing issues through the recommendations of the commission on local government finance. And thirdly, that our continuing dialogue with SUMA and SARM clearly illustrates our willingness to maintain a spirit of co-operation on matters of municipal finance.

I join my colleague, the Minister of Rural Development, to urge all members to support this Bill.

MR. LINGENFELTER: — Mr. Speaker, I would beg leave to adjourn the debate on this Bill.

Debate adjourned.

(1445)

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

HEALTH

Ordinary Expenditure – Vote 32

Item 13

MR. LINGENFELTER: — Mr. Chairman, and Mr. Minister, I wish to ask the Minister of Health, in a general way, his opinion and attitude towards the liquor advertising that is being done at the present time in the province of Saskatchewan. I think it's an issue that it certainly has two sides to it.

And there's a group within the province — I imagine the main promoters of it, the advertisers and the breweries — who believe that it's a good thing. And I understand also that within the public that there are those who don't mind it. But I think there is a growing concern right across North America.

I know there is a senate subcommittee now in Washington which is studying the effects of liquor advertising, and a growing group of people who are adamantly opposed to liquor advertising and are moving to increase their lobby, as opposed, to reduce it. And I wonder, Mr. Minister, as Minister of Health, whether or not you can outline your opinion as this debate goes on, because it is one that certainly isn't over.

Now we've introduced it for the first time in Saskatchewan under your administration, and there may be an assumption around that liquor advertising is now here to stay, but I think if you watch what is happening in other countries, that is far from the final result.

And I would like your opinion, as Minister of Health, to outline briefly what you think of liquor advertising, and whether you are sort of the odd man out in cabinet. I understand how that goes. You can't always be on the winning side in these kind of debates. But I think there are many people in the province who would like to hear from their Minister of Health that he would be opposed to liquor advertising. I would just like to give you an opportunity to outline your position.

HON. MR. TAYLOR: — Certainly I'd be pleased to. I think it's evidenced, as many of my colleagues have pointed out in the House, the minister in charge of the Saskatchewan Liquor Commission pointed out in debate some time ago. I don't think there's any concrete evidence that shows that advertising raises consumption — that it's more of a preferential debate between brands. And I think the indications are that consumption of alcohol in Saskatchewan is declining.

So therefore, as being Minister of Health, I'm concerned about the effects of over-consumption on an individual. I'm certainly concerned for the waste of human life and the tragedy that can happen from over-consumption, whether that be through advertising or not. I don't think there's any evidence to indicate that some of the deaths that we have on the highway, some of the violence that takes place in our society, can be attributed to advertising. I think it's more to over-consumption — the lack of responsible use of alcohol. And as I said earlier when the advertising was introduced, that as Minister of Health we would be watching very diligently to see if there was increase costs to the hospitals; increase admittance of people because of alcohol-related diseases or accidents; and we have no evidence at this point in time to indicate that that be the case.

MR. LINGENFELTER: — Mr. Minister, you know that in this time of recession in this province, as

well across Canada, that the consumption of what is known as hard liquor, which is not advertised on TV, has in fact gone down, while at the same time, the consumption of beer, which is being advertised, has gone up — this being one of the few places anywhere where the consumption of beer has actually increased in the past year.

Now you are saying that the consumption hasn't increased. I would ask you: if we can prove to you that the consumption of beer is going up, as opposed to other areas where it's either staying level or going down, would you then consider your position in cabinet, changing your view and making it public that you will be opposed to liquor advertising, because as I say, this is an ongoing debate, and I think it's clear that other members of your cabinet have changed their minds? You will remember the day when your caucus was opposed to seat-belt legislation in the province. You were very much opposed to it. You said that it was an infringement on peoples' rights to wear seat-belts, and now, in government, you stand up and profess that you believe in seat-belts.

Now, I wonder on liquor advertising: will you make the commitment then when it is proven (and I believe it already has, but apparently you're not convinced) that advertising increases consumption, whether it's of chocolate bars or Tide or Coke or beer, that people use more. That's why they advertise. Will you then consider changing your position in cabinet and arguing to taking the "It's Miller Time," off the air; and I would like you to make that clear to the Assembly that if it is proven that consumption of beer is going up, you would take the opposite position and argue that in cabinet?

HON. MR. TAYLOR: — Well certainly, Mr. Deputy Speaker, the member opposite knows that the position one takes in cabinet is cabinet business and cabinet business alone. And it's ludicrous in asking if a person will indicate what position he will take in cabinet. That man was once in cabinet, and he should well understand that.

I can only reiterate to you, Mr. Deputy Speaker. My stand on this is that I'm very concerned regarding the health of people. I'm very concerned with accidents. I'm very concerned with alcohol-related diseases and loss to health. And I'm watching this and monitoring this, and I haven't seen any indication of any difference in this province since the introduction of alcohol advertising. There was no difference between this province and other provinces that had alcohol advertising previously, but I can assure you and the people of Saskatchewan that we will continue to monitor that situation.

MR. KOSKIE: — Well, just on liquor advertising, I'd like to know how you get that view that liquor advertising does not in fact promote the sale of alcoholic beverages. I mean, if you watch television and if you watch the performance of this government, they have spent millions of dollars in advertising. Are you telling me that advertising by the giant car dealers are not out there to promote the sale of their products? I mean this is convoluted opinion s to the effect of advertising, and if it doesn't in fact change the sale of it, then why not have it on at all, and let them donate their money to correcting the abuses of alcohol rather than putting on advertising which you are saying have negative effects?

I wonder whether or not you have any concrete evidence which leads you to the conclusion that this alcoholic advertising is not having a serious effect upon the young people, particularly. Because what it does is to popularize young people's sports activities, and the first thing they go is to have a nice cold beer. Surely you aren't trying to say to all the people of this province that this is not having an adverse effect, and is not, in fact, having an influence — that this is the thing to do, is to have a sport event and then come back and guzzle down a few beer.

And I wonder if the minister has any studies that he's done in respect to it? Have you done any surveys in respect to the acceptability of liquor advertising in this province? I wonder if you could advise us.

HON. MR. TAYLOR: — Well, I think anyone would realize that there are studies that have been done previously to the introduction in Saskatchewan in other areas, and so on, and you can find studies from either side of it. I guess, looking at the whole thing of advertising, I suppose anyone that advertises is out there to get their portion of the market. That's basically what . . . And there's nothing to say that that's going to expand that market. They want their portion of the market, and I suppose this is the situation there.

As far as studies we have done ourselves, I can only say that, since the introduction of advertising of alcohol in Saskatchewan, I've asked this alcohol commission to monitor, as closely as they possibly can, the effects of this. Certainly the effects upon young people is a concern of mine. And I want to indicate to what extent it is a concern, because I think you will see, Mr. Deputy Speaker, that at this current session of the legislature of Saskatchewan, that the alcohol commission . . . there's a Bill in the non-controversial Bills section, that the Alcohol Commission of Saskatchewan would change its title and its function from the alcohol commission to the alcohol and drug abuse commission.

And I think that is indicative proof, Mr. Deputy Speaker, that as a minister and as a government, and the people in the commission are concerned with many of those factors that are out there in society that affect our young people. And that is why we are changing the name and the mandate of the commission to more focus, and again — as I said earlier in my estimates last week — to more be in touch with the times that exist here in Saskatchewan.

If we're going to improve health care, we have to get out of the rut of the past and move into the era that we live in and operate in, so that we can develop the programs and the systems to maintain and to promote better health for our residents.

MR. KOSKIE: — I wonder if the minister would agree that one of the aspects of health care is prevention. And I would think you would be in agreement with the preventative aspect of health care, and that part of that would be the prevention of the increase of alcoholic abuse.

I wonder if the minister could, as Minister of Health, indicate any calculation of the total cost in respect to our health bill in Saskatchewan which is associated directly, or indirectly, with the use of alcoholic beverages. I know it's astronomical, and I wonder whether you have, in fact, done a study as to determine the total cost to our health care system in Saskatchewan as a result — directly related, I'll put it — to the use of alcohol.

HON. MR. TAYLOR: — Well, first of all, certainly, I believe in prevention, and I think you know that from many of the programs that we have brought in. I don't think you become the leading ministry in Canada in non-smoking initiatives without believing in prevention.

But let me point out to you that, certainly, one of the agreements that was made in allowing the advertisement of alcohol, was that 15 per cent of the ads had to be of a preventative nature. So I would think that is one of the things that would indicate that this government certainly is concerned with prevention.

In answer to your question of the costs, you framed your question in two different ways — you said related costs, and then you said directly related. And we will try our best to get you that figure, but directly related — and I think you must understand this — is a very difficult type of figure to come up with, because a person could come in with, say, a gall bladder, for example, eh? This person may have a history of maybe heavy indulgence in alcohol. The person may have a history of very heavy eating of various different kinds of foods. Without trying to get into a medical discussion, I mean, is that directly related to alcoholism, or is that directly related to some other thing? And you get down to accidents and things of this nature.

But in answer to the member, certainly we will try our best to come up with what we think is the closest figure that we can in relation to the question that you asked.

MR. KOSKIE: — Well I would just ask the minister — you indicate that you will come up with a figure as close as possible. Have you in fact had your officials do a study, or would you have to now initiate a study? Have you in fact been carefully analysing this and, in fact, analysing the social cost and the health costs associated with the abuse of alcoholism? Was that study done? Was comprehensive study done prior to this government adopting a policy of implementing the increase in advertising of booze?

I submit to you that no analysis of the consequences was done, because one of the first things that you did when you got into office was to introduce and to liberalize the advertising of liquor.

And I say to you that you're just waxing on this. You aren't living up to the facts of the case. You say that advertising, they're striving to get a greater share of the market, a market that is being static. I submit to you that that is a convoluted way of looking at the purpose of advertising. It's to do two things: it's to increase the portion of the share; but it's also to increase the market.

Why not the market? Obviously they make more profits, and that's why they advertise. So I ask you then: prior to the introduction of this here campaign, your campaign commitment, prior to you agreeing to put into effect your campaign commitment of allowing the brewers and the distillers and the alcoholic empires to advertise their sales, had you, in fact, done a comprehensive review of the consequences vis-à-vis the social costs of alcohol in this province?

(1500)

HON. MR. TAYLOR: — Well, Mr. Deputy Speaker, the member tries to indicate that one of the first things we did was to bring in liberalized liquor advertising. If I recall back to three years ago, one of the first things we did, (and I remember the day out here, the day we were sworn in) within five minutes of being sworn in, we removed the gasoline tax. That's the thing I remember.

And then I remember closely on the heels of that, I remember the mortgage plan. That's right. It helped people maintain their homes. Those are the things that I can remember and, I think, the people of Saskatchewan.

