

April 1, 1986

EVENING SITTING

SPECIAL ORDER

ADJOURNED DEBATES

MOTION FOR COMMITTEE OF FINANCE
(BUDGET DEBATE)

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

Mr. McLaren: — Thank you very much, Mr. Speaker. As I was saying prior to the supper break, I want to commend my colleague, the Minister of Finance, the member from Qu'Appelle-Lumsden, for a most excellent presentation of the budget address last Wednesday evening and the formation of a most realistic and common-sense budget.

As I was saying also, I had spent four days in my constituency of Yorkton over the Easter weekend, and I can honestly say, Mr. Speaker, that I did not run into one constituent that had any criticism of our budget whatsoever. They felt it was realistic — it was fitting for the times that we are in. They did not see a lot of goodies, that they thought they were going to see, just to buy votes.

It was a budget that we could live with and still provide the incentives to create the economic growth that we need. And nobody has any argument, Mr. Speaker, about economic growth being the stimulus to provide jobs and prosperity to support the social institutions necessary for a forward-looking and caring society. We must encourage and assist wherever possible our small-business community, our farmers, and the development of a rich, natural resources. And in my opinion, Mr. Speaker, this budget does just that.

Creating a positive climate towards business is a must if we are to promote and encourage the economic development of our business community, Mr. Speaker, and our budget confirms our commitment to create a positive climate. An 8 per cent maximum interest protection rate for small businesses, up to the maximum loan rate of \$100,000; a two-year corporate tax holiday for new small businesses; a stock savings plan to encourage equity investment by Saskatchewan residents. This plan is part of our continuing emphasis to encourage public participation in the Saskatchewan economy. And this desire to invest in Saskatchewan by our residents was made loud and clear by the participation rate and the excitement in the purchase of Saskatchewan bonds, power bonds, and the Saskatchewan oil shares.

A one year extension to the industrial incentive program where businesses, for each new permanent job created in the manufacturing and processing sectors, would receive a \$7,500 tax credit.

I mentioned earlier, Mr. Speaker, last November, December, that I was appalled and embarrassed to be sitting in this Assembly when the announcement was made of the bacon plant and the pork cut and kill plant that was coming to Saskatchewan by Gainers Incorporated. And ever since then I've been just

wondering what really makes the NDP tick as far as business is concerned in this province.

You can't believe them any more. They don't want jobs in the province. They don't want to see industry come into this province. They don't want to see Weyerhaeuser's power, or the plant in Prince Albert, PAPCO, and the paper plant to be expanded. They don't want to see the Rafferty dam. They didn't even want to see the natural gas program because they said it wasn't affordable. And we've proved that it was affordable, and within eight years 10,000 farms and 25,000 urban people will have natural gas at a much cheaper rate than electricity.

And with the hand-outs . . . I can't understand this rhetoric from the people opposite. Pocklington is getting this \$21 million worth of hand-outs. It's no different that you . . . (inaudible interjection) . . . He's not getting anything. He can get a loan from Sedco, which he's going to get. He's going to pay it back at the interest rate that is in place for anybody borrowing money from Sedco. And on the other part of it, he doesn't get a penny unless he performs. And the only way he can perform and get the \$75,000 tax credit is if he performs and creates jobs.

But, no, the members opposite are saying that there's this great big hand-out to the Gainers Incorporated. He's got to earn it — he's got to earn it.

You, the member from Quill Lake, or the member from Shaunavon, or the member from Regina North East, could go out and start a glue factory tomorrow from the hooves of the pigs that Pocklington is going kill, and get your loan from Sedco and get your \$7,500 tax credit the same as anybody else in this province can get. It's not a hand-out to Pocklington.

So creating a positive climate in the province is a thing of the past, as far as the NDP is concerned. Nobody is going to believe you any more. What you want to see, and the Leader of the Opposition is coming out and saying, we need more militant labour in our province. So you want the Nadine Hunts and the Larry Browns to be out demonstrating up and down the streets out here, tapping the Prime Minister of Canada on the head with their placards. And that's exactly what you want to see. And you think that's going to create a positive climate in our province? I've got news for the members opposite. I've had people tell me they left this province because of that kind of climate.

The other important indicator of our Progressive Conservative government's commitment to provide a positive climate here in this province was our open-for-business theme which was a visible demonstration of our plan, Mr. Speaker. And I know the NDP members opposite have constantly laughed and made fun of our conference, but let's look at the record. Thirty thousand more people working since 1982 to 1986 — 30,000 more people working. Seventeen thousand more working in last year alone.

And the member from Regina North East stands at his seat this afternoon and said that there are 40,000 more people unemployed in this province. But what he is not telling

the people of the province, that you people had 28,000 people unemployed when we took over. So 12,000 more people unemployed, yet the population has increased by 50 to 60,000 people. When you start working out percentages, that's why we've got the lowest unemployment record in the country.

Some Hon. Members: Hear, hear!

Mr. McLaren: — You don't tell the whole story. Forty thousand people unemployed, but make it sound like you only had zero unemployment, when you actually had 28,000 people unemployed.

I'm proud, Mr. Speaker, to have been part of the decision making process while being minister in charge of the Saskatchewan Power Corporation, to commence the \$100 million Buy Saskatchewan plans, another clear indication of our desire to work with the business community, to encourage participation in supplying the goods and services required by Saskatchewan Power.

And I'd like to just briefly mention a few of the items of what has taken place since we've put that program into action. The total Saskatchewan purchases of commodities and supplies, year to date to 1985, December 31st, were \$111.2 million — an increase of 110 per cent over 1984. Sask Power buying goods and services from Saskatchewan people, creating jobs which hardly have been looked at or done before.

Purchases of commodities and supplies from outside Saskatchewan decreased for 61.8 million in 1984 to 58.7 million in 1985 — a decrease of 5.3 per cent. Total Saskatchewan purchases and services, including contracts year to date to 1985, December 31st, were 97.8 million — an increase of 20 per cent over 1984. Services purchased outside Saskatchewan decreased from 11.2 million in 1984 to 7.5 million in 1985 for 51 per cent. Total Saskatchewan purchases in commodities, supplies and services, year to date to 1985, December 31, were \$209 million — an increase of 55.8 per cent.

