

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
May 7, 1985

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

HON. MR. SWAN: — It is my privilege today to introduce to the Assembly 22 grade 8 students visiting from Rosetown, Saskatchewan. They're seated in the Speaker's gallery and are accompanied by their teachers, Randy Fox and Cheryl Harder. I would like to welcome these students to the Assembly today. I hope that you'll find your time here informative and that you'll enjoy the proceedings of the House. I'll be meeting with you after question period for drinks and for pictures.

Would the members welcome you to the Assembly.

HON. MEMBERS: — Hear, hear!

MR. MYERS: — Thank you, Mr. Speaker. It's my pleasure to introduce to you, and through you to the members of the Assembly, 26 students of a grade 7 class from John Lake Elementary School. They are accompanied by their teachers, Barry Hill and Joan Fowler.

I've had the opportunity to have a picture taken with the students, and I will be meeting with them at 3 o'clock in the members' dining room.

I would join in welcoming . . . I would hope all the members join me in welcoming them to the legislature and wishing them a safe trip home.

HON. MEMBERS: — Hear, hear!

HON. MR. KLEIN: — Thank you, Mr. Speaker. It's my pleasure to introduce to you, and through you to this Assembly, 30 young people from Regina North constituency. They're sitting in the west gallery. They're grade 8 students from Dr. L. M. Hanna School in the Argyle Park area of our city, just around the corner from my home. I probably see most of them very morning.

They are accompanied here today by their teacher, Mr. Neuls, as well as Mr. Davidson, and Pakosh. And with them, too, is their principal, Mr. Garry Bryden, who is no stranger to those of us who follow the curling scene in Saskatchewan, and Mr. Bryden has had the opportunity of demonstrating his skills, and successfully I might add, to my colleague, the Hon. Rick Folk, on more than several occasions.

These students are currently studying provincial politics, Mr. Speaker, and I am sure that we won't disappoint them in the House today with our procedures, and that they find their visit educational and interesting.

I look forward to meeting with them after question period to answer any questions that they may have, and I ask all members to welcome them to this Assembly.

HON. MEMBERS: — Hear, hear!

ORAL QUESTIONS

Investigation of Possible Conflict of Interest

MR. KOSKIE: — Mr. Speaker, I'd like to address a question to, in the absence of the Premier, to the Deputy Premier, and that deals, Mr. Deputy Premier, with the suspension of the Legislative Secretary, the member of Prince Albert, over the alleged member's involvement in the \$3 million Rainbow Bay resort at Redberry Lake in north-west Saskatchewan.

As the Deputy Premier will know, the Premier apparently ordered an internal investigation by the Minister of Parks, and what I would like to ask the Deputy Premier: can he provide the Assembly with a status of the report investigation? Has it been completed, and will you be able to file it today with the legislature?

HON. MR. BERNTSON: — As I recall, the Premier did indicate to the legislature that he would be having the minister conduct an investigation, and as I recall, he did say that he would make that investigation known to this Chamber. Since he's not here, and since I don't know a great deal about it, perhaps we should wait until he gets back. I will take notice of the question. Thank you.

MR. KOSKIE: — I want to ask a further question to the Deputy Premier. Mr. Deputy Premier, in light of the seriousness of the involvement of the member from Prince Albert, and in view of the fact that part of the investigation, indeed, should be the actions of the ministers responsible in their respective departments, the public is indicating that such superficial review is meaningless.

I ask you, Mr. Deputy Premier, in view of the fact that your Attorney General, the Minister of Justice, found fit to appoint a judicial inquiry into the employees of the city of Regina in respect to land transactions, will you now do the legitimate thing, forget about this whitewash and set up a judicial inquiry?

HON. MR. BERNTSON: — Mr. Speaker, there are a couple of differences that I see, and I don't claim to be the brightest in this Chamber, but a notch or two ahead of the member opposite. I want you to know that.

But it seems to me that the investigation that has been ordered as it relates to the land dealings in the city of Regina was asked for by the city council, the local government . . . (inaudible interjection) . . . Well, yes, that may be true, and that's a very good question. I'm wondering . . .

MR. SPEAKER: — Order, please. The member was given the opportunity to ask the question; he would give the minister now an opportunity to answer.

HON. MR. BERNTSON: — And additionally, Mr. Speaker, I do have confidence in the minister responsible for Parks and Renewable Resources in conducting his investigation. And if we carry the argument of the hon. member opposite to its logical conclusion, I suppose that every farmer that sits around the cabinet table would in some way be found to be in conflict while we're talking about programs to enhance agriculture in Saskatchewan, subsidized interest rates, tax credit programs for the red meat sector, all of that kind of thing.

So I guess that short answer to the question is: I will not be asking for a judicial inquiry until and unless it is recommended by the minister responsible for tourism, or Parks and Renewable Resources, I'm sorry. And as I said earlier, I'll take notice of the question and pass it on to the Premier.

MR. KOSKIE: — Supplemental. You realize that's a tremendous offer?

A new question to the minister, the Deputy Premier. Do you know what you have indicated? You said that if the very minister who could, in fact, be directly or indirectly involved in supplying information to the member from Prince Albert, if he recommends, you will call a judicial inquiry. That's exactly what you said.

I think it's incumbent, Mr. Minister, that if the public and the opposition . . .

MR. SPEAKER: — Order, please, order. The member is making a speech rather than asking a question. If you have a question, we'll take the question.

MR. KOSKIE: — Are you saying that the only circumstance under which you would call a judicial inquiry is dependent upon a request of one of the actors, potential actors, in this regrettable land transaction?

HON. MR. BERNTSON: — What I said, I think now three times, with a little bit of explanation, is that I would take notice of the question, and I will put it before the Premier, and he will deal with it in his own time, in his own way — in his own time, and his own way. And one more time, Mr. Speaker, I will take notice of the question.

Repairs to Highways in Saskatchewan

MR. LUSNEY: — Thank you, Mr. Speaker. I have a question for the Minister of Highways. Mr. Minister, my question has to do with some of your answers in the Assembly yesterday, and that's answers regarding the road builders of Saskatchewan.

One of the authors of the very report that you were quoting from yesterday, Mr. Minister, John Barkman of the Saskatchewan road builders association, called your comments very misleading, and said the truth is that between 40 and 50 per cent of all Saskatchewan highways are in need of resurfacing and maintenance with in the next five years.

Mr. Minister, will you now admit that your inadequate budget has resulted in a backlog of highway work, and resulted in the very deterioration of all of our highways in Saskatchewan?

HON. MR. GARNER: — Well, Mr. Minister, I cannot agree with the member opposite, and maybe we should just check the record again and set a few more facts out for the members of this Assembly and the people of Saskatchewan.

You know it's very difficult to seem to obtain the facts from the NDP. I think we look at the record. The last three years the NDP government was in power in the province of Saskatchewan, they spent \$505 million on a transportation budget. The last three years under Progressive Conservative government, we have spent some \$650 million in the transportation budget. This means a difference of \$145 million, or 28 per cent, Mr. Speaker.

So it's quite obvious I cannot agree with the member opposite. The figures that I quoted yesterday I gave copies to the media, and I'm prepared to give copies to the member opposite to help them with their research instead of using the *Leader-Post* all the time, and the facts are there. It was a report done by TRIP Canada, and I will stand on those figures that I released yesterday.

MR. LUSNEY: — Well, Mr. Minister, are you saying that TRIP Canada is wrong in the report that they made, that somehow they are misleading the public, and not you being the one that is misleading the public?

HON. MR. GARNER: — No, Mr. Speaker, I'm not saying what Mr. Barkman said, or anyone else quoted in the *Leader-Post*. What I am simply stating is that facts are there out of TRIP Canada. I don't imagine the member wants to take up all of question period. They're in *Hansard* from yesterday. I can simply restate those same figures. Saskatchewan had the lowest number of kilometres to be resurfaced in the Dominion of Canada. It's the fact there, quotes right from TRIP Canada, an independent consulting firm that did the report. I can't add any more.

MR. LUSNEY: — Would you not agree also that the roadbuilders and TRIP in that TRIP report,

that what that was indicating was some of the major highways in the province, the class A highways in Saskatchewan, and didn't include all the other highways that we have. If you included the rest of the highways we have that the public has to travel on, that what you would require, or what there actually is, is about a 40 to 50 per cent backlog in the highway work that you should be doing.

HON. MR. GARNER: — Well, Mr. Speaker, once again, you know, I will give something additional. It was in the TRIP program that was announced, and I'll read the verbatim for the member opposite. You know:

The condition of the province's highways would be worse yet if it were not for the continued efforts of the Department of Highways and Transportation to achieve maximum possible results with the limited budgets.

And those budgets were more money than what the NDP had spent before that. So I cannot agree with the member opposite, Mr. Speaker.

MR. LUSNEY: — New question to the minister. Mr. Minister, I would have to disagree with you also, as the road builders association has, that there are less dollars in your budget, Mr. Minister, for construction of roads today than there were in previous years. Even in some of your own budget there is less this year than there were in previous years.

Mr. Minister, would you not agree that if you had put more money into the construction of roads and to the maintenance of roads, it would not only give us a good highway system, but it would create a lot of employment in this province?

HON. MR. GARNER: — Well, Mr. Speaker, once again, yes, the more dollars that you could put in would definitely create more. But I guess I'm going back to the analysis of TRIP report that stated that the highways were the best in the Dominion of Canada, point number one; point number two, Mr. Speaker, we have increased our maintenance budget by 5 per cent to protect a system that is already there. And one third factor, Mr. Speaker, that's quite obvious: the NDP opposite are trying to get me to stand up and do battle with the Saskatchewan road builders in this Assembly, or do battle with the department.

Mr. Speaker, I would just like to lay out to the members opposite, I am on the side of the people of Saskatchewan. I believe it is our responsibility, my responsibility, to provide the safest, most economical transportation system anywhere in Canada. I believe our government is doing that. And the accident statistics — the fatalities are down, the record proves that out.

SOME HON. MEMBERS: — Hear, hear!

MR. LUSNEY: — Mr. Minister, would you not agree that if your real concern was the safety of the public of Saskatchewan, that what you would do is put more money into the maintenance and construction of the other highways, other than what was in the TRIP report, which was the Yellowhead and Highway No. 1, and look at some of the other road systems that we have, and make sure that you have enough money in there to upgrade the rest of the highways in this province if your real concern is the safety of the public of Saskatchewan?

HON. MR. GARNER: — Mr. Speaker, once again, you know, I mean, the member opposite is trying to project that we don't, and we're not reconstructing any roads in the province of Saskatchewan. Very simple mathematics: this year, 1985-86, we will be reconstructing over 945 kilometres of highways in the province of Saskatchewan. Last year we did 985.

We've increased our maintenance budget. Our fatalities are going down. I am working on an ongoing basis with the road building industry, the department. And, Mr. Speaker, I believe this government can be proud of the network that we have in the province of Saskatchewan

because it's working, and the NDP system failed.

SOME HON. MEMBERS: — Hear, hear!

MR. LUSNEY: — Supplementary, Mr. Minister, I'd hate to say that you're misleading this House, but, Mr. Minister, are you saying that you are going to be building some 900-and-some kilometres of roads in Saskatchewan this year in your new project array?

HON. MR. GARNER: — Well, Mr. Speaker, here we go again. I tried to explain this to the members opposite yesterday. It's the little blue pamphlet. We tabled it in the Assembly. It says: "1985-86 Construction Projects." You simply total them all up and there it is, there's the fact. And the fact is that we will be reconstructing 945.69 kilometres of highways in 1985-86.

Mr. Speaker, I can't explain it, I can't explain it any simpler. The students in the gallery can understand it, but it's obvious the NDP opposite want to scare the people of Saskatchewan.

MR. LUSNEY: — Supplementary — or a new question to the minister. Mr. Minister, how many roads are you going to build, leaving put the re-oiling on some roads, ore resurfacing? Talk about the total construction and surfacing of those roads. Do you have 900-and-some miles or kilometres in your project already?

HON. MR. GARNER: — Well, Mr. Speaker, once again we go back to the construction projects that I said, and the members opposite have it. I will try once again quickly. We have grading; we have surfacing; we have oil treatment; we have our major bridge construction, which doesn't include miles. I think they can understand that. It's right there. It's in blue.

Well, it's in blue, Mr. Speaker. It's in blue. Maybe there's where the problem is; they can't understand blue; they're used to red.