But the member opposite says, are you monitoring that I have told you that through the alcohol commission and through the Saskatchewan Hospital Services plan we are monitoring it. And I will be looking at it very seriously, and we will be producing some figures to see just what is taking place.

But for the member opposite to stand up and say, you know, you brought in all this liberalization, and pretend to be really pure, I just remind you — Mr. Deputy Speaker, you may not recall this, but they were the government that started the malt plant in Saskatchewan. The Prairie Malt plant was instituted by the government opposite in the production — the government trying to make money on the production of alcohol right here in Saskatchewan, under the NDP government.

MR. KOSKIE: — I'd like to ask the minister whether then, if he wants to get into performances, whether you agree with the recent taxation on pornography, and whether you feel that that, as the Minister of Health — which you know has consequences on certainly the mental health of young people as they approach society — I wonder whether you agree that the taxation on filth and smut is indeed a progressive move by your government?

HON. MR. TAYLOR: — Yes, I recall very well. I remember in my days in opposition, I remember one time raising it with the Leader of the Opposition. And I asked him, Mr. Deputy Speaker, I asked him: would you remove some of these materials from where young people can get at them? And he wouldn't move them at all, left them just as they were.

Certainly I agree that some of this information should be taxed. I have no qualms with that whatsoever, and I think that this type of literature and information isn't to the benefit of anyone in this society and certainly would like to see it removed. And if taxing makes it so it is not accessible to younger people and costs more to get at this sort of stuff, I support that.

MR. KOSKIE: — Well, I'd like to ask the minister: do you think, in fact, taxing pornography is a deterrent? And secondly, whether it's an effective method of government action?

HON. MR. TAYLOR: — Just taking from the questions and the responses of the Leader of the Opposition in question period today, where he seemed to think the taxing of used vehicles was a deterrent, so if taxing of used vehicles is a deterrent, then obviously taxing of pornographic material is a deterrent. I mean, you can't have it both ways. You can't cut it one time it's a deterrent and the next time it's not a deterrent.

So certainly I would think that it is going to be a deterrent to pornographic materials.

MR. KOSKIE: — I'm really impressed by this minister. He equates second-hand used vehicles with the smut and filth and is being placed around the province, and what the government has done in its desperate hope for income is to throw on a tax and get more revenue; no evidence or no direction from the government side as to an effective method of controlling the disbursing of this pornographic material.

When you were in opposition, I want to agree, the minister stood over, across on this side, and indicated we should be doing something. "If I were there, I would get rid of it off the shelf," is his words. I ask him, he is in government today. Why is it not off the shelf?

HON. MR. TAYLOR: — Well you never did a thing. You wouldn't do anything in years and years, wouldn't take the tax off children's clothes, wanted . . . You know the big thing they had the taxing, and I was going to tell my colleague this morning in question period, the big thing they had for helping the farmers was to take the tax off turkey saddles. Now if you know what that means, I don't think anyone else in Saskatchewan did. But that was the big help. Leave it on grain bins, leave it on grain bins, take it off turkey saddles.

Well I want to tell you, we're concerned about the pornographic material in this province, and we have at least taken a step to tax it, where they sat there for 11 years, sanctimoniously, and all of a sudden I hear this member opposite making a big issue out of this. He was a cabinet minister on this side of the House. They choose to do nothing, nothing at all.

This government has certainly put a tax on and, in regard to pornographic material, I think I would advise the members opposite to look at a document, a document prepared by my colleague, the Minister of Social Services, along with the Minister of Justice, that puts it very, very clearly the stand of this government on pornographic material. And as my colleague says, Mr. Deputy Speaker, and I think it's wise to bring this forward, that we were the only provincial government in Canada to put forth such a paper.

Now let's equate records. Brought right to the Premier of the province, across the House of the legislature, one of the most lewd type of things that you'd want to see, asked and begged, would you do something? Not one thing done, not one tax, not one position paper. Our government has been in for three years, and we have taxed pornographic material, and my colleagues have taken the strongest stand in Canada on pornographic material.

MR. LINGENFELTER: — Mr. Minister, I think I got you clear on that, but your position as Minister of Health is that there should be a tax on pornographic material, and I wonder if you could outline for me what that would include. Can you give me some examples of, let's say, what magazines that you're referring to? Where are you going to draw the line? Where's your government going to draw that line?

HON. MR. TAYLOR: — I would have to plead ignorance. I don't know one of them from the next. You'd have to ask somebody that bought them and read them.

MR. LINGENFELTER: — Well, Mr. Minister, this is a very humorous issue, but there are many people in the province who are concerned with your government's position. The Saskatchewan Action Committee on the Status of Women has, in no uncertain terms, called for the government to come to its senses on this matter, not to tax it, but remove it. And I wonder what would be wrong with removing the pornographic material rather than taxing it. Is that a viable solution to the problem?

HON. MR. TAYLOR: — Well of course anything's a viable solution. You start and you move ahead and we have started. We've started taxing it. We have a report by our colleagues to the federal government in Canada. And certainly I think that is a very good symbol of the direction that we're going. And as far as which ones, and whatnot, I have never bought one, or consumed one, or know anything about them, and never will. So we might have to ask some of the experts to give me the advice of which ones are good and which ones are bad.

MR. LINGENFELTER: — I wonder if the minister seems to make light of many of these issues that we raise here, whether it's liquor advertising or pornographic material. But I can tell you, Mr. Minister, there is a great concern out there about these issues, and you can laugh, and your colleagues can laugh, but even with in your caucus there are members who I know are personally concerned. The member from Morse, I'm sure, doesn't agree with liquor advertising, and doesn't agree with taxing pornographic material. I don't think he does. And I think he's right in his beliefs.

I only wish that you, as Minister of Health, would listen to some of your back-benchers because there are some of them who have some good ideas. And on liquor advertising and pornographic material you, in the Executive Council, are on the wrong track, and we will be discussing that during the next campaign, and I will wait to see what the public's impression of your actions on taxing pornography and liquor advertising will be.

Mr. Minister, I know that over the weekend, or at least I believe over the weekend, you were at a conference in Kindersley, a mental health conference, or there was one in Kindersley. I'm not sure if you attended or not, or were invited, but there was a resolution passed at that convention which basically identify . . . called on you to set up a ministerial advisory committee. Now I wonder if at this time you have had an opportunity to review that resolution, and whether or not you can outline whether such a committee will be set up.

HON. MR. TAYLOR: — Well, you know, Mr. Deputy Speaker, as I've said all through these estimates, there'd be a lot better thrust and debate if the other side had someone that could do some research. I wasn't at any convention in Kindersley. I was speaking to a graduation that I'd been invited to, and my deputy minister was there. And I want to indicate to you that I've attended it every year since becoming Minister of Health.

The resolution was passed Saturday . . . (inaudible interjection) . . . Sunday. The resolution was passed on Sunday. Today is Monday. The Saskatchewan Mental Health Association were in my office today. We had a meeting on it, and had a look at the resolution and many other concerns — a very amiable and a good meeting. Now I don't know what faster follow-up one can have than dealing with the resolution of Sunday at 10 o'clock Monday morning.

MR. LINGENFELTER: — Mr. Minister, I asked you whether the committee that they asked you for, a ministerial committee, would be set up. I don't know what you become so defensive about. What I'm asking you is whether or not the committee they asked for will be set up.

HON. MR. TAYLOR: — As I told the committee, and the committee are very reasonable people, as are all committees that come in to visit me, they don't expect a minister to say, "In

two minutes we'll set up that, and we'll do that." I said, "I'll take all of your concerns (there were more concerns than just the committee); I will take them under advisement." And I think if you look at our track record since the mental health task force came down, and speak to the people of Saskatchewan mental health, they're quite pleased with what's been taking place.

MR. LINGENFELTER: — Well, Mr. Minister, you may believe that you're working as quickly as you can, but the group that met in Kindersley and contacted the opposition expressing concerns about your action in the area of mental health — and outlined to us very clearly that they had concerns — and specifically they wanted the appointment of a ministerial advisory committee which would — and I list the four points for you:

First, identify the services and activities required to adequately serve the needs of those who have mental health problems. Now I believe if you had been doing your job over the past three years that would not be necessary.

Secondly, identify the long-term needs of these people and to begin work now on a long-term plan to improve services. That's the second point they want your committee to look into.

Thirdly, identify the human and financial resources required to implement that plan.

Fourthly, identify the method and time frame to implement it and evaluate its performance.

Now would you see any problem in setting up a ministerial committee that would look at those four main points that this group, the mental health association, is requesting you to do? Now you have met with them today, and I think that's a good idea to meet with them. But what many people are asking is: after three years of meeting with people and saying how concerned you are, and all the lines whether it's rehab centre construction or cancer clinics or the Saskatchewan Mental Health Association, many people are saying, now it's time for action.

I wonder if you can give the commitment today that that advisory committee will be set up?

HON. MR. TAYLOR: — I give the same commitment that I gave to the group today who were quite satisfied. And by the way I should point out that it doesn't come as any surprise to me that the member opposite would be asking this question because I know of one of the people who was probably in contact with him, a twice defeated NDP candidate, would have brought that type of a message to him.

I choose to meet with the chairman, the past chairman, and the executive director. We discussed many concerns. And the chairman said to me not more than three hours ago in my office, Mr. Minister, we're satisfied with what's been taking place. When we brought forth the task report we expected things to develop and down the trail they will. We understand that. And we don't expect decisions overnight. Now those are the types of things that took place in the meeting I had in my office with the duly elected people. Now what his two-times defeated NDP candidate is telling him could be entirely different.

MR. LINGENFELTER: — Mr. Minister, as I say, I'm not sure why you've become so defensive about issues that you discuss. But all I asked you was whether or not you found any problem with setting up such a committee.

HON. MR. TAYLOR: — Well, I think that my past record shows we've got an advisory committee from the medical profession. We have an advisory committee on ambulances. We have an advisory committee taking place on rural practice. We have a number of advisory committees. And I would be happy to put in place for the member opposite the number of advisory committees that we have instituted since coming into office three years ago.

And it may well be that I will set up one on mental health. But I will make that decision and make

it over time and make it on a sound basis and not after a meeting of a few minutes and say, by gosh, I'm going to do that. Because there are a number of things, and I told them that I'd get back to it and this is one. And that's the way . . . I gave my word to that committee and that's what I will do.

(1515)

MR. LINGENFELTER: — Well, Mr. Minister, I would just encourage you to move to set the committee up. Once again in asking these questions, I have a little difficult time understanding your actions when you get so upset when people ask you questions. You act like the Tasmanian devil. You rant and rave and carry on and I don't see that from other ministers. I don't know where you get that from, or why you carry on like that to perfectly reasonable questions. I would just encourage you to move quickly with setting up this committee.