That just didn't happen, Mr. Speaker. In Saskatchewan Power we hired two men to come on staff to travel around the province of Saskatchewan to visit with the small-business community, or manufacturers, and to encourage them to bid on the contracts of goods and services that Saskatchewan Power was wanting. And, Mr. Speaker, that program has worked to the tune of \$209 million.

Our budget and Progressive Conservative government also recognizes that it is important to build on our natural strengths. And without a doubt, agriculture has been and will continue to be the mainstay of our provincial economy. And we have seen the impact of the \$25 an acre loan that was provided our agricultural people the last few weeks. And I can honestly say that our business community in Yorkton has noticed a dramatic increase in sales over the last few months, and they do attribute it to our programs to the agricultural area.

We are also blessed with a rich resource base and a highly skilled and motivated work-force. We must develop policies and programs to build on these and other

strengths. The recent programs to assist the cash flows of agricultural base has had a profound impact. I am delighted, Mr. Speaker, with the Minister of Finance's announcement of the construction of the \$78 million agricultural college at the University of Saskatchewan in Saskatoon. Not only will construction jobs be created, but the addition of an agricultural emphasis on our number one industry for research and education has to be a deal plus for our farmers to cope with the technological changes that are required to compete in today's competitive world.

Mr. Speaker, the expansion of our venture capital corporation program to include agricultural firms and the eligibility of communities up to 20,000 people will now put my constituency of Yorkton into the program. I look forward to working with interested groups to encourage their participation in such projects.

Mr. Speaker, our Progressive Conservative government is committed to encouraging opportunity and protecting our families when all we have to do is look at the protection that we have provided over the last four years: the mortgage rebate program on people that were afraid of losing their homes back in 1982; the removal of the gas tax which is putting millions of dollars into the pockets of Saskatchewan people. Where was the NDP when interest rates were climbing to 18, 19, 20 per cent? Nowhere to be seen, Mr. Speaker. They had no idea other than to buy up the industries and businesses that were going broke, the land bank land, and putting that into their power struggle or whatever you want to call it. That's where the taxation dollars were going.

(1915)

Our economic development initiatives over the past four years and job creation record is proof positive that our effort plan is working and creating opportunities and jobs for people of this province. We recognize that we must provide our citizens with protection against sickness, natural disasters, unemployment, and hardship. This budget does all that, Mr. Speaker.

The number one item that is being well received in my constituency, Mr. Speaker, is the Saskatchewan pension plan. It was unbelievable last weekend the amount of folks that came up to me and asked for more details on it. And for the first time in their lives, for the first time in their lives, farmers' wives, home-makers, small-business men, and businesses with a few employees can now participate in a pension plan.

For the last two years, Mr. Speaker, I had the opportunity of being on a national committee of our various labour ministers and people involved with the private pension plans to look at pension reform. And it was interesting to see that the number one issue that came forward in those meetings over that two year period, was the desire and the lack of support that the older people had when they reached their 65th birthday and had never participated in a pension plan.

It was devastating, the numbers of folks that we found out that lost their spouse — were 60 to 65 years of age or 55 years of age, and no income until they hit 65 years of age,

and the Canada Pension Plan would kick in. We feel that this is going to be very, very well received and I can assure the members opposite that this is something that is really being looked forward to for many, many years, and that the women especially are now going to have that opportunity. And they're coming with this 60 to 65 payment which is nothing more than a welfare payment. What better than people starving to put a few dollars aside in their working years for when they are on their farms to provide a pension for people such as the home-maker and the wives of the farmers and so on.

Another very popular item is the tax exemption of clothing of up to \$300 per item, Mr. Speaker. In our city of Yorkton, just as the reduction of the gas tax brought car after car after car from western Manitoba just because of the cheap gas, we have been experiencing many people coming in and purchasing in our stores in the malls of Yorkton.

But I tell you, Mr. Speaker, this reduction of the education tax on clothing is just going to cause another wave coming into the province and all the department stores and malls up and down the eastern side of our province are going to see a dramatic increase in the purchases of people coming in from Manitoba.

Home owners on the \$3,000 grant for their first-time home, home owners, another very popular item. It was popular in 1983 when we had our program before — a lot of houses built in my constituency of Yorkton, and we had questions on the weekend of this same program, wanting more details and we will see a boom in our housing industry.

And the agricultural and commercial equity corporation where the residents of our province can invest in our province and give us the opportunity to create plans and industrial growth and economic growth without having to go outside our boundaries and borrow money from Wall Street or the United States at a cost that is really hurting us now, when you look at the exchange rate on the borrowings that were made many years ago.

The largest increase in history for agricultural and health expenditures in our province. We wondered why a moratorium was put on nursing homes back in 1976, and I heard the member from Shaunavon on the hot line this morning and he couldn't remember that there was a moratorium on nursing homes. I was wondering where he was at that time.

A major increase in spending in education. And to cope with the industrial growth and the new skills of our work-force that are going to be needed, education is very, very important. I can say about our community colleges in Yorkton that the demand for spaces has climbed very, very high in the last couple of years with adult people coming to upgrade their skills, to give them better opportunities to find jobs in that work-force.

A new approach to funding by day care centres — the first time that this has gone to them directly. And the efficiency by the formation of a property management corporation so that we can rent our facilities out and have it all under one body to manage for us.

And another very popular item back in Yorkton was the 6 per cent money for students. We had a number of people in the last few days wanting to get more details on that, and were very, very pleased that they could get their student loans at a rate that was reasonable and not at the 16 and 17 per cent that they were having to face back in the late '70s and early '80s.

The other thing that they didn't believe about our budget, Mr. Speaker — that there wasn't any major tax increases. The item on cigarettes is an optional thing, that if people don't want to smoke they won't have to pay the tax. And they were pleased to see that the larger corporations and the banks were going to have to pay an extra amount of tax in this coming budget.

The rhetoric, Mr. Speaker, that I've heard over the number of weeks coming from the members opposite, about the biggest tax increase in the history of Saskatchewan — and I wonder where the members opposite get that kind of information. I think they make it up. I did a little checking the last few days, and I looked back at taxation in 1972 where the provincial tax was 34 per cent. By 1978, six years later, the tax was 53 per cent. Now, in the NDP minds those must not be tax increases, but a provincial tax from 34 per cent to 53 per cent, in my mind, is a fairly massive tax increase in six years for the people of our province.