But, Mr. Speaker, the facts are right here. They just have to read it and understand it, and that's all I can add to it.

MR. LUSNEY: — A new question to the minister, Mr. Speaker. I saw his blue pamphlet. Mr. Minister, that is the colour that some of the people feel in this province today because of the roads they have to drive over.

Mr. Minister, will you go to your cabinet, will you go to your cabinet and demand more money from them? And also at the same time, will you cut back on your travelling expenses, on your publicity campaign, and put some of that money into the grading of highways, rebuilding of some of those roads, to give us a good highway system in the province like we had before, and have been used to?

HON. MR. GARNER: — Well, Mr. Speaker, once again the very member that started asking these questions now is challenging the data that is in TRIP Canada (The Road Information Program of Canada) report that was presented all across our Dominion. He is challenging that. The facts are still there.

I have to disappoint the member opposite. We have spent more money on highway and transportation budgets in the province of Saskatchewan since we've been government — in fact, \$145 million more since the same comparison of three years under the NDP government. The facts are there. TRIP Canada report came in — the best system. Mr. Speaker, what more can I say? Fatalities are down.

And, Mr. Speaker, I want to add one other point that is very important. The reason why fatalities are down is that this government is not only working with the road building industry, the Lights On For Life, the stop arms on school buses; the motoring public is working with us; we have

more registered drivers in the province of Saskatchewan; they're travelling more miles on less fatalities. Mr. Speaker, I will let the record speak for itself.

SOME HON. MEMBERS: — Hear, hear!

Installation of Lights at Airport at Patuanak

MR. THOMPSON: — Thank you, Mr. Speaker. And I direct my question to the Minister of Highways, and it's regarding your commitment you made approximately two years ago to the citizens of Patuanak, and that was to put lights on that airport at Patuanak. A couple of months ago, Mr. Speaker, by way of information, I met with the band council, and at that time I directed a letter to you, which I have not had an answer to yet, and it's regarding putting lights on that airport. Would you today, Mr. Minister, give a commitment to the citizens of Patuanak that lights will be installed on that airport this summer?

HON. MR. GARNER: — Well, Mr. Speaker, once again I cannot remember, with all of the groups that I have met with, whether it's the Red Coat Trail, the Yellowhead association, R.M. groups, urban city councils. I will have to take notice of the question, Mr. Speaker, and bring that answer back for the member opposite.

MR. THOMPSON: — Supplementary, Mr. Speaker. A straightforward question, Mr. Minister. I never indicated that you should remember who you met with. The question that I asked you was — and it's a straightforward and simple question; all I need, Mr. Speaker, is a yes or no — are you going to give a commitment to put lights on that airport this summer?

HON. MR. GARNER: — Mr. Speaker, it seems the members opposite are having trouble understanding when a minister says that he's going to take notice of a question. I said I will take notice of it, as to when I met with them; when the commitment was made — if a commitment was made — I will take notice of it and bring a report back for all members of the Assembly.

Houseboat Venture at Lac la Ronge

MR. THOMPSON: — Mr. Speaker, I now direct my . . .

MR. SPEAKER: — Order, please. Give the member the opportunity to ask his question.

MR. THOMPSON: — Mr. Speaker, I direct my question to the minister in charge of Tourism and Small Business. Last night in the House, Mr. Minister, you indicated that your department had no financial involvement with the new venture on Lac la Ronge, and that was 25 houseboats that are going in there.

My question to you is, Mr. Minister: did you have the full co-operation of the town council in La Ronge to allow that project to go ahead?

HON. MR. KLEIN: — Mr. Speaker, we didn't put in the houseboat operation. We didn't need anybody's help. It's a private enterprise situation going together for the residents of the North, and our department became involved to assist them in an advocate's role to ensure that they met all the demands that were required by the province regarding their licences and application to operate.

Now certainly they would have had to see the town as part of their obligation to get their licences. So to my knowledge, yes, they talked to everybody out there.

MR. THOMPSON: — Supplementary, Mr. Speaker. You indicated you did not have any financial involvement, but you indicate that you did do the advertising, and through your department, Tourism and Small Business, you have advertised the fact that this new venture will be taking

place in La Ronge this summer.

Is that not correct, Mr. Minister, and could you indicate if you had any correspondence from the town council in La Ronge indicating to you that they did not want that operation to take place on Lac la Ronge lake?

HON. MR. KLEIN: — Mr. Speaker, I'll just refer to some of the questions that I replied to in estimates last night. Our department heads up the inter-departmental committee regarding various forms of tourist applications, or free enterprise situations, that want to apply for new types of businesses, and this was one. Part of that process includes them going to the various jurisdiction that they have to go to to obtain their proper authorities. They did this. And as I understand it they met with the mayor and a lot of other interest groups in that area as they were proceeding with this venture.

I might add, Mr. Speaker, that a couple of weeks ago, or so, I had the opportunity to have a meeting with a lot of business folks in the community of La Ronge who were simply delighted with the situation that the houseboats are there. It will again act as a new attraction to the area. Tourists will come in, they will be able to buy their provisions, they will be able to arrange fishing trips from there once their visit with the houseboats are done, and it's just about as simple as that. They're going to be starting operation this summer, and everybody's looking forward to it. It's another new attraction for the town of La Ronge, and we are all anticipating it.

Status of Vienna Trade Office

MR. LUSNEY: — I have a question to the minister responsible for the agricultural development corporation, and it deals with the status of the Vienna trade office.

In a written answer tabled in this House a few days ago, you confirmed that one Derek Bedson was paid some \$70,000 a year in salary and allowances as manager of your Vienna office, and that he left that position as of June 30th of last year.

Mr. Minister, can you please inform Saskatchewan taxpayers who has replaced Mr. Bedson in Vienna, and at what pay?

HON. MR. BERNTSON: — Willie Kraetschmere, and I'll find out how much.

MR. LUSNEY: — Mr. Minister, can you please tell the Saskatchewan taxpayers how many staff are employed at the Vienna trade office?

HON. MR. BERNTSON: — Willie Kraetschmere, and one part-time secretary. Willie Kraetschmere's credentials are that he's Austrian born; expert in marketing in eastern Europe; and spent four years in Canada working for external and marketing Canadian products. I'm going from memory. I may not be exactly right on, but I'd be more than pleased because we've got a lot to brag about in Agdevco, particularly in the Vienna office. I'd be more than pleased to spend a lot of time with you in Crown corporations dealing about all of the cattle we've put into Bulgaria, the drought venture projects going into the USSR, cattle going into — well, I don't want to take up all question period on this, Mr. Speaker, but we've got a lot to talk about in Agdevco.

MR. LUSNEY: — Supplementary, Mr. Minister. Is this the same Willie Kraetschmere that used to be . . . formerly was, what was he? He was a Pepsi Cola of New York, Pepsi Cola International of New York. Is that the same Willie Kraetschmere?

HON. MR. BERNTSON: — My understanding is that this Willie Kraetschmere was, in fact, the head of the Pepsi Cola Company marketing in eastern Europe, and was so successful that he worked himself out of a job and came looking for a new job, and happens to be very, very good. He's doing a very, very good job for us. He saturated the market with Pepsi Cola in eastern Europe.

MR. LUSNEY: — Supplementary. Mr. Minister, do you have any plans to open other trade offices in Europe or other countries. Do you have any other plans of opening trade offices in other countries?

HON. MR. BERNTSON: — Well, not in Europe. We have a trade office in London in Saskatchewan House, and we have . . . And that's through my department. Agdevco has the office in Vienna. Both of them doing very well. And we plan to open an office soon in the Pacific rim.

INTRODUCTION OF BILLS

Bill No. 68 — An Act to amend The Vehicles Act, 1983 (No. 2)

HON. MR. GARNER: — Mr. Speaker, I move first reading of a Bill to amend The Vehicles Act, 1983.

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

ORDERS OF THE DAY

GOVERNMENT ORDERS

MOTION UNDER RULE 16

Effect of Budget Tax Measures on Taxpayers

MR. KOSKIE: — Mr. Speaker, I will be moving a resolution at the conclusion of my remarks:

That this Assembly condemn the Government of Saskatchewan for having betrayed its election mandate and having imposed the largest tax increase in Saskatchewan's history which is particularly harsh and unfair for farm families, working families, small businesses, senior citizens, and which further undermines the business and consumer confidence in agricultural sector and long-term employment opportunities.

Mr. Deputy Speaker, it seems to me that Saskatchewan needs a resurgence of consumer and business confidence if we are to have long-term economic recovery. Unfortunately the new provincial budget undermines, rather than strengthens, the confidence.

And I want to spend my time this afternoon doing two things. I want to review the Devine government's record and explain why our motion speaks of the betrayal of this government's election mandate. And then I want to move on to discuss some of the positive alternatives which we, in our party, have been putting forward and will be putting forward.

First of all, let's review why we say the government has betrayed its election mandate. In 1982 the PC party promised the people of Saskatchewan in their slogan, "There's so much more we can be." They promised so much more, but they delivered so little.

Three years ago they promised the people jobs and opportunities. Instead, our unemployment rate has more than doubled. Today in Saskatchewan there are over 60,000 people looking for jobs, and our rate of new job creation is one of the worst in Canada. Three years ago they promised widespread prosperity, and instead, Mr. Deputy Speaker, our province has more people on welfare than at any time in the history of this province. One in 16 Saskatchewan people are on welfare.

Three years ago they promised to preserve and protect our family farms, but today we find that

1,300 fewer farmers than when they took office. Three years ago they promised balanced budgets. Instead we have had four straight deficit budgets from the Devine government which has put this province in a debt of \$1.2 billion in the red. The interest alone on this Devine deficit is costing the Saskatchewan taxpayers nearly \$400,000 a day.

Three years ago they promised to make Saskatchewan open for business. Saskatchewan has . . . And what do we find? Today we find that Saskatchewan has the lowest rate of retail sale growth in Canada. The number of new housing starts is at its lowest level in more than 10 years. And last year 306 Saskatchewan-based businesses were forced to declare bankruptcy. So much for open for business.

Now I come to the biggest betrayal of all, Mr. Deputy Speaker. Three years ago they promised to cut income taxes by 10 per cent. But the new provincial budget contains the biggest tax increase in Saskatchewan history.

Starting in July, Saskatchewan people will pay a new 1 per cent, so-called flat tax under net income. That new tax will cost taxpayers \$350 million over the next five years. And even worse, Mr. Deputy Speaker, this new tax hits low and middle income taxpayers, particularly families, hardest, while leaving untouched those who can afford tax shelters like MURBs, frontier drilling funds, and film and video investments. It makes an already unfair tax system even more unfair.

Three years ago they promised to eliminate the provincial sales tax. Instead, this new budget extends the sales tax to include the sales on used vehicles like cars, trucks, and motorcycles. Like the new flat tax, the sales tax on used vehicles takes away money from the people's pockets — \$35 million over the next five years. And like the flat tax, again it hits the low and middle income people hardest.

Three years ago they promised to deliver all of their campaign promises without slashing important programs and services, and instead the budget wipes out all property tax rebates for Saskatchewan farmers, small-business men, home owners, renters, and senior citizens. That will take an extra \$400 million out of the people's pockets over the five years. Home owners lose \$230 a year. Small-business men lose 250 a year. Renters lose \$150 a year. Farmers lose 375 a year, plus an average of \$300 a year lost with the elimination of the home quarter education tax rebate. Most senior citizens will lose in the cut-backs of the rebates.

In total, an urban family with an income of \$25,000 will lose, in increased taxes and loss of property tax rebates, more than \$2,000 in the next five years. A rural family with the same income will lose \$5,000 over the same period.

The finance minister calls this budget the most intelligent budget ever introduced in Canada. Mr. Deputy Speaker, I can assure him that that's not what the Saskatchewan taxpayers are calling this budget. Saskatchewan taxpayers feel betrayed by the April budget. It contains the biggest tax increase in Saskatchewan history, and the biggest flip-flop in the Saskatchewan history, as a government which captured power promising to cut taxes now proposes to pick the pockets of taxpayers for hundreds of millions of dollars more each year.

The government has no mandate to raise taxes, and I say, Mr. Deputy Speaker, it should call an election and let the people of this province decide just how intelligent that tax hike budget really is. People are upset with this budget, not only because it takes cold, hard cash out of their pockets, but also because it doesn't demand a penny more from those who can afford it more.