HON. MR. TAYLOR: — Sure we will set up the committee if we feel it is advisable and beneficial for the people of Saskatchewan. That is the criteria in which the decision will be made. That decision will be made in due time, and it will be reported back to the Saskatchewan Mental Health Association executive.

MR. SHILLINGTON: — Yes, Mr. Minister, my question is, how you believe allowing prostitutes to advertise in the Saskatchewan telephone book is conducive to good health in Saskatchewan.

HON. MR. TAYLOR: — Well, Mr. Deputy Speaker, I have no control over who advertises what in the telephone directory. I guess his question was, was this a health service. I can't see it being a health service at all.

MR. SHILLINGTON: — Well Mr. Minister, surely the government has some control over what is allowed, what advertising is allowed in the Saskatchewan telephone book.

I ask you again, Mr. Minister, do you think it's conducive to good health in Saskatchewan for the government to be permitting Sask Tel to accept ads from prostitution services?

HON. MR. TAYLOR: — I can't see it being in support of good health, certainly, but I think you should take up the question of what goes into the telephone book with the minister in charge of telephones and Crown corporations, as you know that's the place to do it.

MR. SHILLINGTON: — Well Mr. Minister, it's also a matter affecting the health of the public of Saskatchewan and, therefore, a matter that should be of concern to Mr. Minister. I ask you, Mr. Minister, if you will use whatever office and influence you have with your seat mate to ensure that these advertisements are discontinued.

HON. MR. TAYLOR: — Well certainly I'm not going to be dictating to him, but I would discuss this with my member opposite. I would ask, have you raised the question in Crown corporations? I think there's some requirement on your side to, you know, be sincere about these things and not just try and grandstand. I don't know if Telephones have been before the Crown corporations. If they have, I'd be interested to know if you asked that question.

MR. SHILLINGTON: — Well let me say, Mr. Minister, that I don't sit on Crown corporations. I have raised it with the minister by mail. I have it raised with the minister in question period, and the minister thought the subject very humorous. I can tell you, Mr. Minister, that if these activities were conducted in your community, it wouldn't be quite so humorous. I know this is very humorous to people who live in suburbs, but for someone who represents a down-town riding, the problem . . . (inaudible interjection) . . . Yes, of course I live in my riding.

Mr. Minister, for someone who lives in a down-town area, the question of prostitution is a serious problem and a real scourge in the community. And I just wonder, Mr. Minister, how you

people justify encouraging prostitution by allowing them to advertise in a government telephone book. I just wonder what earthly rationale besides the \$100 or so . . . (inaudible interjection) . . . I'll ask the member from Maple Creek, if she'll tell me, what service you think is being marketed by the following ad. The . . .

MR. CHAIRMAN: — Order! The question before the committee is the Saskatchewan Hospital in North Battleford. And I believe that these questions aren't relative to . . . (inaudible interjection) . . . Order!

MR. SHILLINGTON: — I may have been out of order in asking the member for Maple Creek. I'll ask the question of the minister. Mr. Minister, I wonder if you or any of your colleagues can figure out what's being marketed with the following ad? The name is, Joanne's. It's a picture of a woman whose dress drops well below her waist. And the advertisement is: "We arrive with a smile and you leave with it." I wonder, Mr. Minister, what do you think is being advertised . . . what's being marketed with that advertisement, and whether or not you think an advertisement of that sort is conducive to good health in the province of Saskatchewan?

Mr. Minister, you have indicated to my colleagues that you think pornography is a scourge. At least, and I agree, but at least that's in a written form. It's the same thing here in real life — people being bought and sold like a bunch of cattle — and I wonder, Mr. Minister, how you justify an advertisement of that sort appearing in a government directory?

HON. MR. TAYLOR: — Well, as I indicated earlier, it's my seat-mate's jurisdiction in Sask Tel, and I will certainly express the concerns. I have the same concerns. I guess, if we're going to ban this, we have to stop the *Leader-Post*. It's in the *Leader-Post*, advertised in there.

I think it's a bigger issue than just what the member is trying to make. I understand the federal government under the Fraser Commission, I believe it is, are taking some action on it. Certainly, as I pointed out, our colleagues, I think it was, both on pornography and prostitution . . . I think my colleague, the Minister of Social Services, when they come to his estimates, will be able to answer better because he was involved in the drafting of it. But certainly I'd say that this government is on record of taking a stand. And of course any person knows that if you go to the Manitoba phone book, or the one that's in Ottawa, or anywhere else, you're probably going to find the same kind of ads. They're not unique in Saskatchewan whatsoever.

MR. SHILLINGTON: — Well, Mr. Minister, let me say a couple of things, one of which was that I did have the opportunity to check a couple of telephone directories in the city library down town, of other provinces, and they didn't have those advertisements in them.

Mr. Minister, I wonder if you've considered taxing this economic activity as a means of discouraging it. I say, Mr. Minister, if your argument that you're going to tax pornography as a means of discouraging it makes sense, then surely taxing this activity makes sense because you'll discourage it as well.

I ask you, Mr. Minister, if you've considered levying a tax on this activity.

HON. MR. TAYLOR: — Well again you'd have to ask the minister in charge of levying the taxes of Saskatchewan. I'm not the minister that assesses taxes, so it wouldn't be right for me to say that we would put a tax when we would not. It's not my jurisdiction to do so. I do not think these questions are — when you get down to asking questions about taxation, Mr. Chairman — are directed towards Health.

MR. SHILLINGTON: — Mr. Minister, you felt it conducive to promoting good health in the province of Saskatchewan to tax pornographic materials — you've said so when I was sitting here a few moments ago — because you felt that discouraged the activity. Surely the logic suggests you ought to tax this as well, Mr. Minister.

HON. MR. TAYLOR: — It may be a suggestion we take under consideration.

MR. SHILLINGTON: — Mr. Minister, surely you'll admit that the extension of a tax to an activity such as this points out the stupidity of taxing pornographic materials. If it is pornographic, it is illegal, and it ought not to be in the province.

And what the women's movements, the various women's movements have said to you is that if it is pornographic you ought to be directing your activities and your energies to removing it from the province, and not taxing it. And I say, Mr. Minister, that the question to you of taxing prostitution wasn't intended as a serious suggestion. I was simply trying to point out the absurdity and stupidity of the pornographic tax.

Mr. Minister, if it makes sense to tax pornography, it makes sense to tax prostitution — and of course it doesn't. No sane person would suggest that. It doesn't make any sense to tax this because I think we all agree that the activity should be outlawed, as is currently being carried on. I think that's common ground between your party and ours.

And if you shouldn't be taxing prostitution, then it doesn't make any more sense to tax pornographic material. By its definition, Mr. Minister, it shouldn't be in the province. And it's not conducive to good health to have it here.

HON. MR. TAYLOR: — Mr. Chairman, I'm just pleased to see that the member opposite doesn't want to tax pornographic material, that he is sticking up for the spread of it. I said our government has taken a stand, and I guess that's our comment on it.

MR. SHILLINGTON: — Mr. Chairman, I want to change the subject to the question of the General Hospital and the overcrowding in Regina hospitals generally.

Mr. Minister, the headline of the *Leader-Post* on December 21, 1984, says it all: "General Hospital suffering from overcrowding."

Mr. Minister, I can go through the article if you like, line by line. It's unnecessary. All it does is establish, I think, beyond any peradventure, the fact that the hospitals in Regina are suffering from overcrowding. And I'm going to read you one paragraph just in case some people think the problem is confined to Regina. One paragraph partially way through the article says, quoting a Mr. Martin. Martin says, "'The time . . . (I assume it's a Mr. Martin; I can't find it. It's not a Mrs.) But anyway, Martin said:

The time elective surgery patients are waiting at the Pasqua is increasing. It's now up to 20 weeks long, but fortunately it's still nowhere near the situation in Saskatoon where patients are waiting at least twice that long."

Mr. Minister, I had an opportunity to look at the press release which you issued. I note that the future activity in the city of Regina doesn't provide for a whole lot of new hospital beds. You may be renovating old ones, but you're, unless I misunderstood this, you're not providing for a whole lot of new ones.

I wonder, Mr. Minister, why your government would tolerate the kind of problem which is described so well in this *Leader-Post* article.

HON. MR. TAYLOR: — Well first and foremost, you start off asking the question about the General, and then end up quoting Mr. Martin, who, of course, is at the Pasqua. But be that as it may, we have come forth with, I'd say, a very sizeable regeneration package for the Regina General Hospital. And also in Saskatoon we have 300 beds going into the University Hospital. The \$300 million health capital fund will go a long way towards addressing some of these situations. And of course I think one has to take a look at the whole picture in its totality. And the

addition of special care home beds is certainly going to be an addition which will alleviate some of the bed blockage that is presently taking place.

So I would think that the announcement of the \$300 million capital health fund will certainly indicate to the people in Saskatchewan that we are addressing these situations, and that we are going to be starting them this fall.

MR. SHILLINGTON: — Mr. Minister, there can be no question in the minds of anyone who has had anything to do with the Regina hospitals that they are grossly overcrowded. Anyone who has had any personal experience, anyone who has had a personal experience with the Regina hospitals knows that. And I say to you, Mr. Minister, that the capital program which you announced in your press release of April 12, 1985, does nothing to redress that — nothing to redress that, Mr. Minister.

I ask you again how your government can tolerate the kind of waiting lists which exist at the Regina hospitals and the overcrowding. More than one person, Mr. Minister, has raised with me and described a similar scenario. They take acutely ill people to the hospital leave them there, and they beat them home in a taxi because there are no beds there for them. They're just sending them home.

I ask you, Mr. Minister, how you can tolerate . . . how your government can tolerate allowing health care in Saskatchewan to degenerate to that level.

HON. MR. TAYLOR: — Well first and foremost, health care in Saskatchewan is not degenerating. That's a bunch of nonsense. It is improving. It has improved every year over the last three years.

Let me just give you concrete evidence. This is the type of expenditures that we will be putting forth in hospital construction: in 1985-86, 32.8 million; in '86-87, 58 million; in '87-88, 60 million; in '88-89, 65 million; in '89-90, 65 million.

Mr. Chairman, those are concrete expenditures to improve the acute care hospitals of this province.

Item 13 agreed to.

Items 14 to 18 inclusive agreed to.

(1530)

Item 19

MR. LINGENFELTER: — Mr. Minister, I would just like you to tell me whether or not you are considering any major changes to the drug plan in the province at this time. That would include a change to a flat rate of \$100 deductible or something of that nature as opposed to what we have at the present time.