They don't talk about the gas tax, a sliding tax on gasoline. But every time the federal government raised the price of gasoline, they gloated because it meant some more money on their taxation formula coming into their coffers. But no, that's evidently no tax either.

Taxing the oil industry, giving this massive taxes to the oil industry. They were paying royalties or incentives to people in the oil industry to drill dry holes. They weren't giving the incentives to people that had success, and to me that's where it should go.

Then let's look at Saskatchewan Power rates. And the member from Assiniboia-Gravelbourg was saying, I wish we could have the power rates that we had back in 1981.

Let's look at gas, for example. In 1975, under the NDP, in one year they raised gas prices by 66 per cent; in 1976, seven twenty-seven per cent; 1977, 19 per cent; 1978, 10 per cent. And what has happened since we have taken power? We've had decreases in gas price increases instead of the increases themselves. But no, that's not taxation. That's not taking money from the people of the province.

Let's look at electricity: 1975, 27 per cent; 1976, 12.8 per cent; 1977, 17.3 per cent. And I can remember, Mr. Speaker, that those price increases, some of them were within two or three months of increasing, when I was at Morris Rod-Weeder in Yorkton; the power rates increases every two or three months.

Lastly, Mr. Speaker, I would like to comment on the succession duty tax. But that was no tax; that's not taxation in the NDP minds. But I'll bet you, if you add that up, it's considerably more than the average that we have

taxed in the last few years, which has probably gone the other way.

I can remember when that succession duty tax came on, and we were concerned as a company, where we had 400 employees, that this succession duty tax imposed by the NDP in 1972 could destroy our company, with it being a family-owned corporation.

A lot of heat was put on that government of the day by our Prairie Implement Manufacturers Association, that this very thing could happen. So what do they do? They form a committee. And the chairman of the committee was the member from Assiniboia-Gravelbourg. And I can remember sitting down with that committee in our offices in Yorkton, complaining that the \$250,000 exemption on tax was good for our corporation. The fact of the matter was, Mr. Speaker, that out of a payroll of \$10 million a year, you can imagine where \$250,000 would go. It wouldn't even pay the salaries for a quarter of the staff for one month. And what would be left for us to do would be to sell off part of the corporation to pay the duty tax.

And do you know what the answer was from the member opposite, the chairman of that committee? You could sell out to John Deere. That was the answer that we got from that gentleman. Pull up stakes at that plant in Yorkton, move us to Des Moines or Moline or wherever the John Deere plant was, in the United States, and that's the kind of sympathy that we had as far as succession duty is concerned, and business, in the province of Saskatchewan. And that's exactly what you think of business in Saskatchewan.

I have talked to other people, widows that lost their husbands. They had to sell land to pay that tax. And \$26 million was collected in that tax from 1972 to '75 or '76, when it was taken off. And we listened to the member opposite about the used car tax. We should rebate \$3 million. How about adding the 26 million to that? And let's go all the way, for the fellow that bought a suit 10 days ago. Maybe we should rebate the tax on that one. Where does it end? But you don't set your sights. You play it on the items and mislead the people of this province with your rhetoric.

An Hon. Member: — Did they give it back?

(1930)

Mr. McLaren: — They never gave it back.

Before I close, Mr. Speaker, I just want to mention one more item. And the member from Regina North East mentioned this also, that if they were government and the liability insurance had come the way it was, they would have done something about it years ago.

Well I've got news for the member from Regina North East. We were in a lawsuit back in the late '70s on that very item and we knew that the liability insurance problem was coming, and coming rapidly. So why didn't you do something about it? This would be '77 or '78. We happened to win the lawsuit but there was millions of dollars at stake in that suit. But we never heard anything about that and the liability insurance was coming to the

forefront back in those days. It just didn't happen in the last three years.

And somebody mentioned the employee tax and I wouldn't be a bit surprised either if that tax would come on. I'm paying it in Manitoba on a business that we have in Dauphin. One and a half per cent on every dollar of payroll that is earned by your employees. We've got to send one and a half per cent to the Government of Manitoba, and that will probably be along the way, also.

Mr. Speaker, I have no trouble whatsoever supporting a realistic and common-sense budget that was presented by the Minister of Finance last Wednesday evening and I shall do so in due course and look forward to voting on that budget. Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Engel: — Thank you, Mr. Speaker. I appreciate your recognizing me tonight and this important debate we're facing here. I think tonight we're faced with a decision that is very major and likely the last budget speech for many of the members here, and maybe that's why they're so anxious to get into it.

The question I'd like to raise tonight is: what effect is this budget having on the people of Saskatchewan? What do we hear about the government, say, from the media? What is the general tone out in rural Saskatchewan?

I photocopied some pages out of the *Saturday Night*, the little paper that comes out on the weeklies.

An Hon. Member: — *Commonwealth*?

Mr. Engel: — Members opposite call the *Saturday Night* the *Commonwealth*. When papers like that and papers that represent the oil patch and different people like that, are being called the *Commonwealth*, this government should quit accusing papers for their unbiased opinions, and start looking in a mirror and saying, why are people writing like this? Why would you have an article in the *Saturday Night* entitled "Hard Times" by Robert Bott in the "Politics" section?

An Hon. Member: — Because you wrote it and he signed it.

Mr. Engel: — I think I couldn't have done this good a job, I'd like to say to the member of Last Mountain-Touchwood. I don't think I could do a good job as this, writing it. But I just want to read a couple of quotes from this little paper into the record tonight, Mr. Speaker. The headline under the picture — and it shows our Premier smiling away while ignores the issues that are confronting him. "Like Brian Mulroney . . .

And now I'm having problems. When I read from a paper, can I read the words that are here or do I have to refer to him as a member? Because, I'd be reading it out of context. So:

Like Brian Mulroney, Grant Devine was elected in a Tory landslide. But his term has been plagued by bad management . . .

And the writer here was quite good to you, because he goes on to say in his headline:

... but his term has been plagued by bad management and (he calls it) bad luck.