The government and the oil industry keep telling us that Saskatchewan has an oil boom. They keep claiming that the new federal provincial energy agreement will give the oil companies hundreds of millions of dollars, yet the budget won't collect a penny more, Mr. Deputy Speaker, from oil companies over the next five years.

Sure the people of Saskatchewan feel betrayed because what this government is doing is giving the resources away to the multinational oil companies. If you look at the facts, the government's own budget document shows that Saskatchewan taxpayers will actually collect \$55 million less this year from the oil companies and our oil than they did three years ago. Three years ago we received \$700 million in revenues to the province. We'll be now only getting \$655 million. Saskatchewan taxpayers are going to pay thousands of dollars more while the oil companies are going to pay less.

Mr. Deputy Speaker, we say that that just isn't fair, and most Saskatchewan taxpayers agree that it isn't fair. And where will all that extra tax dollars go/ To finance the government's generous give-aways to the big business and to support the government's own exorbitant spending habits.

Mr. Deputy Speaker, you will recall some of the major give-aways: nearly \$300 million a year in royalty breaks to the resource companies; \$390 million loan guarantee to Husky Oil; 145 million in loan guarantees to Manalta Coal; and the list goes on, Mr. Speaker.

With respect to exorbitant spending, we have exposed to this House, and to the people of Saskatchewan, a number of examples so far during the session, examples of how the hard-earned taxpayers' dollars are being carelessly spent by government extravagance.

I want to say, Mr. Deputy Speaker, that they have the largest cabinet in the history of this province and a dozen back-benchers getting extra money, expenses, money as legislative secretaries. All this adds up to an extra \$3 million that it's costing the taxpayers. And that cabinet has been seeing the world at our expense.

At the last count, the PC cabinet minister had taken more than 50 international trips with few concrete results. No one knows exactly how much these international junkets have cost the Saskatchewan taxpayers. No one knows, because the government is hiding the facts. For two years we have had questions on the order paper trying to get the cost of the international junkets for the Premier and the Deputy Premier. Two years later none of these answers have been answered — none of these questions.

But a few days ago in the Assembly we got a glimpse of how some of the PC cabinet ministers are living high on the hog at the taxpayers' expense. It was a five-day trip. Some disgusted public servant sent along a copy of the Deputy Premier's expense claim for the one night. One night at a hotel in Beverly Hills cost the Saskatchewan taxpayers just under \$300.

That's the kind of spending the people's hard-earned tax dollars are going to feed, Mr. Speaker.

A few days ago the Deputy Premier admitted that the Saskatchewan taxpayers shelled out more than 66,000 for a brochure which had to be reprinted because it contained an unflattering picture of the Premier and the Deputy Premier. It also had to be reprinted because the brochure, sent around the world to promote investment in Saskatchewan, forgot to mention the Saskatchewan Wheat Pool, the credit union, all of those organizations which played such an integral part in the development of this province.

And because of the government's vanity and carelessness, Saskatchewan taxpayers shelled out tens of thousands of dollars. That, I say, Mr. Deputy Speaker, is a betrayal. That's totally unacceptable in these rather difficult economic times.

And these examples of careless spending are just the latest, not even the largest. Over all, after promising to cut government spending, this government has actually increased government spending by 35 per cent since taking office.

In summary, the government's record is one long list of promises made and promises broken.

And it's why more and more people are asking: can you believe what they say when you take a look at what they are doing?

So much for the sorry record, Mr. Deputy Speaker, of this Devine government.

The Minister of Finance indicated that he introduced an intelligent budget, introduced what he said was revolutionary in the taxation field, the flat tax. And when we take a look, Mr. Deputy Speaker, at who is going to be hit, we find that under our administration that an individual with 15,000 income, under the previous administration paid only \$107 in income tax; and under this new administration, Mr. Deputy Speaker, the same person with \$15,000 income now pays \$257. The shift of taxation from the multinational corporations to the ordinary citizens of Saskatchewan.

(1445)

I want to say in conclusion, Mr. Deputy Speaker, that this party opposite did not, in fact, have a mandate, did not have a mandate to increase taxations — taxation, the biggest in the history of Saskatchewan. They had no mandate in introducing the largest tax increase in the history of this province. I say that they have totally lost face with the people of Saskatchewan, that they should, in fact, be calling an election.

Accordingly, Mr. Deputy Speaker, I move, seconded by my colleague, the member from Pelly:

That this Assembly condemn the Government of Saskatchewan for having betrayed its election mandate, having imposed the largest tax increase in Saskatchewan history which is particularly harsh and unfair to farm families, working families, small businesses, senior citizens, and which further undermines the business and consumer confidence in the agricultural sector and long-term employment opportunity.

I so move, seconded by my colleague.

MR. WEIMAN: — Thank you very much, Mr. Deputy Speaker. I rise to speak against the motion and amendment of the member of Quill Lakes. I will be very brief on it because much of this has been gone over already in estimates. I have spoken with pride and with vigour regarding the budget. And for those who are concerned with that, it is of public record in *Hansard*. And I don't think we serve the purpose of this legislature well by being redundant day in, day out, day in, day out.

Insofar as the motion presented by the member of Quill Lakes, first of all, I would like to comment that in my opinion it's a double motion, that it's neither here nor there. With one breath he is talking about the Government of Saskatchewan betraying the election mandate which was three years ago — of course, it is an ongoing mandate — and then immediately jumping into a second motion discussing the largest tax increase in Saskatchewan history.

I would like to keep my comments around the topic of the election mandate because I suspect that the member from Quill Lakes, as well as members of his party, as well as people who profess to believe in that philosophy, are suffering from probably two things: one being a very selective memory; and the second, of course, being a fear aspect of what may transpire in the future.

I brought with me this afternoon, Mr. Deputy Speaker, the actual brochure on which myself and fellow colleagues ran, which states very, very clearly the mandate that we sought from the public of Saskatchewan. And I think it would be proper to review those promises that were made for, as the member of Quill Lakes states, it was through those promises the people of Saskatchewan entrusted us to carry out that four-year, five-year mandate.

The promises made back in 1982, spring of 1982, the mortgage interest reduction plan, 13.25 per

cent, and if I may read for the record, not only for the purposes of the House, but for the people out in the province:

This will provide a ceiling on mortgage rates at 13.25 per cent on a principal residence. The straightforward plan will apply to existing mortgages, renewals, and new mortgages, with an upper limit of 50,000.

And it goes on to state what the average saving will be. Now let's put this into context.

At the time that that promise was made back in March, as a matter of fact March of '82, the previous government's response to people in my neighbourhood in Saskatoon where there is a high density of residential dwellings, their response to the people in my area who were suffering under 18 and 19 per cent interest rates, some as high as 22 per cent, being faced with renewals, being faced with the possibility of losing their houses because their mortgage rates effectively were going to be doubled, their payments — well their response to that was, don't worry about it, don't worry about. Just don't pay your money to the banks. Don't worry about it per year. Don't pay the interest. In fact, don't pay the payments.

Well I found it surprising in the city of Saskatoon I believe there were only two people who actually took them up on their great solution. I believe that the people of Saskatoon were much more responsible and realized that you don't, you don't run away from your responsibilities. But that was their solution: just don't pay it.

Now here is a party and a membership that have stood in this legislature in the three years that I've been here, and probably for the last 30 that I haven't, talking about those big mean banks, and we're going to control the banks, and we're going to tell the banks what to do, and when it finally came to the crunch they backed off of any type of solution that was amenable to, not only the people of the province, but was amenable to their philosophy and amenable to their hatred for the banking institutions. They walked away from it completely.

Well that was one of the promises. Now had we just stopped at that promise, I would think in itself during the mandate of whether it's four years or five years, mandate of the term, that in itself would be significant. We went one step further because if you recall a year ago, the scare tactics were out again in this province, and there were scare tactics about housing once more. Well we went that step further and we said, no, we will not allow you to suffer in the future. We will not allow to put your security in jeopardy. And we said that we would extend the program, and in fact we have.

We've extended that program to 1988 so that the persons in their homes in Saskatoon and in the rural areas have no fear of losing their prime security. We all here as family members realize that one of your key securities as a citizen of this province is for shelter. Well that fear is gone.

But as I said, they work from selected memory. They go to other topics forgetting that the debate is to be on the mandate — to bring up the mandate.

Another one of our mandates that was given to us and trusted to us by the populace of Saskatchewan was to eliminate the gasoline tax. We eliminated the gasoline tax immediately and, if memory serves me right, to date that has already saved \$320 million to the taxpayers of this province — \$329 million. With a population of 1 million, already each and every individual in this province has saved \$329. Now that's an average, of course. There are some who have received more in savings, some of course who have received less. But on average, it's \$329 per person.

Well I'm a family of four. So that means, using those figures, I've already saved \$1,300. Now those people who live in the suburban areas of the city — and I'm sure that the rural people truly appreciate it — but those people who live in the urban settings and cities, because of the nature

of our cities, have to travel fair distances to and from work every day. They appreciate that saving. Much more so, the rural people where the distances are even greater — \$329 per person.

Now of course I'm going to have the member from the opposition, one of the members, or all of the members of the opposition stand up and say, well that's not that important. What's really important is the \$230 you took away from the assistance program. The \$230, that's what important. That 329 isn't important at all. And they will use that as the smoke-screen.

As I indicated, rather than reiterating, I'd already indicated to you and this Assembly, and my constituents, what I considered to be the priority in terms of education, health, agriculture, and creation of jobs for that 230. But even if that wasn't there, already we have saved the people of this province \$329 per person with the elimination of the gas tax.

The reason they don't want to bring that topic up, and they think it is not . . . it doesn't have any great import in this province, is because they're on record as of even a week ago, the Leader of the Opposition at his tremendous renomination rally, uncontested for the time being — uncontested for the time being — bussed in from all over Regina, bussed in from all over Regina . . . Well the reason they don't want to bring that up, the reason they don't want to bring that up is because he is on record as stating 329 . . . (inaudible interjection) . . . I'm talking about our mandate . . . \$320 million is not important because, you see, we are going to retax you again. Soon as we get back in, on goes the gas tax one more time . . . (inaudible) . . .

Let's talk about our other mandate promise: revitalizing and improving health care. I don't think there is one member within this province who can fault us for spending over \$1,000 per person — \$1,000 per person in medical care. There's not one member in this province who can fault us for looking at our hospital care system and putting \$50 million into expanding St. Paul's Hospital; \$27 million expansion of University Hospital; brand-new hospital coming to the city of Saskatoon, 1988 start date, which more than likely looks like it will be a 1987 start date. Not one member of this province will fault us for that. Not one member of this province will fault us for building additional level 3 and level 4 care facilities in Saskatchewan, particularly after a seven-year moratorium on building. Not one will fault us for that.

What has become very, very obvious is the reason they have the selective memory, the selective memory regarding the mandate we received from the people of the province of Saskatchewan, is because it has been not only successful, but it's exceeded itself, exceeded the mandate.

MR. DEPUTY SPEAKER: — Order. The member's time has elapsed.

MR. LUSNEY: — Thank you, Mr. Speaker. It is a pleasure to get into this debate on rule 16, a resolution that was passed by my colleague from Quill Lakes. Mr. Speaker, listening to the member for Saskatoon Fairview, it just brings me to the point where I have to make a few comments on what he was saying.

Mr. Speaker, does that member talk about some of the things that they did promise and didn't carry out? There are a good number of them. What was their mandate when they got elected to office, Mr. Deputy Speaker? The biggest one, I think everyone remembers, is the fact that they promised to cut taxes to every individual in this province. The tax cuts was their main plank.

Well, Mr. Deputy Speaker, I've got their fancy brochure here, with the picture of the Premier on here, and it says, a commitment of theirs:

Eliminate the 5 per cent sales tax. The measure will be the first page of a new PC government's commitment to the complete elimination of the sales tax in its first term of office, and its commitment to ease the burden of inflation for Saskatchewan citizens.

In their first term of office. That's the Premier saying that.

What has happened since then, Mr. Deputy Speaker? What has happened since then? What kind of taxes have the people of Saskatchewan been faced with? Has there been a tax decrease? Well I think if we check closely we'd find that they didn't keep that promise. They did not only remove that sales tax, but they extended it a little bit. They put it on to used vehicles, rather than removing it.

They made another commitment in their pocket politics book and that says a 10 per cent reduction in personal income tax. That was their promise and their commitment. What did they do?