The members on the other side yip and holler, and who knows what they get so sensitive about on every health issue. I think it's probably because of the fact that their Achilles heel here, as in every Tory right-wing province — radical right-wing province — is that health issues are where they know they are going to get beat up. There get to be less and less Tories in the country every day, and they're really worried about bringing Dick Collver in to solve their problems.

But all I asked was whether or not you foresee any drastic changes in the drug plan at the present time.

HON. MR. TAYLOR: — No.

MR. LINGENFELTER: — Here again, I want to get it clear because under the hearing aid plan . . . (inaudible interjection) . . . Well he's said no in other areas too, this minister, and then goes on to do something quite different. So I want to tell him very . . . to ask him whether or not there will be any increase in the fee which is now in place. Because I think there will be, and I want you to give me your assurance that in the next year there will not be an increase or any other changes to the drug plan.

HON. MR. TAYLOR: — Mr. Chairman, I cannot give you the assurance of what will happen in the future. I don't think anyone can foretell the future. He asks: is there a change in the plan at this time? I said no, there is not.

MR. LINGENFELTER: — And, Mr. Minister, that includes increases in the fee for drugs. There will be no increase. You said that as well?

HON. MR. TAYLOR: — No.

MR. LINGENFELTER: — So then we will assume that there will be an increase, and you're trying to play both sides of the fence on this one, and the people of the province will want to know: is there going to be an increase in the fee or not? That's what I'm asking. Is there going to be an increase or not?

HON. MR. TAYLOR: — I said I don't know what kind of a crystal ball he expects a person to have. He asks me if there is a change in the plan at this point in time. I said no, there is not.

MR. LINGENFELTER: — Well, Mr. Minister, when you were doing your budget where you estimated how much money you would have coming in, did you include in that an increase in the fee?

HON. MR. TAYLOR: — No.

MR. LINGENFELTER: — Are there any considerations in the department at the present time under way to increase the fee? I understand that there are, and that there is an increase coming this year, but I want you to let us know . . . let us know . . . (inaudible interjection) . . . Well, I'll tell you. We're getting so many brown envelopes now that the Tories are on their way out, that we can't keep up with them all. But I'll tell you, it's going to get worse rather than better . . . (inaudible) . . . as the wheels fall off the operation. But the information that I got indicated that there was some preliminary studies, at any rate, under way as to what an increase of 10, 15, 25 cents would do the prescription drug fees.

HON. MR. TAYLOR: — The thing that's been taking place in the prescription drug fee is the negotiations with the pharmacists, and I don't think they've totally been ratified yet, so we hope that will be wrapped up in the near future, and that's the only changes that have been taking place.

Item 19 agreed to.

Item 20

MR. LINGENFELTER: — Mr. Minister, I wonder if you could talk about the cut of two staff in that area. Where will they be?

HON. MR. TAYLOR: — My officials tell me it's part of the reorganization, and it's just normal vacancy rates. Do you want to know exactly what positions? One was a geriatrician, and one was a standards consultant. They both superannuated, so their duties have been assigned to

other individuals.

MR. LINGENFELTER: — Mr. Minister, I wonder, can you tell me whether or not those positions are no longer needed within the department? Or why in that area would you be overloading people and removing two positions and adding them to someone who I would think already was doing a full-time job?

HON. MR. TAYLOR: — The functions have been assigned to other people. I can assure you that the service is being continued as it was previously.

Item 20 agreed to.

Item 21

MR. LINGENFELTER: — Mr. Minister, under this item I would just like to have clarified the administrator there is still the same person, the business manager from your last campaign, Mrs. or Ms. Hextall, who you appointed after you fired Julie Campbell. Is that accurate?

HON. MR. TAYLOR: — Mrs. Hextall is the administrator at Lakeside Home.

MR. LINGENFELTER: — Can you also indicate to the Assembly whether or not that individual was your business manager for the Tory organization in your constituency in the last election?

HON. MR. TAYLOR: — That's correct.

MR. LINGENFELTER: — In the last day's discussion we talked a good deal about problems that you're having in where to construct that facility. I would like to know whether, over the weekend, after talking to, as I would think you would have, the people who are concerned about the ripping down and demolishing of the Banbury House, whether or not you have reconsidered, and whether or not you will now look at the two alternatives: one, removing that house and relocating it somewhere else; or the option of incorporating the two structures. Have you looked at that alternative, or are you still headed down that path of ripping it down and destroying that piece of heritage?

And I think it's a fair comment that in 1985, the year proclaimed Heritage Saskatchewan, that the Minister of Health would choose to rip down one of the most, I believe, historically valuable houses in one of the most historic areas in the province.

HON. MR. TAYLOR: — As I said the other night, all avenues have been exhausted and looked at. There is, and I told the member the other night, there is an ad running in the local papers — if somebody wants to purchase the house and move it. If not, the house will be taken down and the new home will be started in the very near future.

MR. LINGENFELTER: — Can the minister now indicate what day he would intend to rip that house down because I know there will be people who will be interested in knowing the date and time? Or will you do it some time in the middle of the night to avoid the confrontation that you seem to gather around you wherever you go? What day do you now plan to rip down the house?

HON. MR. TAYLOR: — Again, I can't indicate what day. I can indicate it certainly won't be done in the dark of night. This is sheer utter nonsense this fellow is coming up with. But anyways — in fact it's almost jocular the way he deals with it. It may well be purchased and moved. That's a possibility. If not, it will be taken down.

MR. LINGENFELTER: — Well, Mr. Minister, you may think it's funny. But I can tell you there are many people in the province who don't. But I would like to know: what day is the closing

deadline for having someone removing the house from the site; what date in the ad that you have in the paper?

HON. MR. TAYLOR: — I'll have to ask the Minister of Supply and Services who is looking after that. But I think it's June 30th is the final day for purchasing it.

MR. LINGENFELTER: — Have you received any construction tenders on the new building? What date have you proposed for starting construction of the nursing home?

HON. MR. TAYLOR: — Well, Mr. Chairman, the member well knows that the building of a government-owned structure is under the Minister of Supply and Services, and it is his department that is looking after the tendering. I don't know the closing date.

MR. LINGENFELTER: — Well I find it interesting that you, as the MLA in the area, I think you'd be the only one who would have a nursing home constructed this year and wouldn't know the date that it was going to begin. That can say one of two things: either you're not telling us an accurate story, or you're not doing much of a job.

Because if they're building a nursing home in your community and you have no idea when it's going to begin, and you're the Minister of Health, I say to you that you're either hiding some information, or you're doing an inadequate job as an MLA, because I think you should know when the nursing home is going to begin. And I would just ask you again: do you have any idea, within a week or two, when that nursing home will be started?

HON. MR. TAYLOR: — I'm hoping it will start as soon as possible. But you'll have to ask my colleague about the closing of the tenders because it's in his department, and I'm not aware of when they're closing. But certainly, from my perspective, I want to get it going as soon as possible.

Item 21 agreed to.

Items 22 to 24 inclusive agreed to.

Item 25

MR. LINGENFELTER: — Mr. Minister, I wonder if you could give me today a list of the grants to the communities and to the community groups that would indicate what kind of moneys they will be looking at getting in this year.

HON. MR. TAYLOR: — I can provide it for you. I can't say that I can do it today, but as soon as I can, I will.

MR. LINGENFELTER: — Mr. Minister, I wonder if you would ask your officials if someone might have thought to bring them along? It's a standard question, and we usually are able to get them. I wonder if you could see whether or not someone has them with them.

HON. MR. TAYLOR: — We will do it quickly as we possibly can.

MR. LINGENFELTER: — Well, Mr. Minister, I would like you to ask your staff because I can see one of them with a file in his hand wanting to give it to you, and you not wanting to take it. And I know why you don't want to take it because you don't want to stand in this Assembly and show us today that many of the groups are not getting any increase.

But you play your game and that's fine. You go ahead. Don't give information to the opposition. You're the minister for today, but let it go.

Item 25 agreed to.

Items 26 to 33 inclusive agreed to.

Item 34

MR. LUSNEY: — One quick question, Mr. Minister. On the grants to the various nursing homes in the province, some nursing homes use up the total allocation that is given to them and some . . . I mean the home care, not the nursing homes. The home care districts — some use it up, some don't use up their allocation. Are you going to be providing with those that have more money or more clients than what they get money for, additional funding or not?

HON. MR. TAYLOR: — Yes. I just announced \$700,000 last Thursday for 28 districts for heavy home care and heavy respite care.

Item 34 agreed to.

Items 35 and 37 agreed to.

Vote 32 agreed to.

(1545)

SASKATCHEWAN HERITAGE FUND BUDGETARY EXPENDITURE

HEALTH

Provincial Development Expenditure — Nil Vote

SPECIAL PROJECTS FUND BUDGETARY EXPENDITURE

HEALTH

Capital Expenditure — Nil Vote

CONSOLIDATED FUND BUDGETARY EXPENDITURE

HEALTH

Health Capital Fund — Vote 62

Item 1

MR. LINGENFELTER: — I wonder if you could, Mr. Minister, tell me what that item would have been last year. What was estimated last year?

HON. MR. TAYLOR: — Five million dollars.

MR. LINGENFELTER: — Can you explain to the committee why, after all the fanfare and the announcements you have made, you would have a 20 per cent reduction in nursing home construction grants in this year's budget over last year, when you're making all these announcements about how much you're increasing the funding? Obviously what's happening here is that as a result of your formula change, you're actually spending less on nursing home construction by 20 per cent, or almost \$1 million less than you were last year.

I wonder what the rationale is to that major cutback when you're also announcing massive tax

increases. The two just don't add up.

HON. MR. TAYLOR: — Certainly the difference here is the new construction formula.

MR. LINGENFELTER: — Wouldn't it make sense, though, at a time when oil companies are having their taxes cut to zero on new production, and ordinary people and low-income people are having massive tax increases, that there would be some money to increase the spending on nursing homes when we have waiting lists in Regina, for example, at 1,500?

Why would you choose this year to cut by 20 per cent the grants for construction of nursing homes in the province of Saskatchewan? Why would you choose this year to hack away \$1 million out of the nursing home construction budget?

HON. MR. TAYLOR: — There's no 20 per cent cut. It's just a change in the funding formula. And of course if he wants me to go back and read through all the projects that are going to start this year — some 60 nursing homes over the next three or four years around Saskatchewan, 60 communities — and I can tell you those communities out there are very happy about this. You're going to see a lot of construction nursing homes in this year.

MR. LINGENFELTER: — Well obviously, Mr. Minister, you are cutting back in the money that the provincial government is putting into nursing home construction. And you're not cutting it just a small amount. You're cutting it by 20 per cent, from \$5 million to \$4 million, what you will be putting into nursing home construction.