An Hon. Member: — Table it.

Mr. Engel: — I will table one. In fact, if I had another copy I'd send you one so you could look at while we're doing it. But as soon as I'm done I'll pass this over.

... and Saskatchewan voters may be ready (the headline says under the picture here) to restore the NDP.

Some Hon. Members: Hear, hear!

Mr. Engel: — I think, as I point out to a few lines in this article ... And the editor writes, and you can tell that ...

After eleven years of Allan Blakeney and the New Democrats, it was too shockingly pink (is what this editor says about the NDP). Lately though, NDP pink has begun to seem an attractive alternative to the red ink that's been flooding Saskatchewan.

The pink has been an attractive alternative. He talks a little bit about a pink Cadillac that was sold before this, but I won't get into that.

In January, Standard and Poors cited "deteriorating trends in the province's budgetary position and its debt burden" and downgraded the province's bond rating.

I wonder what the people of Canada think when they read this about Saskatchewan. I wonder what they really think. This is *Saturday Night*, April 1986. It just came out. In fact it will hit the news-stands today or tomorrow. I got it through a subscription if you would like to know.

The question now is whether Grant Devine is a harbinger or an aberration. (Would you believe that?) If, like Tommy Douglas four decades ago, he is a sign of things to come in Canada, then he signals a shift from cooperation to competition, from nationalism to continentalism, from idealistic management to government by opinion poll — and curiously, from fiscal prudence to escalating deficits.

And here we have a Premier that wants to emulate and be like Tommy Douglas and be a forerunner for all of Canada. But the opposite is likely true.

Another paragraph — just a short sentence or two here, Mr. Speaker, from the bottom of page 10:

Devine sounds almost petulant about his misfortune in taking office just in time for a recession, drought, and grasshoppers plagues and bitterly blames the NDP for his fiscal difficulties.

As I get into my speech later, I will talk a little bit about

why he feels that way.

While Alberta was building its \$14-billion Heritage Fund, says Devine, the NDP squandered Saskatchewan's riches. In fact, the NDP left them (here's what the real truth is though) a \$139.3 million surplus and a \$1 billion Heritage Fund. The Tories have since run up ...

I'm not saying what I think, Mr. Speaker. Members opposite are laughing. I'm quoting from one of Canada's best weekly papers.

The Tories have since run up a cumulated deficit (and this person isn't given to exaggeration, because he said the a cumulated deficit) of \$1.3-billion (and it's actually \$2 billion) in a province that never had a budget shortfall of more than \$10-million.

Never, ever had a budget shortfall ...

Devine's only major shift in agricultural policy has been to abolish the NDP's widely criticized Land Bank, which he portrayed as an attempt to turn farmers into "sharecroppers" ... the biggest help for farmers came from one of Tommy Douglas's enduring creations, crop insurance ... Devine's image has not been helped by the spectacle of farmers signing up for welfare to put food on the table. (That's your Premier's image.)

His reputation as an economic manager also suffered last spring when his government came hastily to the aid of Regina financier Wilmer Klein, a Tory supporter. With even less forethought than the federal Tories showed in propping up the Canadian Commercial Bank.

This is from a paper that came out and gives a portrait of your government, Mr. Speaker. And the *Saturday Night*, April 1986, had two more quotes that I'd like to make from this paper.

The NDP received the support of forty-six per cent of those polled, the Tories forty-four per cent, and the Liberals nine per cent.

Since the poll, the Tories have been further undermined by a by-election defeat, an MLA's defection to the Western Canada Concept Party, and an unflattering political memoir written in prison by Devine's one-time energy minister, the convicted murderer Colin Thatcher. One minister quit the Cabinet last November after using government aircraft to ferry his family around the province, and Devine demoted seven others in December in a cabinet shuffle. More recent polls have confirmed the erosion of Conservative support, the modest upswing for the Liberals, and the majority-government potential of the Blakeney NDP.

In reply to a question about his strong support of Ronald Reagan's Star Wars programme ...

And I could on and on in this . . . (inaudible) . . .

Mr. Speaker, this paper clearly portrays . . . And the windup is very crucial to the comments of this paper.

It was also a half-century ago that two Tories — J.T.M. Anderson in Regina and R.B. Bennett in Ottawa — both became one-term wonders after their pro-business remedies failed. The Anderson government's notable achievements included the elimination of French as a language of instruction in schools . . .

Both leaders demonstrate an adulation, tinged with envy, of rich, powerful conservatives next door — in Alberta and the U.S. Both offer a conservatism more rhetorical than real, a sort of right-wing populism. Both have failed to clean out patronage . . .

Saskatchewan has been "open for business" for almost four years now, and Devine has rung up record deficits . . .

I think members opposite should see this article. And if you could send it to the member from Meadow Lake, I think he'd be happy to have a good look at what all the article is. Maybe the member from Morse could read it to him, but read the entire article, read the entire article. Make 55 copies for your colleagues so they can see what the people are really saying.

The other media that is as popular — and I suppose they think we've got them as our *Commonwealth* as well — and that's the CBC. And I was interested to know . . . And I came in time for the budget debate the other night, on Wednesday night, and we got here at 6:30 and somebody told me, the TV is on in one of our member's rooms. So I went down to watch this TV, and I don't know if the members opposite were busy getting ready to come here, or if their wives videoed it for them or not, but CBC had a TV special on, on budget night and it was called four years of Devine — four years of Devine. And if the members opposite didn't watch that, I'd suggest you beg them for a video of it and play it, and have a good look at it, and then you'll decide whether you're going to call the election or not.

But they showed a Premier being sworn in. They showed a good-looking chap in a white jacket being sworn in, and they said this member was named the minister of Energy. And they went down the line going through all the history of the government opposite.

Those members have the audacity to stand up in this budget debate and say that my wife didn't know one of the members sitting opposite. Well, if you're sitting in the back row doing nothing, no wonder people in the country don't know them — no wonder people in the country don't know them. They should be lucky. They should be so lucky that they're not known by their reputation that most of you people have.

"Like Brian Mulroney, Grant Devine was elected in a Tory landslide. But his term has been plagued" with bad luck. Well I think it's not bad luck, Mr. Speaker. I think it is

Tory mismanagement like the CBC portrayed.