Well we saw what they did in this last budget. We saw that in this last budget. Rather than reducing the personal income tax by 10 per cent, we see an increase in our taxes. It is not going to cost the people of Saskatchewan less now. It is going to cost them more. That is the kind of commitment that this government had to the people of Saskatchewan. They say one thing and they do another.

Now, Mr. Speaker, the people of Saskatchewan will judge them accordingly. They are going to judge them accordingly. They will remember the promises, and they will remember the increases, the tax increases that they have imposed upon them.

(1500)

Mr. Deputy Speaker, the member from Saskatoon Fairview talked about the huge tax saving that the gasoline tax saved the people of Saskatchewan. Well when you add up the income tax increase, when you add up the losses in the property improvement grant, when you add up the increase in the sales tax or the extension of the sales tax, well, Mr. Speaker, that \$329 that the people of Saskatchewan saved since they came to office is going to be gone in one year and it's going to be gone not only by \$329, but it's probably going to be gone three times that, or four times that.

Mr. Speaker, that is what this government has done for the people of Saskatchewan. They promised one thing; they did something totally different.

Mr. Deputy Speaker, I think if they are serious about keeping any of those commitments to the people of Saskatchewan, what they should be doing is cutting back on some of the money that they are spending, some of their personal expenditures as cabinet ministers, as legislative secretaries.

One has to look at the cost of some of their junkets around the world. A million dollars, Mr. Deputy Speaker, for some trips of the cabinet ministers to places like Saudi Arabia, Australia, New Zealand, Austria, Switzerland, Palm Springs, California. Possibly they went to buy some oranges in California, or some grapefruit in Palm Springs, but whatever it was, it cost the taxpayers a million dollars for those trips, Mr. Speaker — a million dollars that could have gone into the pockets of Saskatchewan taxpayers. But instead it went out of their pockets through tax increases.

Advertising is another area, Mr. Deputy Speaker, that this government has decided that they would put a lot of money into. They have decided that rather than provide programs for people to reduce taxes for people to lower the cost of living, what they are doing is trying to tell them how good it is in Saskatchewan, trying to convince them through all the advertising and news releases that they can possibly get out into the hands of Saskatchewan people. They don't do it with savings. They're trying to do it with news releases and PR.

Mr. Deputy Speaker, not only are they spending money on all those news releases, they are also

spending a lot of money on what one could possibly call patronage, and nothing less than that. When you look at what they spend on one part-time chairman of the Saskatchewan Labour Relations Board — \$122,000 in salary and travel expenses for a part-time chairman of the labour relations board — well, Mr. Deputy Speaker, \$122,000 a year for someone that works part-time that's fairly good wages. It's very good wages.

I'm sure those people would like to see them back in government, because they're the only ones making money in this government. They're the only ones that can save something, but the general public of Saskatchewan is not saving very much, Mr. Deputy Speaker.

We have in this province some 60,000, over 60,000 people unemployed. That is costing the taxpayers a lot of money. If people are working they're being productive. They are paying taxes. That means that others wouldn't have to pay as much. When you have that many people unemployed that means that we're losing something like about \$900 million a year in lost wages. We are losing about \$100 million a year in unnecessary welfare payments.

That is what this government has brought the people of Saskatchewan to. It has brought them to the point of having to apply for welfare because there are no jobs available. There's no way that they can possibly survive unless they go on welfare. And that is costing the taxpayers a lot of money. All of these people would be just too pleased to be able and go and work, and to earn their own salaries, and make their own living to provide for their children.

But what are they forced to do? Mr. Speaker, they're forced to go to the level that this government has put them to, and that's the way they have to plead for a little bit of assistance. They have to go on welfare, or they have to go to the food banks to try and survive. They go to the food banks so they can feed their children and families. That is what this province has come to in a short three years, Mr. Speaker. More soup kitchens and a lot of money being spent on the government itself.

We see something like \$3 million more being spent by this government than by the former government for staff salaries, for legislative secretaries, for the large cabinet that they have, which is totally unnecessary for what they are doing. If there was some benefit from that cabinet, one could say it may have been a good idea, but that has not happened. We have a lot of ministers but none of them have really saved the taxpayers any money.

Mr. Deputy Speaker, I would like to only say in summary that this government's record is a long list of promises made and promises broken.

MR. DEPUTY SPEAKER: — Order. The members' time has elapsed.

SOME HON. MEMBERS: — Hear, hear!

MR. MORIN: — Thank you very much, Mr. Deputy Speaker. Today I think is one of those days when we have an opportunity to talk in the Assembly on a matter of principle, and I'd like to commend one of the members of the opposition for showing their principles and not being here today to discuss this amendment or this motion.

Clearly, the Leader of the Opposition isn't here. He doesn't want to be associated with this type of a motion, this foolish type of a motion brought forward. The member from Shaunavon is out checking his oil wells, and he's obviously not too concerned with lack of employment in the province. I'll be interested to know when the member of Athabasca, if he chooses to speak, how he'll react to the NDP motion to do away with the uranium mining — throw away over \$600 million in our province, put all the people of his constituency out of work. I wonder how he'll response to that.

Mr. Speaker, what we have left are the people who are just opposed to anything, and I don't

think that being anti-Conservative is good enough in this House, Mr. Speaker. It's certainly not good enough out on the streets, and it's not good enough across the country today.

They've talked a little bit about the cost of the changes in taxation. And the thing that I found the most interesting about their comments, Mr. Speaker, was this: they said, over the next five years it will cost the people this much money. Well, why didn't they take it over the next 100 years? Why didn't they take it over the next 1,000 years? I mean, what they're trying to do, Mr. Speaker, is to trump up some huge number and hope that the people on the street are uninformed enough to be frightened by large numbers. And that's really all they're doing. And we've seen them do that in the past, and we'll see them do it again.

When they talk about tax increase, I'd suggest that they go back to the year 1977 where, when they were the government, they raised the total taxes in the province by almost \$200 million in one year. They raised personal income taxes by 162 million.

We often hear them in here crying about the tax on fuel farmers, but of course, that year they increased that by \$17 million. They increased the tobacco tax by 4.6 million, and they increased corporate income tax by \$10 million — a total of just under \$200 million tax in one year, or \$2 billion in 10 years. A huge tax increase, and that's year after year after year. Once they'd imposed it, it just went on.

The people of the province decided they didn't want any more of that, so they said, we're willing to pay a fair tax; we're willing to be reasonable, but you've done too much. So what did we do? Well, we took off the gas tax, and my colleague has mentioned that. And to the person and the average driver who drives about 25,000 miles a year and gets 20 miles to the gallon, that saving alone has saved him \$537 a year or, in the last three years, over \$1,600.

We took off the 10 per cent manufacturing tax on small business to make them competitive — to give them an opportunity to compete, not only across Saskatchewan, but in Canada, and into the United States. Today, largely because of that, I have a manufacturer in my riding who's selling more product into the United States than he ever sold before in all of Canada. The American dollar is certainly helping him, but the thing that helped him to get started and keep going was the removal of that 10 per cent tax on manufacturing. They never mention that.

We've removed the tax on children's clothing, school supplies, taken the tax off some agricultural equipment — irrigation equipment and that type of thing — and the list goes on in terms of tax reduction.

In terms of other tax reductions that we've come up with which they chose to ignore, there is of course the Mortgage Interest Reduction Program which is in fact a tax rebate, and the farm interest reduction program which is a tax rebate.

If you look at the average home owner who had a \$50,000 mortgage of 19 per cent, and had that mortgage written down to 13.25 per cent, over the last three years that individual has saved \$7,566. If he's also an average driver, he's saved \$1,600, for a total of almost \$9,200 in three years. If he also has a power bill, an average power bill, the removal of the tax on that power bill would have given him another \$216 which would push him up to almost \$9,500 worth of tax saving in the last three years.

And they're asking us to believe, they're asking the people of the province to be foolish enough to say: take away the property improvement grant, we didn't do as well.

So, Mr. Speaker, what I want to do is to amend this motion. I'd like to amend the motion by striking out everything after the word Assembly, and substituting it with:

That the Assembly commends the actions of the provincial government in tax reform

and tax relief for families, farmers, small-business men, and further commends the government for keeping the rate of employment at 92 per cent, the highest in Canada.

Seconded by the member for Saskatoon Mayfair.

Mr. Speaker, they go on and talk about tax changes and tax increase but I'd like to . . .

MR. GLAUSER: — Thank you Mr. Deputy Speaker. The member from Quill Lakes has stated in his motion that we have not lived up to our mandate. I want to remind the member from Pelly, and it's unfortunate that he left, and as was stated by my colleague, the member for the Battlefords — and our mandate was to eliminate the 5 per cent sales tax on clothing and utility bills. But what did the member from Pelly say? The member from Pelly said, eliminate the sales tax. Just eliminate the sales tax. That's all he said. He didn't say on clothing. So let's keep the record straight.

(1515)

Well for the member of Quill Lakes as far as living up to our mandate . . . With your indulgence, Mr. Deputy Speaker, I have a personal story of how business was conducted in this province under the NDP, how it was undermined. It goes back to 1945.

When three of us brothers came back from overseas, we wanted to start a moving and storage business in Saskatoon. Saskatoon was a growing community. We had to apply for a permit to purchase trucks, and we also had to apply for a permit for running rights. If we would receive those, then we might be, we could be able to start up in business. However the city office of the government, the office in Saskatoon refused our request. We then got an appointment with a person by the name of Mr. Sturdy. Now there's a building in Saskatoon and every time I go by that building that bears that name, it does something to me, and I guess that's not really why I thought of this today. The minister in Regina . . . We got the appointment; the minister in Regina; we had the audience — and that was the end of it.

It was but six months later, Mr. Deputy Speaker, that a company moved in to Saskatoon from Edmonton, a company by the name of MacCosham's transport, and with running rights insured. Now what kind of hanky-panky went on there at the detriment of the citizens of Saskatchewan?

We were strangers in our own province when we came back here after the war, I'll have the members opposite know. We were not allowed to develop business, employ people in this province. And if anybody thinks that I got into politics on a whim, that was certainly not the truth. It is never too late, my friend.

It was never too late to get involved in a government, in a PC government that would change the direction of this province. And I am pleased to be part of a government that has changed the direction of this province.

I am not disappointed, and either are some other people disappointed in this province. Take a look at what the economists, what the economists think of this province. The performance of Saskatchewan's economy in 1985 hinges on the farm sector. An analyst by the name of Constantinou wrote in a recent report of the Conference Board of Canada:

Assuming normal weather and average grain yields, the board predicted agriculture production will expand 16 per cent.

. . . Saskatchewan's economy will grow by almost four per cent, while other provinces languish at zero to two per cent.

It added that the province's unemployment rate — the lowest in Canada for almost three years — may drop by up to one percentage point.

Reza Ghaeli, the Royal Bank of Canada's regional economist, predicts there will be a 3.5 per cent increase in real growth in the province.

Another optimistic forecast comes from Informetrica, an Ottawa-based group, which suggests Saskatchewan's growth may be as high as 7.2 per cent. That is the kind of optimism that is out there. And this is in Ottawa; this in Toronto; but try and get the NDP to have that kind of optimism in Saskatchewan. It's a good thing they are not any better represented in this House than they are, or I'm afraid the doom and gloom would be above anybody's able to surmount.

It's almost inevitable that in 1985 Saskatchewan will have strong growth, given, of course, a normal harvest. Last year Saskatchewan did not have a normal harvest, but yet farm income last year is considerably up.

And then let's take a look at the record from 1981 to 1984, and I think of Saskatoon particularly when 6,000 jobs were created. And I can tell you that in the constituency of Mayfair, with 5,000 businesses, a lot of those people are employed in the Mayfair constituency in Saskatoon.

Last year alone the labour force increased 14,000 or 3.5 per cent. And then they would have us believe that the employment, that the labour force is dropping, and that unemployment is going up at the same time: 5,000 more jobs in manufacturing; 6,000 more jobs in the service sector; and 2,000 more jobs in transportation. The record continues. In February to March, 1985, employment increased 7,000 on an unadjusted basis. This increase was seen in all sectors — agriculture, manufacturing, services, and retail trade.

This government has currently 27 employment-related programs administered by 12 different departments, all under the Employment Development Agency, and that, all in all, is more than \$120 million. And I could go through, project by project, but I don't think my time will allow.