And here again, I have a difficult time understanding why you would choose this year — when the crisis in nursing home waiting lists is at an all-time high, you would chose to cut back the amount put into nursing home construction by \$1 million.

HON. MR. TAYLOR: — Well I would just answer that question by saying that this is the biggest year ever in the history of Saskatchewan with new and replacement beds — the biggest year ever in the history of this province.

MR. LINGENFELTER: — The people in Regina will be impressed that with a 1,500-bed waiting list you are going to, later this year, for the first time in four years, open 11 beds. You can pat yourself on the back for that, but this cut of 20 per cent from 5 million to 4 million will not go unnoticed by the committee in Regina who are concerned and have contacted you and have talked to you about nursing home construction, because this kind of a cut-back at the same time as we're having to pay massive tax increases are not rational, nor should they be accepted.

HON. MR. TAYLOR: — Well this whole talk about massive tax increases, again, a bunch of nonsense. I think the people of Saskatchewan are proud to see that this year — I reiterate again — this year there will be more nursing home beds built in Saskatchewan than at any ever time in our history.

MR. LINGENFELTER: — I just think that we will put on the record that the number of nursing home beds constructed this year in the province, for the first time, will have very little to do with you, Mr. Minister, because you have shirked your duty by increasing the amount that the local people will put in by 100 per cent, while at the same time you have cut back by 20 per cent the amount that you have put in.

So let the record show that the nursing homes that will be built this year will have a great deal less to do with you than it will with the local communities because you have cut, by 20 per cent, the amount of money that the provincial government is putting in. the federal government formula has stayed the same. They're paying the same amount. The local community is putting in 100 per cent more. And your department is paying half what they were, in terms of the grants that they're giving out.

I think that's unfortunate you would choose this time — when we have a record waiting list in Regina — you would choose this year to cut back.

HON. MR. TAYLOR: — Mr. Minister, that's not correct, what he's saying, at all — that we're paying half the grants. There's been a change in the formula, which I explained to him, on new construction and on renovation. I can tell you that 400-and-some beds is a lot different than nothing. And that's what their government built previously.

Item 1 agreed to.

Item 2 agreed to.

Item 3

MR. LINGENFELTER: — Mr. Minister, can you tell us what was budgeted in this item in last year's estimates?

HON. MR. TAYLOR: — \$500,000.

MR. LINGENFELTER: — And, Mr. Minister, can you indicate whether or not that \$500,000 was spent?

HON. MR. TAYLOR: — We formerly spent \$200,000, and that was to put the preliminary drawings in place. At the present time we're working on the working drawings, and construction should start within a year's time.

MR. LINGENFELTER: — Here again, Mr. Minister, I outlined the other day that this is the fourth year we have heard the announcement of the construction of the cancer clinic. And as with many of these projects, people are just wondering whether or not they should believe you this year any more than they have one year ago, two years ago, and three years ago. And the 10 million that you announced in the budget for the cancer clinic, we find every year you spend a little bit of money, but nothing gets done, whether it's the rehab centre or the cancer clinic. And every year that goes by, and every time you announce things like the Lloydminster hospital that never gets built, or the cancer clinic, or the rehab centre, that less and less people believe you people, and the only thing they see is massive tax increases. And I think that's what's beginning to bother the folk out there.

HON. MR. TAYLOR: — All I can say is that we entered into a five-year plan to build a cancer clinic, and that five-year plan had three components. Number one, that we had to have staff. There were some excellent people in this province who were going to leave because that was the situation that cancer treatment had deteriorated to under the NDP.

When I came in, I saw that situation, and I said, we want to keep these type of people because some of them are the best in Canada, undoubtedly the best in Canada. So we go in on a five-year plan, and that five-year plan was to give them some money to hire competent people and retain competent people, to get equipment; and I told you about the two linear accelerators we've already bought, and the computer that will help us book patients and keep patients' records on line much better, and a building. And that takes planning, and that takes time, and that's what we intend to do. And as I told you, that was the first five-year plan.

And you can ask anyone on the Cancer Foundation, things are moving along on track. We're going to see a facility built, not a hurry-up deal with a 48-hour notice like the rehab centre was with the NDP — two days before the election, design a rehab centre because we need one for election bait. This is a five-year program for the treatment of cancer, a program I'm very pleased of, a program this government is very proud of. And if we do not spend \$200,000 in one year for

preliminary drawings, then that doesn't upset me because things are moving along over a five-year schedule. And you will see — mark my words — a cancer foundation treatment facility, staffed and equipped, that everyone in Saskatchewan will be very proud of.

MR. LINGENFELTER: — In closing off this part of it, Mr. Minister, I would urge you to hurry along with either the Lloydminster hospital, or the rehab centre, or the cancer clinic, because you've announced them four times. And what I'm afraid of is there's going to be an election very soon, and you're going to be gone — and you're going to be gone, and you will be away, and you won't have a chance to open any of them. You won't have a chance to open anything because, I'll tell you, the people in those communities who have heard you announce them four times — the people who have heard you announce them four times don't believe you anymore.

And they're going to kick you out at the first chance, and you won't have an opportunity to open the cancer clinic, and you won't have a chance to open the rehab centre, because you've had four years. And you won't be able to open the Lloydminster hospital because after four years of promising and announcing five-year plans, four years of those five-year plans are gone, and people haven't seen one thing except growing waiting lists at hospitals and nursing homes.

So I would encourage you to hurry these projects along because you won't have a chance to open them if you don't get it done before the next election.

MR. CHAIRMAN: — Order.

Item 3 agreed to.

Items 4 to 7 inclusive agreed to.

Vote 62 agreed to.

SUPPLEMENTARY ESTIMATES 1986

CONSOLIDATED FUND BUDGETARY EXPENDITURE

HEALTH

Ordinary Expenditure – Vote 32

Items 1 to 9 inclusive agreed to.

Vote 32 agreed to.

(1600)

MR. CHAIRMAN: — I'd like to thank the minister and his officials. Mr. Minister, would you like to thank your officials?

HON. MR. TAYLOR: — Mr. Deputy Chairman, I'd like to thank you and the people who occupied the chair, and certainly a sincere thanks to my officials. Thank you very much.

MR. LINGENFELTER: — Mr. Chairman, I, too, would like to thank the officials for trying to provide the information to the minister, and realizing the tough job they have, I would encourage them to keep up the good work, and say to the minister he should listen a little closer to them from time to time.

CONSOLIDATED FUND BUDGETARY EXPENDITURE

TOURISM AND SMALL BUSINESS

Ordinary Expenditure – Vote 45

Item 1

MR. CHAIRMAN: — Would the minister introduce his officials.

HON. MR. KLEIN: — Mr. Chairman, hon. members, on my immediate right, Dale Folstad, my deputy minister; to his right Harvey Murchison, our director of administration; behind me Karl Crosby, our executive director of tourism; and Ken McNabb, our assistant deputy minister of Tourism and Small Business. First, Mr. Chairman, I would like to begin by reviewing my role and my department.

With regard to tourism, I think it's important to recognize that my department's approach to that industry differs from the approach undertaken by the former department of tourism and renewable resources. Since the touring public does make use of our parks and natural resources, at first glance it may seem practical to deal with each under the same ministry, but they are really two very different things, Mr. Chairman.

Maintaining our parks and natural resources is a very demanding job in its own right. So is the task of attracting and serving the touring public. Unfortunately, under the old department of tourism and renewable resources, this produced some conflicts with the result that the need to service the touring public was eclipsed by the need to service the province's natural attractions.

We consider tourism to be an industry in its own right, and that as an industry it is really a collection of small businesses. In fact, there are some 3,800 tourism related businesses and organizations employing nearly 31,000 people that our marketing operations branch deal with directly. They look to our department to promote and co-ordinate the tourism industry in the province. And they generate nearly a billion dollars annually for the provincial economy.

Similarly, small businesses in Saskatchewan contribute \$7.5 billion annually to our economy, and employs nearly one-quarter of our labour force, or 100,000 people. And no other sector is as quick to adapt to, and profit from, new ideas or changing economic requirements.

For those reasons we have consolidated our approach to tourism with our approach to small business. We have become advocates for both industries, and in the past three years we have worked in co-operation with them to develop our policies and programs. It's an approach that is working out very well.

Our programs and policies are founded on the basis of meetings and discussions with individuals at the grass roots level, with chambers and community groups. And as a result of extensive travels by myself, other ministers, and department officials, we listened to what small-business and tourism people were saying, and we worked with them to determine what, in fact, was needed.

When they told us three years ago, and what we've been responding to since that time, is no different than what business people in other parts of the country are saying even now. As an example of that I'd like to quote from an advertisement that appeared recently in the *Leader-Post*, where John Stoik, president of Gulf Canada says:

... When asked what the government can do for them, most people in small businesses would reply, "Please leave us alone to do our own thing." They are weary of the paper work and red tape that consumes time they would better use making their businesses grow.

He goes on:

If governments truly want to support small business they should provide a stable economic environment and encourage investment in these enterprises. Canadians have about double the rate of savings as Americans, an average of 12 per cent of income. And despite this massive pool of potential capital, investment in new ventures comes mainly from the entrepreneur's personal savings, families, and friends. Incentives for capital formation through breaks on capital gains, tax holidays for funds left in small businesses — these measures could coax out large quantities of the money that is today sleeping in bank accounts across the land.

That ends his quote.

Well that echoes what we heard from the private sector in Saskatchewan. I would like to add that business also told us they wanted realistic help in areas like marketing and management, and that give-away programs were not the answers to their needs.

We've been acting on all of those recommendations for some time now, Mr. Chairman. The provincial government in general has enacted deregulation of about 1,500 restrictions on businesses. And my department's mandate was formulated to implement policies and programs dealing with marketing and management, and with the concerns identified in the passage that I just quoted.

Our mandate is threefold. First, to encourage and support the stability and growth of the private sector in Saskatchewan. Secondly, to attempt to decrease the balance-of-payments deficit attributed to the travel industry. And thirdly, to ensure that a mechanism is available to communicate the needs and interests of tourism and small business to the provincial government, and to ensure that government policies and programs are clearly communicated to the business community.

The programs we brought in over the past two years, and the ones we're introducing now, are derived from our advocacy role and from consultation with the private sector. As I'll demonstrate, these programs have met, and are meeting, the other parts of our mandate, too.

I'd like to briefly touch on the question of business bankruptcies. Since 1982 there have been 903 bankruptcies in the province. While we're not pleased over this, we can take some comfort in the knowledge that our business failure rate continues to be less than the national average. It's also worth noting that the number of corporations registering since 1982, 3,304, has exceeded the number of business failures by 365 per cent. Studies have shown that the principal causes of business failures are mismanagement and lack of financing, and we have developed programs which address both of those issues.