People in Saskatchewan are sick of this government, and I think that's why your leader is afraid to call the election. That's why he's afraid to call an election. Farmers and workers all over Saskatchewan are telling me how tough times are.

When I meet a farmer from northern Saskatchewan and he's complaining how tough times are and how tough a time he has, I look him straight in the eye and I say, I have trouble feeling sorry for you. My bins are empty. My bins are empty.

(1945)

Here's a farmer that has his bins full of wheat and telling me how tough times are. What should the farmers do who has his bins empty? I question farmers with full bins. And they tell me that under the conditions this government has created — and several speakers across the way have mentioned that, we've had some bad luck; we had grasshoppers — while this same farmer, this same farmer told me that grasshoppers aren't his biggest problem — grasshoppers aren't his biggest problem. He says the hoppers in the pin-striped suits are his biggest problem.

Four years ago, four years ago this farmer said that, I had \$2 million worth of assets. My land . . .

An Hon. Member: — Tell me, was he from my riding?

Mr. Engel: — Up in Meadow Lake is where I met him.

My land was worth \$100,000 a quarter. I had 20 quarters of land, I had some equipment, I had some debts — but he figured he was worth about two million bucks. What is he worth today? Go up and ask your neighbour what he's worth today, to the member of Meadow Lake, I'd say.

He has lost, because of the pin-striped suit hoppers sitting across the way, has found his land devaluated to less than 50,000 a quarter. He has bills piled up all over the place. He has incurred additional debts, and today he said if I try and liquidate, I wouldn't be worth anything. Grasshoppers aren't bad luck, Mr. Speaker, they're a part of management.

And I would like to tell you a little bit about what management's all about, and this is printed way back, Mr. Speaker, way back Tuesday, April 21, 1959, the *Saskatchewan News*, volume 14, number 13. And it says here: "Million Dollar War Launched Against 'Hoppers.'"

An Hon. Member: — Who did that?

Mr. Engel: — My seat-mate asks, who did that? Toby Nollet was the minister of Agriculture; E.I. Wood was the minister of Municipal Affairs.

Beefed and buttressed by more than \$1 million worth of potent 'hopper killing chemicals, personnel of the Saskatchewan department of agriculture are set to provide farmers in southern areas of the province with plenty of liquid muscle to deal quickly with an expected major outbreak

of the pests this year.

The other section says, "Farmers Alerted."

Another preparatory step in the 'hopper war was taken March the 13 when most Saskatchewan municipalities sent delegates to a conference in Regina to consider all aspects of the problem.

They heard five speakers, including Agriculture Minister I.C. Nollet, tell the story of how the 'hoppers could be beaten.

"Assistance Outlined":

V.B. Holmes (and many of you will remember him) assistant director of the plant industry branch, provincial department of agriculture, outlined 'hopper assistance policies to aid in the anti-hopper fight . . .

And, Mr. Speaker, if you look at the entire article and see that million dollar war they did in 1959 on hoppers, you'll know why there is only hoppers when there's Tories, because the Tory government refuse to tackle the problem.

Our Premier went down to the SARM convention. Instead of calling a special session on how to deal with and have a war on hoppers, he said we're going to go half the cost of hoppers for the road allowance. So they go 50 per cent on 2 per cent of the land. Now that's a big deal. But the hoppers in the pin-striped suits, running around the province with a message saying that they're going to reduce farm costs, that's the biggest disappointment farmers face in this budget. Because they thought after your committee was out there — and I see members of the committee sitting here — after your committee was out there running around listening to farmers, why didn't they come out with something in this budget debate that would declare war on hoppers? Why didn't they say we're going to deal with it? Mr. Speaker, the Tories are saying we can't afford to help and support farmers, or we can't support them on grain prices.

The other issue that is of great concern to me, and that's the prospects for this year. I'm planning . . . I have pre-worked some of my land. It's getting very dry down south. I was travelling on one of the roads in the Morse constituency. The sand was coming across the road that I thought it would pit my windshield, it was so bad. A repeat of the Dirty Thirties. I was on a brand-new road that was finished last fall. Mr. Speaker, if that member wants to take credit for that road, I hope every constituent travels the 43 Highway from 19 going west, because that's a brand-new road, and that road is full of pot-holes and holes like I've never seen a road in southern Saskatchewan. One year old and this government, this government . . . I should get on roads for a while. But I was travelling that road and the dust was coming up over the side of the road, that I thought it would pit my window. And I thought to myself, what are these poor farmers going to do this coming year. And then I hear Tories say, well with the deficit the federal government has and the provincial government has, we can't afford to do anything about grain prices.

The grain commissioner, on March 31, 1986 — yesterday's paper — "Grain commissioner says farmers are strangely quiet (on the) coming disaster."

Prairie farmers face the prospect of deep cuts in wheat and other grain prices because of plunging world markets, a commissioner of the Canadian Wheat Board said.

Larry Kristjanson said that farmers would receive their lowest price in eight years. This could cost Canadian grain growers a total of \$1 billion in lost income. And he's talking about the apathy. He says:

"That's what I've been trying to figure out: why there hasn't been an uproar," Kristjanson said in a recent interview in his Winnipeg office.

Earlier this year, the United States passed a new farm bill slashing price supports for grain which establish the minimum price American farmers receive for their crops.

For wheat, the floor price has been cut by a whopping 27 per cent.

The Europeans have been dumping the surpluses on world markets, driving down prices and forcing the American retaliation.

Certainly, in our case, (says Mr. Kristjanson) we are caught in the cross-fire between the two of them.

That's bad news for Canadian farmers . . .

Currently, the board is paying (Canadian) farmers \$160 a tonne for top grade wheat when delivered to country grain elevators.

Wheat Board minister Charlie Mayer is currently considering where to peg the initial price for the 1986-87 crop year, which begins on August 1.

And by the way, Mr. Speaker, usually by this time, when we're getting ready to plant, we know what the initial price is going to be. And farmers are very frustrated and concerned, what they're going to plant. Conditions look as though they're going to be tough in the South, and you don't want to make a wrong managerial decisions — but according to this article here:

A 27 per cent drop would push the initial price for top grade spring wheat down to \$117 a tonne from the current price of \$160.