Another 130 million is being spent in agriculture which will also provide both short-term and long-term employment, as well as improving the agriculture economy. There have been 6,015 jobs created over the past winter through a variety of programs under the winter works offered by the various departments.

The current figure for employment in the province is 490,000 people, up from 474,000 in March of 1984. Saskatchewan is out-performing all western nations in growth of employment. The contrast is clear. Manitoba grew only 1.3 per cent compared to Saskatchewan in March. The record goes on.

The Employment Development Fund which I talked about, of \$600 million over a five-year program — more than 22,000 direct jobs will be created or sustained. From March to March, '84 to '85, as I mentioned — total employment at 490,000. The Employment Development Fund contains 27 employment-related programs administered by 12 provincial government departments or agencies. The fund will be co-ordinated and directed by Employment Development Agency. And as we heard last night in the estimates when the Minister of Tourism and Small Business so eloquently explained the programs, but which were not being listened to very well by the opposition, who could only attack on a basis of really nothing to attack, but not really going through the estimates on a line-by-line basis.

This is a long-range development plan, five years, to ensure that our province and our community will have the necessary economic strength, structures, and stamina to sustain a stable environment of meaningful employment in the long term.

MR. SPEAKER: — Order, please. It's my duty to inform the member that his time has expired.

SOME HON. MEMBERS: — Hear, hear!

MR. THOMPSON: — Thank you, Mr. Speaker. It gives me a great deal of pleasure this afternoon to rise in the Assembly and speak on the main motion:

That this Assembly condemn the Government of Saskatchewan for having betrayed its election mandate and having imposed the largest tax increase in Saskatchewan's history.

Before I get into my speech, Mr. Speaker, I want to make a couple of comments as to what has been said by a number of members in the House, and particularly by the member from Saskatoon Mayfair. He just stood up in the House and indicated that when the Conservative government went around this province electioneering and talking about tax cuts, that they didn't really indicate that they were going to eliminate the 5 per cent sales tax.

And I just want to quote, Mr. Speaker, from the Progressive Conservative Party of Saskatchewan and a commitment by Premier Devine. And I quote for the member for Mayfair:

This measure will be the first phase of a new Conservative government's commitment to the complete elimination of the sales tax in its first term of office.

The complete elimination . . . (inaudible interjection) . . . Okay. The member from Fairview, Mr. Speaker, from his seat says, this is the first phase. This is the first phase, Mr. Speaker, a \$1.2 billion deficit on the type of taxes that have been put on the taxpayers of this province.

The member from Saskatoon Fairview, when he got up and spoke on this House, he said the NDP were worried, and his quote: “. . . what may transpire in the future,” Mr. Speaker. And I tell you, Mr. Speaker, the NDP are worried about what may transpire in the future if we continue, Mr. Member from Fairview, to pile up deficits of \$1.2 billion in the first three years; what's it going to be like if you were to, as the member from Battleford suggested, why not add 10 years on to these figures.

Mr. Speaker, I want to start by saying that when you have a \$1.2 billion deficit in the province, and I want to talk about just how that contributes to that sad situation that we have in the province today, and then added on to that debt, we have a budget that comes along with tax increases on second-hand vehicles.

And let's just take a look at what the tax on second-hand vehicles means to the citizens of Saskatchewan. And I know what it means to my own family because I have a son already that has purchased a second-hand vehicle, and he's had to pay that tax. And just assume that if my son decides to sell it to one of his brothers then, of course, you have triple tax, and that's exactly what's taking place. This second-hand vehicle is not going to be just a simple tax on a second-hand vehicle. It's going to hit individuals who resell that vehicle, and it could go over two or three times before that vehicle is finally written off.

The home owners grant, Mr. Speaker. Let's take a look at the home owners grant. In one sweep of the pen \$100 million a year has been taken out of the pockets of the citizens of Saskatchewan by eliminating the home owners tax rebate — \$100 million with one sweep, with one program in your budget, not to mention what the flat tax means to this province.

And I want to now turn to some of the problems and then the very serious problems, Mr. Speaker, that I see happening through this budget and the lack of planning for northern Saskatchewan.

We have seen in the last three years in northern Saskatchewan an ever-increasing dependency

on welfare. We have seen unemployment rise as high as 95 per cent in some of our communities. We have seen a situation up there that is just hard to explain. And when you try to get the ministers and the Conservative government to go up North and to just see what's really happening, and to take a look at the human tragedy that we have in northern Saskatchewan — and I can tell you, Mr. Speaker, since I have been in here in the House, the House has reconvened on April 10 — just in my own area, in my constituency, and the last tragedy was yesterday. We've had seven serious tragedies, the last one yesterday being a young mother.

This is taking place on a daily basis. It is getting to a point where I just don't know where it's going to end. And if the government doesn't get in there and start putting some money in and getting people back working and giving the citizens of northern Saskatchewan some hope, Mr. Speaker, it's going to get worse and worse. We just can't continue to sit back and overlook that. We just can't have ministers going around the province and indicating that things are good up North. And I want to make a few quotes by the member from Prince Albert-Duck Lake, and I'm quoting from the Prince Albert *Herald* of Tuesday, April 16th. Pardon me, Mr. Speaker, from the *Leader-Post*, and this was the hon. member from Prince Albert-Duck Lake who has responsibilities in northern Saskatchewan for housing, and then for Indian and native affairs. And the member for Prince Albert-Duck Lake, and this is what he's saying:

Outlines of northern job creation programs were conspicuously absent in finance minister Bob Andrew's budget address last Wednesday night.

And this is what he's really . . . I'm still quoting.

That's because the government is aiming at fuelling the North's development the same way it was fuelled, job creation in the South, Mr. Dutchak said.

The same way they had fuelled job creation in southern Saskatchewan. Mr. Speaker, that alone is going to be very worrisome for northern Saskatchewan because they have enough problems as it is, but if they're going to create the same type of situation in northern Saskatchewan as they have created in southern Saskatchewan, well let me tell you, then, the problems are really going to come to the forefront.

(1530)

Let's just take a look what's happening in southern Saskatchewan. Mr. Speaker, in southern Saskatchewan under the Conservative program we now have 60,000 people unemployed, the highest unemployment rate that this province has ever witnessed — 60,000 people unemployed. We have one in every 16 citizens of this province are now on welfare. One in every 16 are on welfare, and the minister in charge of northern Saskatchewan indicates that northern Saskatchewan will be fuelled with job creation the same in the North as it is in the South, and I say that is very sad.

He also goes on to state in the same article, and I'm quoting, Mr. Speaker:

. . . and small businesses are sprouting up all over the North, he added. Lac la Ronge has added 25 houseboats to increase its tourist attraction. Ile-a-la-Crosse is trying to start up its own houseboat industry.

Now we have a situation in northern Saskatchewan that I just indicated to you, Mr. Speaker, has become a human tragedy. It's a serious situation that we have up there, and yet we have a minister who I have indicated to on many occasions in this Assembly that there is serious problems, and he has to take action, and he openly says that small businesses are sprouting up all over northern Saskatchewan. Well I say, Mr. Speaker, that he's going to have to come up there, and I will go out with him, and we will have a look, and I want him to show me where all these small businesses are sprouting up all over northern Saskatchewan because that is what we need.

We need business opportunities. Northerners need opportunities to start businesses and to become self-sufficient. Until that happens, Mr. Speaker, I think that the situation in northern Saskatchewan can only get worse, and as I indicated to you when I first started to speak, yesterday was the last tragedy that I'm aware of, and it was a very serious one.

Then he goes on to say:

The government has no intention of ripping down the social safety net that the North still needs to survive. Dutchak said that the government will look for better ways, which may mean an end to those subsidy programs that aren't working.

It may mean an end to the subsidy programs that aren't working. Mr. Speaker, we all know what has happened to the fresh food transportation subsidy up in northern Saskatchewan. They have already taken that away. This is what the minister . . .

MR. SPEAKER: — Order, please. It's my duty to inform the member that his time has expired.

HON. MR. BLAKENEY: — Mr. Speaker I will relinquish my place if there is someone else who is wishing to speak, but I'm happy to participate in this debate.

As you will know, Mr. Speaker, we are talking about the taxes which were imposed by the last budget — in the view of this side of the House, the budget put forward by a government which was elected on promises of reducing income taxes by 10 per cent and eliminating sales taxes altogether. A government which was elected on those promises, and which brings in a budget which increases income taxes and increases sales taxes is, in fact, a denial of the promises made to the people of Saskatchewan and, in the words of the resolution, a betrayal of the election mandate which was obtained by that government.

There, I think, can be no doubt that the tax increase is the largest tax increase in the history of Saskatchewan. Mathematically there is no other way to arrive at it, the three main components being: the increase in the sales tax of approximately 7 million a year; the increase in the flat tax which is approximately \$80 million a year; and the removal of property tax rebates which are of the order of \$100 million a year.

Now that's very close to \$200 million a year, and that surely is the largest tax increase in the history of Saskatchewan. It may be asserted that to remove property improvement grants and other property tax rebates is not a tax increase. I think that simply will not stand. Last year the home quarter property tax rebate was instituted. It was called by the Minister of Finance and by his colleagues, a cut in taxes. Well, we agreed with that. It was a cut in taxes. Now, if it is removed, it is surely to increase taxes. And we have, therefore, the largest tax increase in the history of Saskatchewan.

Our quarrel is not only with the fact that this is a large tax increase. Our quarrel is with two other facts. Firstly, many people who could pay money, could contribute to the coffers of this province and pay for the schools and the hospitals and the roads, which we acknowledge we need, are not being asked to pay. And here I speak particularly of the resource companies and, even more particularly, of the oil companies.

There is nothing in this budget which raises taxes on oil companies by as much as a penny, while this budget is going to take \$200 million a year, an average of \$200 per person, per year, out of the pockets of ordinary taxpayers.

Now those are hard facts. No one has suggested that there are any additional taxes on the oil industry. No one has suggested that the oil industry is anything but prosperous. All of the major oil companies increased their profits in 1984 over 1983. Imperial Oil, for example, had an increase in 1984 over 1983 of over 80 per cent.

No one can assert that this was all made in Saskatchewan, but certainly the profitable end of the business was oil production, and the unprofitable end of the businesses is the retailing of oil. Everybody in the oil business tells you that. Indeed, some entrepreneurs in the United States have built vast fortunes pursuing that particular fact in the oil industry, and there is, therefore, every likelihood that massive amounts of that increase in profits by these companies — and I'm instancing Imperial Oil — took place in our province.

A simple look at the figures produced by the government itself will show that while the value of oil production has more than doubled over the last three years or so, the amount that is taken by the Crown in all its oil revenues has not increased. It's substantially what it was three years ago, where the value of oil production has more than doubled.

There is therefore no question, no question that the oil companies are able to pay a great deal more. A simple look at the annual report for 1984 of the Crown's own oil company, Saskoil, makes it clear that it is making a great deal more money; it is paying a great deal less in royalties as a percentage of its total income and is making a great deal more in profits. And that strikes me, Mr. Speaker, as indicating that the oil industry could have been asked to pay its share and was not asked to pay its share.

We know also that the oil industry will be even more prosperous in 1985, as a result of the agreement struck — the so-called western accord between western producing provinces and the federal government — which will cause a cash flow to the oil industry variously estimated at 1.3 billion, \$1.4 billion a year.

These are very large sums, and even if they cannot be stated with precision, it is very, very clear that the direction of these is that the oil industry is going to have . . . had an excellent year in 1984, and is going to have an even better year in 1985.

Now I ask you, Mr. Speaker, which of our other citizens, corporate or individual, has made a great deal more money in 1984 than they did in 1983? Is it our working people? Is it our people on minimum wage who have had no increase? Is it our working people who have had, in many cases, no increase, and in some cases, 1 or 2 or 3 per cent increase? Is it our farmers whose net income has not gone up? Yet these are the very people who are being asked to pay more. Is it our small-business people? Have their profits gone up 84 per cent, as did Imperial Oil's? For most of them the answer is a resounding no, and yet they are being asked to pay more.

So that is one objection: firstly, that the broad group of people who are being asked to pay are not the only people who should be asked to pay, and indeed, some people who can pay have not been asked to pay.

The second objection we have, Mr. Speaker, is that the taxes themselves are unfair. They're unfair because they extract more from middle- and lower-income people, and less from higher income people, than properly framed taxes would do.