One of the business community's main concerns is the need to upgrade their management skills. To address that need, we introduce the management assistance program to give business people an opportunity to use private-sector consulting firms to upgrade their management skills. They get management advice and information that helps them to see their complete and total operational picture, to go after new markets, and to run their companies more efficiently. This program continues to serve a twofold purpose. While assisting business to upgrade management skills, the department is also developing competent management consulting firms who may not have had the opportunity to explore this new market area. With each community added to the program, new teams of consultants are being developed.

It's been well received. Around the province we've been involved with 20 communities for a total of 665 businesses to date.

This year we're budgeting \$400,000 to carry the program to an additional 15 communities which

could see a further enrolment of up to 300 more businesses. We've also made arrangements with the Northern Saskatchewan Outfitters Association to carry the program to their members. We're especially pleased that we are able to do so because this organization makes a significant contribution to our tourism industry, and their need for a program such as this has been a long-standing concern. At the request of smaller communities, we introduced a Community Economic Development Program to prevent further attrition of their local economies, and to enable them to share in the province's economic growth.

Yes, Mr. Chairman, our government has never said rural Saskatchewan must die. That was said in the old days under a different administration. Under the program, the department will assist these communities to form volunteer economic development committees to attract new businesses, new industries. To date, the 53 communities enrolled in the program have attracted a total of 110 new businesses, with another 107 businesses under negotiation.

To fulfil our mandate of providing a vehicle for an open dialogue between business and government, we have introduced business resource centres in Saskatoon, Prince Albert, Estevan, and North Battleford. We will shortly open additional centres in Swift Current, Yorkton, and in Regina. These centres are easily visible in high traffic areas, and they are basically information storehouses with consultants from our department on hand to help business people locate and interpret the information that they need.

The consultants can also give advice on business proposals. The business resource centres contain operating and marketing information on over 240 lines of business. They carry community profiles, marketing and statistical data, management aids, and information about government and non-government assistance programs.

As a result of this new service the department has been busier than ever. The new centres are recording 100 to 200 per cent increases in business enquiries over the old field offices which they replaced.

To keep the information in these centres up to date, we've been producing new publications which provide much-needed information to the business person and the potential business person. A good example of our booklet *Starting a Business in Saskatchewan* which came out last fall, the first run was gone from our shelves within three months of publication. Since then we've had two additional printings with 11,000 copies requested by small business and related organizations.

Demand for the book is still high, and testimonials received from banks, schools, universities, and the business community are a good indicator of its usefulness.

Since introducing these business resource centres, the department's visibility has improved, and the number of enquiries is increasing. Business people are looking more and more to the department to satisfy their need for business advice and information. With the addition of a few well-trained personnel, the department has responded quickly and effectively to the demands of a growing private sector.

I'd also like to mention that the department's Import Replacement Policy is showing good results. We're working to encourage Saskatchewan manufacturers to produce goods and services that we currently import, to create public awareness of the advantages of purchasing a local product. A central element of this policy is our supplier development program. This area has a two-fold objective: first, to pursue clearly identified import replacement opportunities which aren't likely to be realized without some catalytic action; and secondly, to assist Saskatchewan suppliers to compete for opportunities created as a result of the public sector and major projects procurement policy.

Since developing a data base to identify realistic opportunities as time consuming, our

achievements in this area are fairly recent. Also developing market opportunities is not enough in itself. Someone has to work closely with Saskatchewan suppliers to ensure that they understand these opportunities and they planned carefully to capture them, and this is the role that our branch fulfils. Twelve projects were completed between March 1 and April 30 of 1985, involving contracts between public sector purchasers and Saskatchewan manufacturers, as well as helping private firms develop new products and develop new markets.

(1615)

The Saskatchewan-made program goes hand in glove with this policy by encouraging producers to identify their products with the "Saskatchewan Made" logo, and by encouraging consumers to look for the logo and to buy those products. To date, 475 applications to identify about 1,500 Saskatchewan-made projects have been submitted to our department. Our department has taken a new approach to the northern Saskatchewan economic development fund by tightening loan approval and collection policies. We have given it a new lease on life and a renewed thrust.

I'm pleased to report, Mr. Chairman, during the past fiscal year a record 86 loans totalling approximately \$2.5 million were approved. The net dollar value approved represents the highest level of lending activities since the program's inception in 1974. These loans have resulted in 460 person-years of employment being created or maintained by that activity. Of these loans 25 were approved for various commercial activities, and 61 were for fishing and trapping operations. I'm also pleased to report that of the 66 approved loans where loan repayment was scheduled to commence during the last fiscal year, 60 accounts, or 91 per cent, are current, and the other few aren't far behind.

As I have indicated, the department has adopted a more professional approach to administering this fund, and I'm pleased to report that northern business operators appreciate the business-like approach our government is bringing to the program. Since we assumed operation of the program, more of the loan transactions required by northern business operations are being financed by regular lending institutions, leaving the department with its revolving fund to provide special loans where needed. We can look for a continuation of this very effective program of loans for northern business development in the 1985-86 fiscal year.

Last year, Mr. Chairman, we introduced the venture capital program to develop a supply of investment capital for equity investments in small businesses requiring capital for growth and expansion. Development of this program is due to three factors: Saskatchewan residents have a high level of savings; there are an abundance of investment opportunities in Saskatchewan; and finally, there is an insufficient supply of formal investment capital in this province.

The province of Saskatchewan has lacked the presence of a professional investment community for small business. There has also been a lack of professional approach by small businesses requiring financing that has often resulted in business failures where, in fact, opportunities existed for further growth and development. The venture capital program has enabled my department, potential investors, and small businesses to deal with these problems, and the tax credit element of the program was introduced as an investment incentive.

This is a new concept which has since been copied by British Columbia, following their observation of our program. To date six VCCs have registered, with a total capitalization of \$1.2 million; seven more have incorporated but not yet registered, with proposed capitalization of almost \$15 million; and 28 others are in various stages of development, with a proposed total capitalization of over \$18 million.

Overall response to this program is excellent. Because there is no active investment community in the province the task of laying the groundwork falls to the department, and it takes a great deal of time and energy to lay the foundation. Over 100 companies have contacted us regarding their need for investment capital, and, since the private sector isn't equipped to cope with this

demand, the department is the leading edge. I'd like to point out that the department does not act an investment brokerage, but we will put businesses who require capital investment in touch with investor companies.

One million dollars has been provided this year for payments for pension plan contributions to venture capital projects. A tax credit component of \$4 million is also anticipated.

A new measure that is contained in the budget, and which will contribute significantly to job security as well as new jobs, is the Small Business Interest Reduction Program. Interest costs on loans can be read a real threat to a business's security. Not only can rates be a problem because of their level, but because of uncertainty over what that level will be one, two, or three years down the road.

Our Small Business Interest Reduction Program will provide relief from that worry. For the next three years this program will write down interest rates on loans to small businesses to as low as nine and five-eighths per cent. The program applies to both operating and term loans in existence as of May 1 of this year, and to operating and term loans taken out after that date for establishing a new business or expanding an existing one.

The maximum amount covered under a loan under the program will be \$50,000. I should mention that with new loans, Mr. Chairman, there will be an annual coverage ceiling of \$50 million on the total amount of new loans. Applications with new loans will be processed on a first-come, first-served, basis.

Most small businesses with Saskatchewan head offices will qualify for this program. Under this program there are only two conditions that a business must meet. First, the loan funds covered must be used for businesses or for business purpose in the province. And that's understandable. We want to gain the economic benefits. We want to create and maintain jobs within our province. And secondly, the aggregate amount of a small business's loan with financial institutions cannot exceed a quarter of a million dollars excluding loans involving real property.

Similarly, loans involving land and buildings are also excluded from interest reduction. We calculate the amount of interest reduction to a business under the program as the difference between a base rate of nine and five-eighths per cent and the interest rate charged by the business's lending institution subject to an upper ceiling of prime plus 1 per cent. And we define prime as the lending rate charged by the Royal Bank, main branch Regina, to its most preferred customers.

That saving could be used to improve a firm's bottom line, to help them make needed business improvements, or to help create and maintain jobs.

The program will be in effect from May 1, 1985 to March 31, 1988. Benefits will be paid quarterly from the date an application is approved to the program's termination date.

We feel this program will provide small business with stability over the next three years from the threat of rising interest rats. And it's further evidence of our government's belief in small business and another example of our commitment to help small business build for the future and thereby create more economic activity in the province.

Mr. Chairman, following the success of our small business employment program which created 2,800 permanent jobs, we introduced the winter works employment program last January, again as a result of consultation with the business community and in response to their recommendations. That program provides a salary incentive to small businesses, creating new positions for at least three consecutive months. And I'm pleased to report that response to this program has been overwhelming — 2,825 jobs were created. Most of these were in the areas of retail/wholesale, manufacturing, and service industries, with the remainder of the areas in the

areas of farming, forestry, mining, road building and construction, transportation, and non-profit organizations.

They were also fairly well-distributed around the province. Reports from our regional office indicate that Regina and Saskatoon accounted for the greater share of these jobs. But between 1 and 200 jobs were created in each of the regions of Swift Current, Moose Jaw, Estevan, Tisdale, and Prince Albert. And the Yorkton area created over 250 jobs.

In this budget we are meeting our end of the agreement by providing a \$4 million incentive payment.

Turning to tourism for a moment, Mr. Chairman, prior to the 1982, the provincial government's efforts in the area of tourism and promotion and development were mainly directed towards the support of the provincial parks and provincial recreation areas. We are now putting more responsibility for the development of this industry in the hands of the private sector where it rightfully belongs, and we are encouraging and supporting a greater participation in tourism at the community level. This is the success model everywhere else and in the past two years as a result of our encouragement, we have seen a favourable attitude develop in the private sector. The climate has now been created where this industry can really take off and expand.

The new era for tourism in Saskatchewan calls for the government to be receptive to the needs of a well co-ordinated private sector. Developing that co-ordination is one of the priorities of the task force on tourism that I appointed three months ago — to encourage a partnership between government and the private sector. The task force includes community as well as tourism industry sector representatives. Because we don't have such a provincial tourism organization, I have asked the task force to investigate the role that a provincial tourism industry organization could fill.

We have become very aggressive at the job of attracting tourists to this province and encouraging our own residents to travel and holiday at home. Last year we went after the U.S. and Canadian markets in a big way, and our inquiries through our department head office went up by 43.8 per cent over 1983.