Mayer said we have a number of options:

He could set the initial price higher than the wheat board recommended price, say \$140 a tonne.

Which would be 20 bucks less than we're getting this year.

(He could) set the initial price at the world level

and offer a deficiency payment to farmers (is what we've been asking for).

Neither of these options — which would cost the federal treasury hundreds of millions of dollars — will likely be popular in a federal cabinet that is struggling to trim the national deficit.

A third option would be to let farmers fend for themselves.

And I ask the members opposite, particularly those of you that are from farm communities: what is it going to be? What is it going to be? What message are you going to send to Ottawa, and what are you going to tell your counterparts in Ottawa? What can farmers expect? How long are you going to make us wait till we know what the initial price is going to be? Are you afraid it's going to interfere with your election strategy and your election plans?

It's going to cost the farmers a bundle — one billion bucks. Do we have to absorb it or are you going to pass it on to all of the Canadian people? That's the question people are asking me right across the country. And I think it's time . . . It's time this government gets off their butts and decides what they're going to do.

Another article that's really frustrating — and it says statistics show that farm livestock are on the decline. And instead of diversifying and spreading out, farmers are planning on going away down and cutting back on their production.

We have grasshoppers in pin-striped suits. We've got expected cuts in our grain price and our income. Cattle numbers are going down because cattle prices are on a big slump. And what do friends of the government do? What do friends of the government do?

We got a little book in the mail called *Economic Growth: Agriculture Section — Study Team Report to the Task Force on Program Review*. Not one member opposite in their speeches to date, either in the budget or in the throne speech, have referred to the Nielsen report. Why the silence? Why the silence, Mr. Speaker? Why is nobody from the Tory side speaking out on the Nielsen report?

Earlier today members opposite were saying how that some of us weren't in our seat to hear the response. I suppose part of the reason why nobody's responding there, there's nobody sitting there. Well I wish we could get a panoramic view of the legislature sometimes.

But I would like to raise the issue of the Nielsen report, and I would like to urge members opposite — maybe they're listening on their TV sets — but I would like to urge members opposite, Mr. Speaker, to get involved in the Nielsen report and familiarize themselves on what the Nielsen report concerns.

And I want to ask the PC members sitting opposite: do you support the move? And I see the member from Morse is listening. At least I have one person across the way there that is taking note of what I'm saying. And I'd like to ask the member from Morse, as a farmer . . . The member from

Regina North or South is not a farmer, so I'm not directing my remark to you. But I'd like to direct my remark to the member from Morse, and I would like to say to him, do you support the move that this report recommends, that you would file your income tax or support an accounting on an accrual basis? I would like to know just what your point of view is.

Any farmers I've ever talked to likes to be able to manage his affairs, especially when the years of good crops and good times, like when the NDP were in power, and they had some room to manoeuvre and manage. They could withhold some grain or cattle and sell them on December the 31st or on January the 1st. We had that kind of decisions to make.

This report recommends that every animal that you raise this year, you will be accounted for this year. Every bushel of grain you grow in the year you grow it, will be taxed accordingly.

This method of accounting will cost farmers across Canada, according to this report, \$1 billion a year in income tax on an average year. The writers and the authors of this report say they will be able to derive, as a source of income from farmers, an additional billion dollars. Do you support it? And if you don't, why haven't you condemned this report or this idea publicly?

Do you endorse the scrapping of PFRA and the farm improvement loans? If you don't, why don't you sat that why don't you oppose that publicly?

Do you support the attack on the Canadian Wheat Board? Do you support cancelling the cash advances? Or maybe you've never needed to take cash advances. But I think the cash advance program in grain and so on is an important part of managing our farm accounting. Do you support it? If you don't, why didn't you speak up on it? Do you support scrapping farm fuel rebates and dairy subsidies? If you don't, why don't you stand up and say so?

Not one person sitting opposite has spoken out against the Nielsen report. Not the member for Kelvington-Wadena who's a farm spokesman, has his roots planted firmly in agrarian-type socialism — and he's grown out of that. His grand-dad, he was telling me one day, was an author of the original *Regina Manifesto*. And where is that member? Is he manifesting any reservations about the Nielsen report?

(2000)

I'm looking at the member, Mr. Speaker, that took Edgar Kaeding's place. If Edgar Kaeding were sitting in this House, I can assure you he'd be speaking up on this report and I know that there's going to be a new member from that constituency. He's going to come in from Saltcoats and he's going to stand up four-square against the Mulroney government and the Nielsen report.

You members are going to lose your seats. By your silence, you're being condemned. By your silence on the Nielsen report, you're being condemned by the voters of Saskatchewan.

Do you want to see rail line rehabilitation stopped and do you agree with the Nielsen report when it says branch line retention is the single biggest impediment to increased grain handling efficiency? If you do, be quiet. Support it like you have been doing. If you don't, stand up and be counted. If you disagree with these recommendations in the Nielsen report, you should stand up in this House and you should stand up publicly on the side of Saskatchewan farmers and condemn the federal PCs for even imposing or proposing such cuts.

Stand up and say no to the high costs of crop insurance. This report recommends a 20 per cent increase in crop insurance premiums. I don't believe we should have them. I'm saying so and I expect some of the farm people that are representing farmers to stand up and say that these right-wing, reactionary policies in the Nielsen report should be condemned. They should be fought hard by all people interested in the well-being of prairie agriculture. And you should be leading that fight like we will in another month's time.

The next section that I want to address, Mr. Speaker . . . And this is going to be a major one down south because as I drive in and I look at last year's stubble crop, it's very, very thin. The stubble that we're going to leave there for summerfallow is very sparse. One pass over it and it will be blacker than what I've got my seed-bed prepared right now.

So farmers are going to be using an awful lot of chemical this spring. I'm planning on putting 5 ounces of 2,4-D on. In fact, we've got our sprayer ready to go right now because the tansy mustard's about an inch high. And if you let it go much higher you can't get it with a mild application of 2,4-D.