Let's take them one by one. We have the second-hand vehicle tax. Ask yourself, Mr. Speaker, whether low-income people ordinarily buy used vehicles or new vehicles. The question answers itself. Lower income people tend to buy used vehicles.

What then is the effect of a tax which means less tax on a new vehicle and more tax on a used vehicle? It is simply to transfer the tax burden from people who ordinarily buy new vehicles, which on the average are better-off people, on the average are higher-income people, and transfers it to people who buy used vehicles. Now many of those people— not all of them, but many of them — are people with lower incomes. Indeed lower-income people habitually buy second-hand vehicles as opposed to new vehicles.

So there's no doubt about the move of that tax. It is a shift in the burden from the sort of people

who buy new vehicles to the sort of people who buy used vehicles. The higher priced vehicle you buy, if you're buying a \$35,000 vehicle, you get an even greater break, an even greater break if you're turning in your vehicle every year, than you would otherwise have done.

And so, Mr. Speaker, with respect to the application of that tax, there is no doubt that it shifts the burden from people who are better able to pay to people who are less able to pay.

Now let's take the property tax rebates. The government claims that it proposes to do away with the property tax rebates and pay the money directly in school grants. That's what they say. That's what the Minister of Agriculture said the other day, very clearly, when he was attempting to defend the removal of the home quarter tax rebate. Let's work that one through, Mr. Speaker.

Suppose we have a farmer who is paying \$1,000 in property taxes for school purposes, and suppose we have a potash mine beside that farm which is paying \$100,000 in property taxes for school purposes, because the property . . .

MR. SPEAKER: — Order, please. It's my duty to inform the member that his time has elapsed.

HON. MR. ROUSSEAU: — Thank you, Mr. Speaker. I'm quite pleased to speak on this motion today, for a very simple reason that I have for some four weeks now listened to the members opposite indicate the unfairness of the tax that we imposed this year in this last budget on the used cars. And it is not surprising to me that the members opposite fail to understand what the fairness in taxation is and should be. They've always taken the position, Mr. speaker, that they will go after certain parts or segments of the society and really nail it to them. It's been obvious for many years, the way the members opposite have reacted.

(1545)

Yesterday in question period the Leader of the Opposition attempted to make a point of the amount of extra revenue that was going to be raised by the government in the taxation of used vehicles. As usual, he left out several very important facts because, Mr. Speaker, when we speak of the taxation of used vehicles, we're talking about taxing motorists. And if there's anyone in Saskatchewan in the last three years that has seen a reduction in their taxes, that has been the motorists.

And let me outline to you, Mr. Speaker, exactly what I mean. We removed the gas tax; the motorist received that benefit. And that amounted to, this year would have amounted to about \$135 million. In addition to that, Mr. Speaker, next week I am going to be sending out some \$25 million to the motorists of Saskatchewan.

Mr. Speaker, in addition to that, we eliminated the \$15 premium on driver's licence. We reduced the premium, insurance premium on licence plates an average of over 7 per cent, and a further 10 per cent reduction on farm vehicles, passenger cars, for a total, Mr. Speaker, of \$29 million.

In addition to that, last fall I announced an increase in the benefits \$3 million. In addition to that, Mr. Speaker, we are providing additional service to the people of Saskatchewan with respect to claim centres at a cost of \$10 million. Now if we add up those five figures: the \$135 million tax; the \$25 million rebate; and the other numbers that I mentioned, it totals \$202 million in one year.

The Leader of the Opposition yesterday made a point, and I'm sorry that he's left the House. I'm sorry he's no longer in the Assembly to hear this. He made a point of a \$7 million increase and yet we removed 202, a saving of \$195 million to the motorists. And that's taxation, but it's what I would call indirect taxation that the opposition members used to collect. So therefore, Mr. Speaker, the \$7 million, the attempt for the Leader of the Opposition to be negative on the \$7 million, Mr. Speaker, leaves little question in my mind as to what their integrity is and what their knowledge of the taxing system is. Mr. Speaker, I wanted to clear that point. I won't get into the

other points because that point hasn't been made. It has now been made.

MR. SPEAKER: — Order, please. Order, please. It's my duty to inform the member that the time allotted has elapsed.

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

TOURISM AND SMALL BUSINESS

Ordinary Expenditure – Vote 45

Item 1 (continued)

MR. THOMPSON: — Thank you, Mr. Chairman. Just a few short questions, Mr. Speaker, on the La Ronge houseboats. Could you indicate to the committee whether or not you've had any representation from local fishermen, local commercial fishermen regarding the establishment of that industry on Lac la Ronge?

HON. MR. KLEIN: — Mr. Chairman, regarding the houseboat operation slated to open this summer, the commercial fishermen did not make any representation, to my knowledge, to the operators of that new tourist attraction in that area. Again, I would like to tell this Assembly that in a recent meeting in la Ronge with a good representation of the people of La Ronge, the business community, they seemed very happy to welcome a new corporate citizen into their area to supply yet another tourism facility.

And as a matter of fact, Mr. Chairman, they expressed bitter disappointment in the fact that the elected representatives, or the elected representative of their area seemed, for whatever reason, unhappy with this operation, and they felt that that unfortunately is too bad because where the community appears to be welcoming them with open arms, they can't understand why an elected member of the Legislative Assembly would not welcome a new tourist operator as well. Instead of showing enthusiasm and instead of showing hospitality with regard, it seems that they still go around preaching doom and gloom, and it just doesn't make anybody feel good up there.

The whole area is anticipating seriously the arrival of these people on the scene and are very anxious to see it succeed. And we have taken as a department all of the precautions that we could take, as being the lead agency of the interdepartmental committee within government, to ensure that all of the standards that are required of this operation are met. They will operate it in accordance with all the terms and stipulations that are given, and there just doesn't appear to be any problems at all, and hopefully we can get this under way with everybody feeling good about it.

MR. THOMPSON: — Mr. Minister, I don't know if I'm hearing you right, but are you suggesting to the House that hon. member from Cumberland was not in favour of this venture and that had worked openly or otherwise to make them feel that they were not welcome to bring that venture into Lac la Ronge?

HON. MR. KLEIN: — What I said, Mr. Chairman, is that the business community in La Ronge are very disturbed about the fact that the member, or members in the North . . . (inaudible interjection) . . . yes — do not really seem to welcome any activity that we do to promote the tourism facilities of the North, and where they are encouraged and happy, with it all, why wouldn't those members go out and say, boy this is good. Here's another activity that's going to help create employment. It's going to be an economic generator. And you know, why are they always down in the mouth on anything that we try to do up there?

MR. THOMPSON: — Mr. Chairman, it's all right, Mr. Minister, for you to suggest things that I may have said or have done, but you take advantage of a member who is sick at the present time and who is not in his seat. I think that's getting pretty low. But if you want to take me on and my opposition to bringing the industry into northern Saskatchewan, well that's fine. You can take me on. That's no problem. But if you want to take on the member for Cumberland, I suggest you wait till the member for Cumberland is in his seat. That's unfair.

(1600)

And I want to ask you, Mr. Minister, on what basis do you make your comments that the business community in La Ronge is mad at myself, is mad at myself because of the houseboat industry that's going into Lac la Ronge.

HON. MR. KLEIN: — Mr. Chairman, I will not only take on the member opposite or his colleagues or the Leader of the Opposition, when it relates to the development of the North and when it relates to the development of tourism . . . (inaudible interjection) . . . You'll get your chance.

Your doom and gloom philosophy that you're carrying continually around the province does not make the business community of the North happy. And I have no fear in saying that. And when you come down into the southern part of the province and start preaching this doom and gloom philosophy, the business community in the North says, what's happening? They're discouraging people from coming to the North from the southern part of the province, because everything is bad. Nothing is good. It's full of unemployment. There's people sitting around ready to do this and that, and one thing or another. Why don't they say like it really is? And the houseboats are a typical example.

And every question that you have asked has been a derogatory type of a question, and there hasn't been one little inkling of good for that entire project which will prove itself to be another worthy item of tourism in the North.

MR. THOMPSON: — Mr. Chairman, Mr. Minister, you stand up in this House and you holler and you scream and you talk about all the industry that you are putting up in northern Saskatchewan, and you're suggesting that you're going to take on me and you're going to take on the Leader of the Opposition and the rest of the caucus to prove that your fact is right. And what you're trying to prove is that I'm opposed to industry going into northern Saskatchewan.

Well, I want to suggest to you, Mr. Minister, that you must have a very, very short memory. It has to be a short memory because only a few minutes ago I was speaking in this legislature, and if you were listening, you were in your seat listening, you would have heard, and you would have heard on many other occasions where I'm asking and pleading for the Conservative government to come into northern Saskatchewan and to bring development in. I've been asking you to bring development, and I am not opposed to it. I'm the one who is telling you to bring up the surface lease agreements, to bring it up to 50 per cent. I'm not telling you to keep it down.

Let me tell you I want to see industry in northern Saskatchewan, and if you'd been in here about a half an hour ago, and listening to the speech when I was talking about the human tragedies that are taking place in northern Saskatchewan, the human tragedies, and the latest one yesterday of a young mother — you weren't listening. But I was telling the government to get up there and take a hold of the situation before it gets so serious that there's just no turning back. And I tell you it's serious. But for you to stand up in this House, and tell me that I'm opposed to everything that's good up in northern Saskatchewan, well I tell you, that is not a true statement.

Mr. Minister, just before we get off that subject, will you indicate to the House whether or not that you have the full support of the tourist operators in the La Ronge area, the business community in the La Ronge area, and the commercial fishermen in the La Ronge area, to promote

and advertise the new venture that's on Lac la Ronge right now. I know that any tourist industry that we have in the province, that your department is involved with advertising and promotion, and I would just ask you to confirm whether you have the full support of them three organizations.

HON. MR. KLEIN: — Mr. Chairman, I take on any challenge when I know that I have the support of the people that I've been talking to. And I'm sorry that I missed your speech this afternoon, but, you know, with only three members opposite, I don't know who was here listening . . . none the less, what you indicated to me you were talking about is exactly what I'm talking about.

Of course there are individual hardships, not only in the North, but in any area of our province, and when you continually take these individual cases and carry them about, what happens to the business community up there is they're saying you're making it sound so bad that nobody wants to come and visit us. And it isn't bad up there — it's good. And we should be encouraging visitors and tourists to go up into that area because it's good for the economy. It creates jobs. But when you always bring up only small isolated specific concerns and try to make a big whoop-de-do about it, you scare people. Don't do that. And when there are good things up there that are happening, be proud enough, be a good enough representative to say that.

Now we don't promote specifically any individual type of an attraction as a department of government. They do that on their own. So we're not putting in any financial involvement.

Regarding any opposition to that, as is common with any new business that operates, certainly there are going to be some concerns expressed by individuals that feel that in their own little personal way they are affected, and those people have come forward. So I'm not going to stand before you and say that I have 100 per cent support, because that never happens.

Having said that, I can tell you that NSOA (Northern Saskatchewan Outfitters Association) as an organization has no official concerns. Commercial fishermen have no official concerns to my knowledge. And we have addressed any specific problems with any person that wanted to talk to either myself as the minister — because my door is always open — and I've talked to many, and I've put them at ease and they are satisfied with my response. And certainly my department is in touch with any people that have any questions regarding the houseboat operation, and that has ended it.

There was some concern originally because they felt that originally there was no public process, and that they were disappointed in that. However, being practical about any business, I think that it's fair to say — and that the members would have to agree — that when somebody wants to open up a business, you don't go and ask everybody in the whole world if it's all right if they do that. I mean, that's just not the way it happens. But they do know the certain rules and regulations that apply in all instances of any operation, and what demands or criteria must be followed and met. And certainly in this instance, the promoters, or the developers of that particular attraction went through all of the processes that were required for them to do, and probably beyond, as it relates to visiting with the town administrators and town officials and so on. I'm satisfied that they have done their very best as a good corporate citizen of La Ronge and look forward to playing out just an important role for the community.

MR. THOMPSON: — Mr. Chairman, Mr. Minister, I thank you for that information. And you have indicated that your department has that full support. And I only assume that Tourism and Small Business would be out promoting endeavours such as the houseboat operation or any tourist operation that we have in northern Saskatchewan, and I will relate back to that.

And I'm not going to get into a shouting match with you again on your remarks about the three members being in the House, because I think, once again, as I indicated, you have a very, very short memory. If you maybe just take a look around in your own backyard before you make them kind of statements.