This year looks even better so far. Total inquiries from all sources from the period of January through April are up over 38 per cent over the same period last year. Coupon responses to the department advertising are up 500 per cent, and telephone calls are up 70 per cent. Of special note is the fact that for the first time the greatest percentage of inquiries were from outside our province. While it's still too early to say whether this is a continuing trend, since January when our major advertising started, the Saskatchewan percentage of calls has been overtaken by calls from outside of our province. This translates into increasing non-resident awareness of the telephone advisory service and tells us that our advertising efforts are well directed.

Our travel publication series has been updated and upgraded to follow up on those inquiries, and they have been distributed earlier than ever before, as well. This budget will of course continue the high level of support for tourism and promotion and development — \$4.9 million is allocated for this purpose. This includes co-operative support to organizations and groups within the province to develop better community and private sector promotional activity as well as direct in-province and out-of-province marketing.

The first federal-provincial tourism sub-agreement for Saskatchewan was signed last fall, and this will inject \$30 million into the development of our tourism industry over the next five years. Four major components to that agreement.

Number one, product development — providing investment incentives for the industry, with a proposed expenditure of \$17.4 million over five years.

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

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

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

Due to the province's need for tourist destination facilities, and as a result of our findings that a private-sector-driven tourism industry is our most promising option, over the five-year term we are allocating \$17.4 million for capital development incentive assistance of tourism destination facilities. This is a new program. And it's the first time we've had something like this in Saskatchewan.

To address the province's need for more and better tourist information centres, we are constructing these centres at Fleming, Maple Creek, and Langenburg. These information centres are located at key entry points to the province, and they operate in attractive reception centres for visitors to Saskatchewan by promoting . . . or by providing information on the province's attractions, events, and our province's accommodation facilities — all of this in a welcoming and restful atmosphere designed to give a positive impression of our province.

We are also at work planning events and activities to encourage the expected half-million eastern visitors travelling to Expo '86 to spend some time in Saskatchewan as well.

Much of the perceived reduction in our budget is due to the elimination of the small-business employment fund that last year comprised \$12.6 million of our total budget. However, I must emphasize that the elimination of this program in no way compromises our commitment to job creation. In fact, if we total the \$1 million in this year's budget included as our initial commitment to the provincial-federal tourism sub-agreement, plus the \$9 million for the Small Business Interest Reduction Program, and the \$4 million for the winter works employment program, we arrive at a figure of \$14 million. And since all of these programs have a strong job-creation component, their combined total effectively adds up to an increase for that important activity of job creation.

(1630)

With regard to our department's personnel reductions, our administration consolidation project, where our department's administration branch has been transferred to the Department of Supply and Services, accounts for all of these positions. We have moved the administrative personnel from Tourism and Small business, Economic Development and Trade to the Department of Supply and Services. This was done to improve productivity and operating efficiency, and was implemented as of April 1, 1985.

It gives me great pleasure that this consolidation was accomplished without the loss of a single staff member. No one has lost their job over this move, and no one will.

As I travel about this province, Mr. Chairman, from one corner of the province to the other, meeting with business groups, industrialists, tourism organizations, I am constantly amazed by the spirit of initiative of the people of our province, young and old alike. There is a determination among all of our people to work together, to build an even greater tomorrow for our province. There is the realization that we have something great going for us in this province, in the vast resources at our disposal, and in the people themselves.

Sure we have some problems. Last year's drought hit us pretty hard. Distance from the markets of the world and high transportation costs will always be with us. But these problems just seem

to make the challenges we face that much greater, and make us even more determined to work harder with renewed vigour to make our dreams for Saskatchewan come true.

Mr. Chairman, I'm at times completely overwhelmed by the initiative and commitment of the people of this province, contrary to the members opposite, to build that greater tomorrow for all of us. I feel very humble at the privilege I have in serving the people of my province in my capacity of Minister of Tourism and Small Business, and for the opportunity that I have to play a part in building this greater tomorrow for all of us.

The response to all of our programs, both on the business and the tourism side, has been truly amazing, both from business and industry and from community leaders. Programs such as the Management Assistance Program, the Community Economic Development Program — from their response to these programs business people and community leaders have shown strongly that they want them and that they are determined to make them a success.

But general business development is only part of what my department does. Much of our efforts are directed towards developing our tourism industry. Here the immense pride that the people of Saskatchewan have for our province really shines forth. People are genuinely proud of our province, and of their own communities, and of their own attractions, and they want to show off their communities to the people of our province and from other parts of Canada and from the rest of the world.

Last fall my department, along with the Department of Culture and Recreation, headed by my colleague Rick Folk, staged the first tourism, cultural and travel conference ever held in the province of Saskatchewan. The turn-out was large; the turn-out was enthusiastic. Delegates worked hard to find ways and means to bring tourism and cultural activities together for the mutual benefit of all of us. The same enthusiastic response has been received by all of our tourism programs, whether on the provincial, regional, or at the local level.

Mr. Chairman, this is Heritage year in Saskatchewan, and events are already under way. I have no doubt, Mr. Chairman, that the people of Saskatchewan will rally round and support these events to make it a great year for all of us. Heritage year actually includes three celebrations.

Firstly, it's the 80th anniversary of the founding of Saskatchewan as a province; secondly, we're commemorating the 100th anniversary of the 1885 North-west Rebellion; and thirdly, our Premier has declared 1985 to be Saskatchewan Youth Year.

So we all have a busy spring, summer, and fall ahead of us as we celebrate Heritage year '85. And I know, Mr. Chairman, we can count on the enthusiastic support of the people of the province for Heritage year events, just as they have responded so strongly to the various programs of my department.

And with those few words, Mr. Chairman, I assume that the opposition may have a question or two of explanation, as I try again this year to advise them of our programs, explain to them how small business works, what tourism is really all about, and hopefully they will get on with the meaningful task of asking those questions. Thank you.

MR. THOMPSON: — Thank you very much, Mr. Chairman. I most certainly will be having a number of questions to direct to the Minister of Tourism and Small Business. I have a few opening remarks, and then we will get down to the questions, and I can assure you, Mr. Minister, there will be many questions presented to you by the opposition.

I just want to indicate to the minister that he has stood up in this House and just said that there is something great going on in this province. Well I can assure you there is something great going on in this province, and the citizens of this province realize what it is, and it's the fact that we are faced now with the highest unemployment rate that we have ever had in this province. And I

will elaborate on that a little later.

You talk about the bankruptcies, and you indicate that the 900 bankruptcies since you have taken power, and that you seem to be very proud of the fact that it's less than the national average. Well I can assure you what we in the opposition will be turning to, and the questions that we will be asking you, will be questions regarding where we stand in this province, not on the national average.

Mr. Chairman, I want to begin our review of estimates in the Department of Tourism and Small Business by saying that my remarks and questions will initially focus not so much on the specific and detailed activities of this department, but on the results and the expected results of the expenditure of public tax dollars by this department.

As we all know, performance is measured by results, not merely activity. This government has had now three full years to strut its stuff — three full years to show us all how much more we can be.

As we in this House are all aware, Mr. Minister, one of the major themes of your party, that your party used in seeking election, was that your party knew business, and by extension would run the provincial economy better than those radical and crazy socialists, as your leader indicated in the Thunder Creek by-election. Mr. Devine stood up and referred to the New Democratic Party, and to Allan Blakeney, to Roy Romanow, as crazy socialists.

Well, Mr. Minister, your colleague, the Minister of Finance, has spent weeks congratulating himself for his own intelligence. He was going to present the most intelligent budget in all of Canada this year. We were all going to be dazzled and amazed by the intelligence flowing from his strategy, small "I" liberal guru of the future.

In retrospect I must say that I am indeed amazed on several counts. I am amazed that anyone who was responsible for the \$27.5 million screw-up with Pioneer Trust would turn around only weeks later and boast about his so-called intelligence quotient. This is the guy, a lawyer by training, the Minister of Finance, who claims he signed a \$27.5 million loan guarantee without knowing what he was doing.

I am amazed that anyone could possibly introduce an income tax system, a flat tax, and call that tax reform. This so-called tax reform is so intelligent that we are now the only province in Canada with not one, but two income taxes. Just brilliant.

Number three, I am amazed that anyone would remove all the property tax rebates without replacing them with comprehensive system of tax credits as recommended by your own commission on local government financing.

And let's just take a look at what the removal of the property tax rebate means to Saskatchewan people. Well I can tell you, Mr. Minister, what it means. It means \$100 million less out of the pockets of the taxpayers of this province — \$100 million less under the removal of the property tax rebates, that the citizens of Saskatchewan had expected, and over the years had always knew that that was forthcoming and expected it in the months of July and August. This year \$100 million has been taken out of their pockets by the stroke of a pen.

Mr. Minister, this budget is not only amazing, it is breathtaking. It is the biggest tax grab in the history of this province. Truly breathtaking. And this all coming from a political party that campaigned on a platform of lower taxes. And we all remember in 1982, the taxes . . . and the minister was one of them that went around this province indicating that they would lower taxes, they would be removing the sales tax. And now we take a look three years down the road, and are they removing the sales tax? No. But they are increasing taxes.

This government is the crowd that went around this province telling people that the key to future prosperity was to cut taxes. Get government off the backs of the ordinary person. Get the hand of government out of the taxpayer's pocket.

Mr. Minister, you are one of them that went around this province indicating that if you were elected that we would get the government out of the taxpayer's pocket, and then you turn around and implement \$100 million . . . you take \$100 million out of their pockets for just one program, the elimination of one program.

Mr. Minister, this budget is nothing but a joke and I indicate to you a very bad joke. It's a joke because it is a complete contradiction of everything you and your party represented yourselves to be in 1982. It is a joke because the major innovation presented is the five-year plan — not new, not innovative, but borrowed. The five-year program was borrowed directly from Russia and China. Is that where all your new ideas are coming from, Mr. Minister? No wonder all your back-benchers are jumping the ship.

That's quite a combination you people have put together in this budget — the Ronald Reagan flat tax and a Joseph Stalin five-year plan — intelligence just oozing from every page of your budget.

Mr. Minister, the bottom line of this budget is the massive tax increase at a time when people are struggling to survive. You complain about the erosion of the income tax base. You say it is because people are dodging taxes. When are you going to wake up? People are not making ends meet. They don't have any income to pay tax on. Look at the growing unemployment and welfare lists. Are these your tax dodgers, Mr. Minister — 60,000 people unemployed in the province of Saskatchewan, 55,000 citizens in the province of Saskatchewan who are on welfare? And you call these people tax dodgers.

When people don't have money they are not spending money on Main Street, Saskatchewan. Think about it. There is nothing better for business than customers, and this budget grabs money out of the hands of the consumer and places it in the hands of the tax collector. That's where the money is going.