Last year, Saskatchewan farmers spent \$230 million on chemicals. Mr. Speaker, that's a big amount of money. That's a big erosion into the farmer's income. A large part of the \$230 million is mark-up and profits by the chemical industry. Those mark-ups and profits are not fair, Mr. Speaker. I maintain that they're getting too much money.

Take Monsanto alone. They sell enough Roundup every 24 days to pay their cost of production and their development costs around them. And yet they can afford to charge those kind of prices. Prices for farm chemicals are sky high because the manufacturers are granted 17 years to compete — are granted 17 years to avoid competition. Excuse me, I want to reword that. I said to compete — but to avoid competition because of the patent protection that they have for pesticides. We've been fighting that.

My colleague in Ottawa, Lorne Nystrom, has introduced a Bill to shorten the life of farm chemicals. And what do we hear the federal government saying? We're not only going to leave the chemical patent on for 17 years but we're going to introduce a new Bill that pharmaceutical companies can again get that 17-year patent life like they used to have. When the patent life of pharmaceutical chemicals was reduced for 17 years to four years, Mr. Speaker, the price of pharmaceutical chemicals dropped by over 50 per cent. I feel positive and confident that if the

same thing would happen in farm chemicals, we could have brought those chemicals for less than \$100 million, not \$230 million.

And that little article I referred to earlier, that "Million dollar war launched against hoppers," by the government getting involved in buying them, Mr. Nollett noted that the cost of control chemicals had been reduced from a 1948 \$1.48 an acre — can you believe that? — to 15 cents an acre in 1959 because of government involvement. Those governments cared what it cost farmers. They could control grasshoppers for 15 cents an acre because of the chemical they bought. And I think that that kind of an action on behalf of the government, not one of protecting farm chemical companies, but one of having the interests of farmers at heart, will bring down the price.

Ninety sixty-nine legislation greatly reduced the price, and I'm sure we can do the same thing again this year. With similar savings in the pesticide market, Saskatchewan farmers can expect to save an average of \$1,000 each on their chemical bill if this NDP Bill is passed Ottawa. But the federal PCs have already indicated that they will oppose a generic pesticide Bill that's being introduced.

I want to turn now for a few minutes, Mr. Speaker, to commodity prices. Everyone knows that grain prices are going to go down as already mentioned. Beef and pork prices are at an all-time low. Where do we go? Where do we go from here and what should we do? Well, I've been . . . received some indication that the Bill on parity pricing has received approval to go out and have public hearings and I think when the committee later this month is going to be in Saskatoon for public hearings that our Minister of Agriculture should be there himself pressuring the committee that is made up of members from right across Canada — they're not just western members — and pressure those members saying that this is what farmers need to survive. If you get on side and you make your case, and if the Premier makes his case loud and clear and strong, we can have parity pricing. Sask Wheat Pool recommends that the first 2,000 bushels should be worth about \$10 apiece. I think that a formula set out where we have parity pricing for the . . . a decent two-price system for the products that are consumed in Canada, be they wheat, oats, barley, beef, or pork — everything that's used for human consumption should be based to cover the cost of production.

And then, if the federal government in its wisdom would accept that billion dollars that they're expecting the farmers to bear, with the shored-up price then we could survive. Then farmers could survive, and we would have a chance to operate and make a living like the farmers were used to doing.

Now the next question I'd like to ask: what really was in this budget for agriculture? I've listened to some of the rural members, and none of them have really spelled out what they saw in the budget. Let me just list a few of the areas that are going to receive less funding.

Administrative services lost \$180,000 and one full-time staff member. The extension branch, agricultural

extension branch, \$310,000 reduction; 10 positions cut from the agricultural extension branch — one of the key areas. Here's a government says they want to keep farmers informed.

The livestock branch lost six staff members and \$186,000; the veterinary branch, two people cut, \$20,000. One person goes from the economics branch, and \$275,000 will be cut from the branch's budget. The Agricultural Implements Board — look for it in your *Estimates*, Mr. Speaker — it's gone completely. They wiped it out. Grants to control pollution from intensive livestock operations cut in half — cut in half.

And here's a government that says they're going to support programs that are going to put special pressure on that department by encouraging more livestock intensified operations.

Grants under the homestead rebate program cut by \$70,000. Crown land improvements budget reduced by \$184,000.

Mr. Speaker, when I look at the budget, and I look at what they're trying to do to agriculture, I say to myself, it didn't help. It didn't help to have the Premier as Agriculture minister.

A little magazine that I recommend for your perusal . . .

An Hon. Member: — *Commonwealth?*

Mr. Engel: — No, to my neighbour to the east, Bengough-Milestone, it's not the *Commonwealth*, but it's as good a paper. It's called the *Agrimart*. They're doing an excellent job.

There's a nice story on the front page on "Profiles." I'm not going to go into that one because . . . There's a saying in German about that. *Eigener lob stinkt*. I used German words before. I'm not going to translate that for you . . . (inaudible interjection) . . . So you've never heard me do that, Mr. Member from Morse. But page 3 . . . The member for Assiniboia-Gravelbourg was on page 1, but page 3 we had the Minister of Agriculture, a profile, "A day with Devine: following the leader."

And I just want to read into the record why I feel so strongly about what's happening in agriculture, and the kinds of cuts we got in agriculture.

Assuming the agriculture portfolio has added to his workload. Mr. Devine says that the amount of time he spends on agricultural issues varies . . . "I'd say it takes 35 to 40 percent of my time." But as Premier he is responsible for his party and for the Province. There are seventy (listen to this) there are seventy negotiations with the federal government now taking place and he is involved in every one of them at some time. He notes that his duties are varied and says, "You have your constituency work (here's an interesting one, as Premier) your industrial work, the ministerial portfolios that you're tied to. Plus, as Premier, I have final decisions on budgets, legislation, and the Speech from the Throne to make.

I think our little cheer-leader messed up when he was looking after his own department. These kind of cuts are inexcusable in agriculture when a Premier who brags about having a quota book and having the interests of farmers at hearts cuts all these departments by this kind of money.