And Mr. Minister, when you indicated that I was opposed to development in northern Saskatchewan and that I was opposed and using scare tactics and opposed to the houseboat operation on Lac la Ronge, first of all, let me tell you that I support that type of endeavour, and I want to indicate to you that that is not in my constituency, but Ile-a-la-Crosse Lake is in my constituency, and the community of Ile-a-la-Crosse are taking a serious look at developing a houseboat industry of their own right in that community in providing houseboats to the industry and hopefully an industry on Ile-a-la-Crosse Lake. So I most certainly support that type of an industry and anything that's going to create jobs in northern Saskatchewan.

Mr. Minister, I want to now turn to a tour that was organized by your department, the Department of Tourism and Small Business, I believe, last fall, in which you took up into northern Saskatchewan or your department — I assume that you went along with them — a group of American business women, and I believe it was a group of American business women. I wonder if you could indicate just what your involvement was with that group.

HON. MR. KLEIN: — Mr. Chairman, I'm waiting for an official of mine to come into the Assembly to . . . so that I can describe to you exactly who those ladies were. But while I'm waiting for that information, first of all, I did not attend. I wasn't there as the minister.

We do know that a large number of women hold fishing licences. And also, in regard to family-type fishing, we want to encourage the women to go fishing as well as the menfolk. And as part of that development and educational program, this is the reason that it was put on for that particular type of a group. We have several what we call "fam tours" — familiarization tours — where we bring in sports writers from wherever to encourage them to visit our northern Saskatchewan. I do know about that group of ladies, but I will confirm who they are. In my next ensuing answer I will describe for you who they are.

MR. THOMPSON: — Thank you, Mr. Minister. I now want to turn to some remarks that were made by your colleague from Prince Albert-Duck Lake. He indicated that yourself and the minister responsible for the North, the member from Prince Albert-Duck Lake, would be making a tour of the North.

I just wonder if you could detail for me the amount of trips and the communities that you have met with in the past year, Mr. Minister.

(1615)

HON. MR. KLEIN: — Mr. Chairman, to finish off the ladies familiarization tour, we brought them in at what we call a brought-up test. The ladies were from California, Colorado, Seattle, Minnesota. They consisted of travel writers and travel influencers. And development would include two wholesale programs. And support in this instance was received from Frontier Airlines, who recognizes the importance of our market and what they can do in servicing Saskatchewan because, as we all know, they do come into Saskatoon from the Los Angeles area through Denver. So we were able to make some arrangements with them to bring these influencers into Saskatchewan, and we're just simply delighted with the corporate response that Frontier provides us in that area.

Regarding your question of my dealing with the citizens of the North. I can tell you that I meet very frequently with people from the northern communities in my office. I can't give you a detailed list, obviously, because I would have to go through my diary for the last year and a half to accomplish that for you. I have personally attended several meetings in La Ronge on several occasions, and on one or two occasions I have participated in these familiarization group trips into the North. I can tell you further that because of our offices in the North, both in La Ronge and Buffalo Narrows, again my department and people that work for us in our branches are in

continual discussion with the business community of the North.

MR. THOMPSON: — Thank you, Mr. Minister. First I want to respond to the group of influential women that your department brought in from the United States to show them Saskatchewan, and particularly northern Saskatchewan. And I want to say that we, on this side of the House in the New Democratic Party — we approve of that, of bringing women in. But I want to ask you, Mr. Minister . . . You have brought a group of influential American women up to northern Saskatchewan.

I want to ask you, Mr. Minister: will you now get a group of influential Saskatchewan women and Canadian women who, I think, are just as influential and just as important as the American women to our tourist industry in this province; will you and your department make sure that there is a trip like the trip that you took the American women on and make sure it's Saskatchewan and Canadian women?

HON. MR. KLEIN: — Mr. Chairman, I guess tourism is kind of a complicated business, Mr. Chairman, when you don't understand business . . . (inaudible interjection) . . . Why don't you be quiet and listen to the answer for a minute. When I use the term influential, I don't mean influential by bringing in a well-known presidential candidate from the United States. I used the word "influential" in terms of business. These gals work for formal organizations that sell travel, that sell tourism in a huge, big market-place of tens of millions of people.

Now the ladies themselves might not be known any better than some of the members opposite, but the job that they do is twenty-fold the job that some of the members opposite are doing, because that's what I mean by influential.

Now, having said that, I would dearly love to have a familiarization trip to the North for the members of the media because . . . particularly the members of the media from southern Saskatchewan who could tell the people here about the adventure product that we have in the North.

But I can assure you, I can assure you just as sure as I'm standing here — and I'll stand on my chair if I have to, to satisfy that guy — that if I had a familiarization tour that I would bring the local media to, the first thing that we would meet with from the opposite would be accusations of bribery to the media. Because you wouldn't accept the fact that I would like to afford this media the same opportunity that we afford the writers from outside of your province. And I think it's only fair.

And if you would be in agreement to that, I would be delighted to have a familiarization tour developed for the media of our province, to go up, visit the North, see firsthand our camps, our fishing camps, all of our other tourist attractions, and come back and write stories on their own. I won't attend with them because I don't want to influence their stories, but, rather, that they do that. Or I could have the media contact the members opposite to see if they would agree to our development of that kind of a program.

MR. THOMPSON: — Mr. Chairman, for the life of me I don't know what's going through that minister's mind or if he's listening at all. I never once in my question said anything about taking the press up there. I'm sure all the press are aware of northern Saskatchewan, and they make many trips up there.

The question that I asked you, and you scooted all around it, you never answered it: will you make available to the women of Saskatchewan and the women of Canada, the same trip, the same opportunity of a trip, this summer, as you did to the American women? That was the question, Mr. Minister.

HON. MR. KLEIN: — Mr. Chairman, is the markets that we're looking at, and when we're trying

to develop specific markets, if we could find women travel influencers in Canada or in Saskatchewan that do, in fact, sell and promote fishing trips or outdoor activities so that they could qualify for that, we would have no hesitancy in spending the taxpayers' dollar in that fashion. But when we're trying to develop this specific market as best we can and, again, using the women travel influencers to the best of our ability, and the markets that they can bring the customers to the North, that's where we are spending our limited dollars on.

MR. THOMPSON: — Well, Mr. Minister, you still haven't answered the question. But it's quite interesting, Mr. Minister, that you stand up in this House and indicate that you could not find influential Saskatchewan women, influential Canadian women, because you indicated when you stood up in this House . . . I asked you a question if you would make available the same opportunity to the women in Canada and Saskatchewan; you did not answer that. But you said if . . . (inaudible interjection) . . .

If the Minister of Social Services would just listen, I will repeat what the member just said. He said, "If we could find . . ." and you can go back in *Hansard* tomorrow and check it out for yourself. Mr. Chairman, the minister said, "If we could find influential women in Canada and Saskatchewan like we did in the United States . . ." And the only trip that was taken was by a group of United States women, not Canadian women, not women from this province . . . so what you're indicating, Mr. Minister, is you have not been able to find women of that calibre in Canada and Saskatchewan, so that is why the American women were taken up there.

HON. MR. KLEIN: — Mr. Chairman, I can say it slower; I can say it louder; I could answer your question a dozen times. I say women travel influencers . . . women travel influencers are a whole lot different than influential women. Now I don't know, Mr. Chairman, how I can say it any . . . I'll repeat it one more time. There are influential women in our society. That's true. There are influential women in Saskatchewan, in Canada, and outside of our borders. That's true. There are women travel influencers that we are aware of outside of Canada. Those are who we brought on the "fam" trip. We are not aware of any women travel influencers in Canada, nor are we aware of any women travel influencers within Saskatchewan that devote time in selling fishing packages or outdoor activities in northern Saskatchewan.

MR. THOMPSON: — Well that's quite interesting, Mr. Minister, that you would make a statement like that. I'm sure the women influencers in Canada and Saskatchewan are going to be really impressed by the statement that you have just made.

You have indicated to this House that you could not find that type of a woman in Saskatchewan, and that you could not find that type of a woman in Canada. That's what you have just stood up in this House and said.

Now Mr. Minister, I want to put this question to you again: will you make available — because I say to you Mr. Minister, there are many women in Saskatchewan and Canada who fit the same category just as well as the women that you brought in from the United States — will you agree to make available to Canadian women and Saskatchewan women that same trip that you made available to the women of the United States?

HON. MR. KLEIN: — Mr. Chairman, I have already indicated that if somewhere in Canada exists a woman travel influencer that deals with fishing packages, that would promote the outdoor activities of northern Saskatchewan, by all means we would put a fam trip for that. There probably is a woman travel influencer in our province. Unfortunately, that person is probably selling packages to Hawaii from Saskatchewan.

When we want somebody to come to Saskatchewan from Minneapolis, it's highly unlikely that a woman travel influencer in Saskatoon knows the Minneapolis market to bring them here. So that's why we bring them in from the other areas. They're the ones that are selling Saskatchewan.

MR. THOMPSON: — Are you suggesting, Mr. Minister, that the influential women that you brought in from the United States are selling only Saskatchewan tours? Are you suggesting that — that they don't sell tours to Spain or to any other country in the world? That's what you're saying . . . (inaudible interjection) . . . That's exactly what you're saying.

I'm going to get off this subject, Mr. Minister, because you have indicated very clearly to the women of Saskatchewan, and to the women of Canada, just where you stand on your priorities, and that is what the conservative government stands for. You represent the Conservative government.

Mr. Minister, you and your colleague, the member from Prince Albert-Duck Lake, talk about all the businesses that are popping up all over northern Saskatchewan. Could you indicate to me, Mr. Minister, in the last year how many new businesses that your department has created and are now operating in northern Saskatchewan?

(1630)

HON. MR. KLEIN: — Mr. Chairman, it's going to be a lengthy response. It appears as though we've been doing our homework up in the North, and there's the list.

But first of all, I just want to clear up a little misunderstanding that still seems to exist with the hon. member across, regarding women travel influencers. Of course the American women travel influencers sell more packages than just fishing trips into Saskatchewan. That's exactly why we go and visit these people. Because if we don't go and visit these travel influencers, how on earth can we expect them to sell fishing packages to the North? How on earth can Frontier Airlines develop that market? Why do they co-operate with our department? Because Frontier Airlines know that through the promotion and the effort and the work and the contracts that our department makes, we are successful in what we set out to accomplish.

And when we were seeking names of the best women travel influencers we contacted Tourism Canada offices in both Canada and the United States. The names that we got from these contacts of Canada Tourism only identified the women travel influencers from the USA as being the best market for us to go after in terms of drawing visitors to northern Saskatchewan.

And I will go one step further. You don't have to worry about carrying my message to the women business community because our Progressive Conservative government is sponsoring the first women and business conference in the history of our province, and it's June 11, specifically designed for women entrepreneurs, either in business — and that is where you'll meet your influential women. You might meet an influential woman travel influencer. You know, you can never tell. And then, that way I could say, here's one woman that represents both of what I was trying to explain. Anyhow, having said that . . .

We don't create businesses, either in the South nor in the North. We are a catalyst with the private sector to assist them to create their business opportunities. I can tell you, Mr. Chairman, without going through these lists, that we have more than several in various regions of northern Saskatchewan that we have been working with the business community to establish these things. Probably if I counted them all up there would be well over 100 business people that we are talking to at the present time that are in various stages of development. We have approved 25 commercial loans and I think that this list here represents perhaps 20 or 25 just on the east side of northern Saskatchewan businesses that are presently in operation.

MR. THOMPSON: — Mr. Chairman, it's quite interesting how the minister has tried to skirt around the women's issue on travel. You stood up in the Assembly a few short minutes ago and indicated that you took only the American women up there because the women who are involved or who are influential, who are influencers in the tourist industry in Saskatchewan were not really interested in selling northern Saskatchewan and fishing, but rather they were

interested in selling trips to Hawaii. That was your statement. You made that statement in this House — that that was the situation in Saskatchewan — and that's why you went to the States.

The question that I asked you, Mr. Minister was: how many new industries have you started up in the last year, and are operating in northern Saskatchewan now — new ones?

HON. MR. KLEIN: — While my officials are adding that, I can answer your question with none. We as a department have started none. But I can tell you that I don't retract any statement that I have said about the women travel influencers. You don't talk to the business community.