In three short years you have managed to increase government spending by 37 per cent while cutting services across the board. Without a doubt people are being asked to pay for the mismanagement of the Devine government, and it will be Main Street, Saskatchewan that is ultimately hit the hardest.

As I indicated before, Mr. Minister, you talk about all the programs and initiatives that you have for small business, and I indicated to you and I make this quite clear today for the record, that you can use all the incentives you want for small business, but the only way that you are going to get small business moving again is to get the people working in Saskatchewan. And if you can get people working, that will solve the problems of small business.

Before we get into the detailed estimates of your department, I want to just take a moment to reflect back on the outstanding record of economic development that occurred in this province under — as your leader, Mr. Devine, indicated — the radical and crazy leadership of Allan Blakeney and the New Democrats.

Let me just take a moment to point out a few references as background for some of my later remarks. There are literally hundreds of sources that could be used, but you'd probably call them biased or socialist or enemies of free enterprise, or other such nonsense. So let me refer to a government publication, one produced by your government, *The Saskatchewan Promise*. It's a nice Tory-blue cover, with a nice picture of the Premier and the Deputy Premier, first printed in 1983 and reprinted twice since then.

I want to, Mr. Minister, to direct your attention to page four and five of this booklet, and just so all members of the House and the news media can follow along, I just happen to have this copy here. If you take a look at the years of steady growth — and this is your publication, you're the one who published this blue book, *The Saskatchewan Promise* — and years of steady growth, and we took a look at 1977 to '82. And that's what you use. You use steady growth and you used 1977 to 1982.

Now I don't know — this was printed in 1983 and reprinted in '84 twice — why you didn't use the figures of your own when the Conservative government was in power, but yet you took years of steady growth and you used when the New Democratic Party was in power, and we see that there was tremendous growth between 1977 and '82. And then you go to the next page and you go on: 10 years of growth leader in Canada, and Saskatchewan was a growth leader in Canada for 10 years.

And, Mr. Minister, in your own book, what years did you use? You used the same year, 1972 to 1982. You used the New Democratic Party figures, when this province was governed by an NDP government. I don't see your figures on here.

So this is the type of material that you're putting out. It's a type of information — and I admit that it's good information — and one that the New Democratic Party is proud of.

And I explained that to you, Mr. Minister, the total investment up to 10 per cent, compounded annual growth; retail sales up 9.5 per cent, compounded annual growth; mineral shipments up 12.6 per cent, compound annual growth; manufacturing shipments up 12.3, compound annual growth. No flash in the pan, compound annual growth for a five-year period. And once again you're using the growth and that's what happened under the New Democratic government.

Mr. Minister, you also spoke of the northern economic development fund. I look in your estimates and, for the life of me, I can't find out where you indicate you have spent \$2.5 million, I believe, by your own words. I look in here and I see the northern economic development fund is a little over \$1 million. That was last year, and I see it is the same this year. So I just don't know what figures you're using when you talk about this great thrust in northern Saskatchewan and all the businesses that are spreading up and the amount of moneys that you expended, because I just don't see it in your book here.

Mr. Minister, let me make one brief observation. You and your colleagues merrily trip around this province telling everyone who will listen — and the crowds are getting smaller and smaller — you tell people that economic development under the New Democrats was bad, but your own booklet says otherwise. You say, yes, well, it could have been better. This is the minister — a statement that is impossible to disagree with but equally impossible to support. Yes, you indicate that it could be better.

The shoe is now on the other foot, Mr. Minister. You have now had three years to show the people of this province how much more we can be. Let's look at your economic development policies, a policy that will allow everyone to prosper, or as the Premier put it so cutely in New York, "Everybody's going to make money; it just makes common sense."

Let's look at your own common-sense money-making policies. I have at hand here a folder distributed by your department called, "Developing Saskatchewan." One of the hand-outs included in the kit is entitled, "Developing Saskatchewan Business." The first two lines read as follows, and I'm quoting out of your own documents.

The Government of Saskatchewan in comparing its economic strategy has stated that the private sector will be the focal point in maintaining and developing the economy of the province. The initial phase undertaken by government in this approach has been to create a positive business climate within the province and to

encourage private sector confidence and stability.

This is the foundation of your policy. That is the program on which you were elected. Yet a recent article in the *Leader-Post* report on April 6, 1984, reports:

There has been quite a drop in industry confidence in this province according to an array of statistical indicators.

And the article goes on to say, and I have this article here also, Mr. Minister:

But perhaps more worrisome for the government is a survey of business conditions by the Canadian Federation of Independent Business, CFIB, because it reveals a substantial unease among the government's supposed constituency Saskatchewan small businesses. The survey consisted of 731 responses of the 4,000 members. Possible questions include . . .

Will the Minister of Tourism and Small Business comment on the current state of . . . Excuse me, Mr. Speaker. I now want to turn to some questions and we have a number of them here. But will the Minister of Tourism and Small Business comment on the current state of confidence that small-business people have in the economic leadership of the Devine government?

HON. MR. KLEIN: — Mr. Chairman, you'd think that after a year the members opposite would pay a little bit of attention and learn something about business as is our province.

I'll refer to their usual source of information and their total reference library, the Regina *Leader-Post*. And they couldn't have asked those questions at a more appropriate time because their own reference material states:

Economic forecasters say Saskatchewan's rate of growth this year will far exceed the rest of the country. (It goes on further) Although still a farm-based economy, Saskatchewan is getting a new infusion of economic blood pumped from its booming oil patch. (It goes on to say) Saskatchewan's economy will grow by almost 4 per cent while other provinces languish at zero to 2 per cent. (It added that) The province's unemployment rate, the lowest in Canada for almost three years, may drop by up to one percentage point.

Now, Mr. Chairman, I didn't say that. This is said by observers from all around the country. You know, in his dissertation to this Assembly, Mr. Chairman, he talked about everything, everything again, except the Department of Tourism and Small Business. They didn't understand a year ago. They still don't understand.

He did ask one question that I will respond to, the only one. He asked a couple of Economic Development, but I think that my colleague, the Deputy Premier, would like to respond to a couple of questions when his turn comes up, so I'll let him do that.

But you know, Mr. Chairman, I would like to say something, that in my travels that he continually refers to — and by golly, I'm glad he acknowledges, glad the member acknowledges the fact that I do my job and do travel the province, and I visit the people from the North. So I couldn't be more pleased with your observations.

The people of the North are optimistic about tourism. I don't know where the hon. member has been. The people that I just talked to last week at La Ronge, the citizens of our province, they are enthusiastic. The people of Beauval, they want to get tourism going. They are not too happy with your outlook as a member of this Legislative Assembly by continually preaching doom and gloom for their areas of this province when they, themselves, are optimistic and enthusiastic.

You spoke for a moment about taxes. Let me tell you, Mr. Chairman, about some of the taxes that our government has addressed in our three years. They don't like hearing this: gone again the gas tax. And I keep saying this because it wasn't just gone in 1982. It was gone in '83, '84, and '85 — over \$100 million each year directly into the jeans of our small-business community. They use gasoline in their travels.

Industrial tax targets — and I'll just speak only about industrial or business-related things, rather than get off the topic, because I would like to get done with the job of our estimates, Mr. Chairman.

The livestock tax credit Act, our Venture Capital Tax Credit Act, the oil royalty holiday that doesn't go to the pockets of big oil, the way you would rather have us believe. Come with me one time as we travel the oil patches of this province. Talk to the small-business people and find out if they're getting it or not, instead of sitting there humping your nose all the time. Come with me and find out what's happening and who gets the dollars.

Mr. Chairman, unemployment — Saskatchewan consistently the best in the country. We all know that. The people of our province knows that. Why don't you get off it? They know that we've got the best unemployment statistics in the country and have had it for three years.

Job creation record, I read into *Hansard* a couple of weeks ago the true story on job creation: Western Canada — Regina, number one; Saskatoon, number two in creating jobs. Not an article written by us, but rather an article again written in your reference library, the Regina *Leader-Post*. The third and fourth cities in the country by a long shot — job creation.

You asked one question relating to my department. Mr. Chairman, I'd be delighted to respond to it because even then he misinterprets our estimates. The northern economic development loan fund — you said another million dollars. Read the estimates. It's 2.5 million — two and half times as big. So you read it and you'll see where it sits in there.

Mr. Chairman, let's get them to ask questions about Tourism and Small Business. If they have any, let's get on with the job at hand. I can say Tourism and Small Business slower; I can say Tourism and Small business louder. But I can't say Tourism and Small Business much clearer. So let's get on with the task of asking questions of my department.

MR. THOMPSON: — Thank you, Mr. Chairman. I want to turn to your Small Business Interest Reductions Program that you stood up in the House and so boldly espoused and indicated it was such a good program. And I, in going through your estimates, Mr. Minister, Tourism and Small Business, and for the life of me I can't find that program. You talk about \$9 million that you have in the Small Business Interest Reduction Program, and I go through your estimates and there is absolutely no place in your estimates that I can find them. Could you indicate where they are?

HON. MR. KLEIN: — Mr. Chairman, it's on page 37 of the estimates, in the Employment Development Agency. That's where . . . (inaudible interjection) . . .

MR. CHAIRMAN: — Order. order! The member asked the minister a question. Allow the minister to answer.

MR. THOMPSON: — Mr. Minister, you have stood up in this House this afternoon and you talked about the programs that you have under Tourism and Small Business. That is the department that we're discussing right now. You talked about \$9 million for a Small Business Interest Reduction Program in your department. It's not in this department. But you can turn to page 37 under Employment Development Agency . . . Now why would you have that in another minister's department? Why would you stand up in this House and talk about a program that you're administering when it's not there, but it's another minister's department . . . (inaudible interjection) . . . Most certainly it is true.

You just have to take a look at page 37, and you have to take page 95, and you'll see that what the minister was talking about this afternoon was coming fairly close to misleading the House. I would suggest it's coming fairly close to misleading this legislature because that program that you bragged about in your department you do not even administer.

HON. MR. KLEIN: — Mr. Chairman, firstly, all of the operating costs of not only that program but a couple of other programs that are listed on page 37, under Tourism and Small Business . . . I will say it slower; I will say it louder — Tourism and Small Business. I think that's clear enough. It is listed under the employment development fund, as are several other departments of our government, and we will deliver the program out of that fund with the exception that the administration costs for those programs are in our ordinary budget. I mean, it's simple. And if that's the best question that you can ask — is what page is it on the estimates — at least we're getting somewhere because it sounds to me like you're interested in asking some questions about the programs we're going to deliver.

The Assembly recessed until 7 p.m.