I belong to several different associations not the least of which is the travel association . . . (inaudible interjection) . . . I'm not skirting around any issue. I talk to them all the time and by their own admittance, if you took the time to talk to them, they sell the Hawaii and Florida market because that's where they make money from. And they don't sell the northern part of our province because their travel agencies are not designed for that.

Mr. Chairman, on the west side of our province, in the North, the private sector has either opened or reopened a total of 16 new businesses.

MR. THOMPSON: — Mr. Minister, you indicate that on the west side of the province there are 16 new businesses that are either operating or have reopened. Could you indicate how many of them are new and how many have been reopened?

HON. MR. KLEIN: — Mr. Chairman, I'm happy to tell you that there are eight new businesses on the west side.

MR. THOMPSON: — Mr. Minister, we know that on the west side we have a major problem with unemployment and we have some very large communities up there, one being La Loche where we have a population of approximately 2,200 people. Could you indicate how many new businesses you have opened up in that area where the need is so great?

HON. MR. KLEIN: — Mr. Chairman, again I would like to point out that we don't open up new businesses — the member should know that — the private sector. We encourage new businesses to open. Otherwise, every business in the North would be a Crown corporation. So that the private sector is encouraged to open up or reopen new businesses. And in La Loche there has been one that has opened.

MR. THOMPSON: — Mr. Minister, you indicate that you are not involved in economic development. And maybe I'm wrong here. Does your Department of Tourism and Small Business not administer the economic development branch fund in northern Saskatchewan?

HON. MR. KLEIN: — Mr. Chairman, very, very clearly, again for the record, our department does not open and operate businesses. I've said that several times, so I wish that the member would catch it once and for all. I have never said that I am not involved in economic development. Of course, I am. Of course, our department is involved in economic development. But there's a whole lot of difference between being involved in economic development and acting as a catalyst and opening up your business — a great deal of difference.

And yes, we do administer the loan fund, and we have had a record year with that loan fund, far beyond anything that the prior administration could ever say. I'll read the numbers again — far beyond anything that the other administration could ever say. And I'm also happy to report as I did to this Assembly that not only have we had a record year of use of the loan fund, but our collections are the same. We collect our money.

Now having said that, the businesses that I refer to are primarily a list of businesses involving only that loan fund. But there are other businesses involved that do open in the North that don't

involve the use of the loan fund, and therefore they just open — sometime with, sometimes without the assistance of our government, because in the private sector they're used to doing that. But they do come along to ask what programs so that if we can assist in job creation they take the benefit of that program so that we can create those badly needed jobs.

MR. THOMPSON: — Well, Mr. Minister, that's what I'm trying to get at. You say that you don't open and you don't operate. Well naturally. But you provide the funding for businesses to reopen or to get started anew. That's the function. If there's an industry up there and it looks viable to you, your economic development fund will provide the money to that business. As you indicated, you opened one business in La Loche. Most certainly it's not a Crown corporation. Could you indicate just what type of business that was that opened in La Loche? And also could you provide for me the number of businesses that were opened in Buffalo Narrows and what types?

HON. MR. KLEIN: — Mr. Chairman, in La Loche the private sector opened a bulk fuel plant. In Buffalo Narrows there was a video shop and an auto body shop that opened. And these openings are not primarily on behalf of the loan fund. They can do this with private sector funding. I can tell you that 25 commercial loans were approved in the loan fund in the amount of \$2.2 million. A 54 per cent loan approval rate is indicative of strength in lending. Sixty-one fishing and trapping loans approved in the amount of \$220,000. The net dollar value approved represents the highest level of lending activity since the program's inception in 1974.

The northern revolving loan fund has a statutory limit of \$10 million of which \$3.2 million is available to lend. Actual loan disbursements in '84-85 are \$2 million — a little bit higher; 460 person-years of employment have been created and/or maintained as a result of the loan fund lending activities. I'm just talking the loan fund for you now. Cumulative revenue figures will be approximately \$1.8 million, nearly double the previous year as a result of an intense collections policy.

(1645)

A total of 107 loans were repaid in full during the year. Of 66 loans approved, where loan repayment was scheduled to commence last year, 60 accounts or 91 per cent are current, and the lending activities in the North have directly stimulated private sector investment in the order of \$1 million.

MR. THOMPSON: — Mr. Minister, you have indicated that you have financed a bulk fuel agency in La Loche, a video outlet in Buffalo Narrows, and a body shop is financed in Buffalo Narrows. Is this right?

HON. MR. KLEIN: — No, I didn't say that. I didn't say that at all . . . (inaudible interjection) . . . No. Just a moment, Mr. Chairman, please.

Mr. Chairman, I wasn't getting specific because due to client confidentiality I obviously can't tell you. And if I broke down who did and who didn't have the loan funds, then you could figure it out for yourself, and I don't believe that that's fair to the businesses.

I can tell you that in Buffalo Narrows there's a total of more than two — there's three or four, some of whom have access to the fund, some of who haven't. And obviously in La Loche, the same thing. I have no problem with naming the types of businesses, but I think you understand that I cannot tell you who accesses the loan fund. You know, we have to be cognizant of the business and the information that we supply.

MR. THOMPSON: — Yes. I was not asking for any specific names, Mr. Minister, and I wouldn't expect you to provide me with that information, but you did indicate to me in my original question that you . . . when we were talking about the businesses that had opened up and were

operating under your assistance in the last year, you indicated a bulk fuel station in La Loche and you indicated a video outlet and a body shop in Buffalo Narrows, and that's the question I was asking, if that was the extent of your financing in the two communities that I mentioned.

HON. MR. KLEIN: — No, I didn't say that that was the extent of the financing. I indicated that in those two particular communities those were the businesses that sprouted forth. And again, I didn't say that with any particular viewpoint of who did or who did not access the fund. Some did; some didn't. And I think by being vague about that, I'm not releasing any confidentiality. And my response was to what business is open in La Loche, that was a bulk fuel; and in Buffalo Narrows we had a body shop, a video rental, a restaurant, and one other one, a pharmacy.

MR. THOMPSON: — Mr. Minister, then if Buffalo Narrows it's not just a video outlet, a body shop, but it's also the pharmacy that you're involved in too?

HON. MR. KLEIN: — Yes, a pharmacy and a restaurant, Mr. Chairman.

MR. THOMPSON: — Now you're into a restaurant. Your first answer was that there was two businesses in Buffalo Narrows that you were involved in. Now you add a third one, the pharmacy. And just when you were sitting down you added a fourth one, a restaurant. Is that right?

HON. MR. KLEIN: — Mr. Chairman, let's clarify this. We're not involved in them, and I don't say that we are involved, and I always have continued to avoid the use of the word "involved in." I am telling you, in answer to your question of La Loche: one business, bulk fuel. In regard to Buffalo Narrows: four businesses — auto body shop, video shop, a restaurant, and a pharmacy. Four businesses.

MR. THOMPSON: — And Mr. Minister, are all the four businesses that you have mentioned in Buffalo Narrows that your department was involved with — you have just mentioned them — are they all operating today? And are they all new businesses, new businesses in the last year operating today?

I'm sorry, Mr. Chairman. Are you indicating then that the four businesses in Buffalo Narrows are all new businesses in the last year, because that was my original question, and that the four businesses — the café, the pharmacy, the body shop, and the video shop — are now operating, and this year was the first year of operation for all four?

HON. MR. KLEIN: — Mr. Chairman, one is presently under construction, brand-new. Two others, brand-new. One is a reopening.

MR. THOMPSON: — You indicate that there's three brand-new ones. Could you indicate what businesses they are?

HON. MR. KLEIN: — Mr. Chairman, the restaurant is presently under construction, the pharmacy is new, the video rental is new.

MR. THOMPSON: — Are you telling me, Mr. Minister, that the video business, the building that the video business is in, the building that the pharmacy is in, are new businesses that you have started up in this community?

HON. MR. KLEIN: — No, I didn't say that, Mr. Chairman. I said the businesses . . . (inaudible interjection) . . . I'm talking about the business. I'm not talking about the building. There's a difference.

MR. THOMPSON: — Well, Mr. Minister, you're getting very touchy here because . . . And I want to ask a number of questions about the businesses. You stand up in the House and you

indicate that you have started three new businesses — that three new businesses have sprouted up in Buffalo Narrows and are now operating with your assistance.

Now I want to tell you, Mr. Minister, that that pharmacy building has been there for a number of years. I want to tell you that the video building that you're talking about has been there for many years. They're not new. The body shop is not new. The only that that is, it's the individuals that are in there.

I want to ask you, Mr. Minister: could you indicate if the individuals that are operating the four businesses that you are talking about in Buffalo, plus the one in La Loche, are they all operated by individual who were born and raised in Buffalo Narrows and La Loche?

HON. MR. KLEIN: — Mr. Chairman, I suppose that if he insists on that information regarding their place of birth, I could look into that and find it for you.

I apologize for appearing short tempered, but there's a big difference between a business and a building. It's about the same difference as buying a car and buying an airplane. You know, one has nothing to do with the other. Some businesses need buildings; some businesses don't need buildings. Some businesses need brand new ones; some can use old ones. A business is one thing. It's kind of like socks and shoes. Just because you put on a pair of socks, you don't particularly need a pair of shoes. And just because you put on shoes, you don't particularly need socks.

So having said that, I have always indicated and referred to businesses, never a building. There's a huge, great difference between a business and a building.

And for the umpteenth time, we don't . . . I have never said that we have provided assistance to those businesses because, again, for the sale of confidentiality, if you want to get specific about the type of assistance, and our consultants were in and helping them with business plans and so on, yes. But I will not tell you what businesses actually referred or get assistance as it relates to financing.

MR. THOMPSON: — Okay, Mr. Minister, you indicate . . . And then we were discussing the Economic Development fund that your department administers. You administer an Economic Development Fund that you indicate is over \$1 million — close to \$2 million — that you have available for the residents of northern Saskatchewan. Mr. Minister, the fund that we are talking about, is it referred to as a northern economic development fund?

HON. MR. KLEIN: — Mr. Chairman, yes we do operate the northern revolving fund and there is \$3.2 million available to lend. There is criteria that must be followed to access this fund. And I can assure the member if that's what he is trying to get at in a roundabout way, and to save time for this Assembly, that in instances where applications are made for access to the revolving fund, that criteria must be met. And instances where they do not access this fund, they go to the private sector for their funding. That's why in some instances you may or may not have anybody that you're trying to get at.

MR. THOMPSON: — Well I want to make it very clear, Mr. Chairman, to the minister, that I'm not trying to get at anybody. I'm just trying to get the truth out of you and the facts of what has taken place up there. And one thing we want to make clear, we're talking about the northern economic development fund, and you talk about the criteria to be available to get money out of that fund.

Could you indicate if the criteria is the same that it used to be to get funds out of the northern economic development funds? And that criteria was 15 years, or half of your life in a northern community.

HON. MR. KLEIN: — Mr. Chairman, the residency requirements have not changed. I'm happy to tell you that a couple of other things have changed. We go about collecting the returns because we explained to the people that this is a loan and they must pay it back.

MR. THOMPSON: — Well, Mr. Minister, you indicate that the fund we are talking about, the northern economic development fund, and the criteria is the same as it used to be — 15 years or half your lifetime in the community. You indicated that there were 16 loans that — or 16 businesses that started up on the west side of the province, and I will assume that the west side will be from Green Lake north and encompass mainly the Athabasca constituency.

Could you indicate of the 16 businesses that started up in the last year, if they all met the criteria that you're talking about — 15 years in the community or half their lifetime?

HON. MR. KLEIN: — Mr. Chairman, first of all, I'd like to reiterate one more time that not all the businesses access to fund. I think you understand that. Of the businesses that did access to fund, it's fair to say that all of the criteria was met, and in one instance I used ministerial discretion, which is exactly the same criteria that was in existence in the loan fund prior to our administration.

MR. THOMPSON: — So you say then, Mr. Minister, that of the 16 new businesses that started up on the west side, they all fall into that category. They met the criteria, that had financing through your department, with the exception of one which you used your ministerial powers and approved outside of that criteria?

HON. MR. KLEIN: — Mr. Chairman, again, of those that financed through the revolving fund — because not all of the businesses did — they all fell into the prescribed criteria. And I did use ministerial discretion on one. But that criteria was in existence prior to our administration and I simply used the tool of the criteria that was available to the prior administration. That is available to me.

The Assembly recessed until 7 p.m.