This, I think, is the biggest sham. The people are really saying, we've got to get rid of those guys opposite. Because he has not only taken on as part-time role as being Minister of Agriculture but he has neglected his cuties. Seventy negotiations going on scare me, Mr. Speaker, because I'm fearful that 20 of them are out of this book — 20 of them are likely out of this book. And if he is giving as much attention to those negotiations as he did to the agricultural extension department and some of the other areas where we lost the staff that we lost and the funding that we lost in agriculture, then I think we're in for some sorry tough times between now and the next election. If he's reading the polls on a daily basis he's likely going to delay calling the election for another year or more.

Today in question period my colleagues raised the issue of the Rafferty dam. And I listened to the member for Regina Rosemont stand up and lecture away how we're against some of these major projects. And I have before me here a March 29th issue of the Saskatchewan *Star-Phoenix*. The first paragraph, my colleague tells me, is the best one.

Politics dictated that Saskatchewan Power consider an Estevan location for its proposed new \$500-million power plant, a high-ranking Conservative official admits.

Who is this high-ranking Conservative official? Well I'll tell you, the next line goes on to say:

George Hill of Estevan, former PC provincial president, former Saskatchewan Power Corporation vice-chairman, and now chairman of the Souris Basin Development Authority, candidly admits he instructed SPC officials to look at Estevan, after the Conservative swept to power in 1982 and he was named a director of the power corporation.

(2015)

Members opposite say he's a smart guy. Well I want to tell you, people in Saskatchewan don't think it's so smart. And when people in Saskatchewan realize that every time they switch their light on since they've got this smart guy involved in running Sask Power and making the decisions and our electrical rates have gone up, two major increases.

And now they look at this, and say that, we used political pressure, and "Politics dictated that Saskatchewan Power consider an Estevan location for its new proposed \$500-million power plant." I say that's a sham, Mr. Speaker. That's a sham.

And "The Shand project, an outgrowth of PC victory";

“Location born of politics,” says the headline on Rafferty dam in the Saturday *Star-Phoenix* issue.

Three months later a prominent Conservative — George Hill of Estevan — was appointed to the board of directors (of Saskatchewan Power Corporation) . . . and at just his second meeting with SPC management they had been told to investigate the possibility of building the next major power plant in Devine’s constituency . . .

That’s what they were told at his second meeting he went to.

And, Mr. Speaker, when you’re wondering why we’re complaining, why we’re complaining about, like my farmer friend called then, the hoppers in pin-striped suits running this country, those are some of the reasons.

I don’t like what George Hill personally has to gain managing this project. I don’t like what Peter Pocklington has to line his pocket with, doing the meat packing plant in North Battleford. I don’t like giving away the pulp-mill with nothing down, using my money to buy it, and not having to pay for it if it doesn’t make a profit. Those kind of deals are a scam.

Those kind of deals should be investigated, and the perpetrators of those deals should be behind bars. Those kind of deals, the people that made it shouldn’t be allowed to walk freely in this province, Mr. Speaker. I think we’ve had enough of this kind of government. I think we’ve had enough deals like Pioneer Trust, deals like the three I just mentioned.

Mr. Speaker, after our next nominating meeting tomorrow night we have a full slate of candidates in the field. Forty of them are brand-new members — enthused and ready to go to war with this government that so blatantly uses their power.

Our candidates are out there. The Premier has his reputation out there. The CBC broadcast, the Saturday post, have indicted what he’s like. We have our team. We are ready. We will not support a budget that drives up the deficit.

We’re saying to you, Mr. Speaker: get your Premier to call an election.

Some Hon. Members: Hear, hear!

Hon. Mr. Schoenhals: — Thank you, Mr. Speaker. It is certainly an honour and a privilege to rise this evening to join in this debate on the budget.

And I would like to compliment my colleague, the Minister of Finance, on an excellent job. I think the word used by my colleague from Yorkton was “responsible.” I think it is indeed a responsible budget that was brought down last week, and it’s certainly my pleasure to support it.

Some Hon. Members: Hear, hear!

Hon. Mr. Schoenhals: — Mr. Speaker, before I get into

my remarks on that, I would like to take the opportunity, since it’s the first I’ve had, to congratulate some of the members of my caucus on the rather eloquent addresses that they’ve presented in their throne speech debate in this legislature recently. I think that many members did an exceptional job. I think of the present member from Regina North, the future member from Regina South in his movement of the throne speech, an excellent job. And I think as well, and I’d like to join with many others who have congratulated my colleague from Rosthern on the excellent speech that he gave during that debate. I think in terms of content, delivery, and I think most importantly, sincerity, Mr. Speaker, it was a model that many of us when speaking in this Assembly could use.

And I think that when we compare that the low-level mud raking that we’ve just heard from the squealing member from Assiniboia-Gravelbourg and when you compare the two, I think there is certainly no comparison. And I would commend the style of my friend from Rosthern, Mr. Speaker. I think it’s rather ironic that neither of these two members will be returning. My friend from Rosthern has chosen to retire after a very distinguished career and the people of Assiniboia-Gravelbourg and one Mr. Bill Fancourt will see to it that we don’t have to listen to much more of that that we just were embarrassed with.

Some Hon. Members: Hear, hear!

Hon. Mr. Schoenhals: — Mr. Speaker, during the course of the talk, I’d like to make a few remarks that relate to my portfolios in the provincial cabinet and as well, some general remarks about my constituency of Saskatoon Sutherland.

Since being appointed the Minister of Tourism and Small Business in December, I’ve spent a great deal of time becoming familiar with the many issues and concerns of Saskatchewan business people and, in fact, we have held meetings with 30 different business groups across this province over the past few weeks. And I would like to once again compliment and thank my predecessor, the member from Regina North and future member from Regina South, for the help he has given me in the time that I’ve come to this portfolio. I think the work that he did in the time that he had the portfolio in laying the groundwork for this department has clearly been something that I certainly appreciate and I think the business community do.

Keeping in close touch with small-business concerns in Saskatchewan through the use of a consultation process is a concept that we on this side of the floor firmly believe in and, Mr. Speaker, I believe that it has served us well. Since 1982, we have made great strides in developing a rapport between small business and government, and I think that the budget that we heard last week clearly builds on these strengths.

Prior to 1982, Mr. Speaker, such a working relationship simply did not exist and small-business operators were understandably disenchanted with the attitude of the NDP government toward private enterprise. I would suggest to you, Mr. Speaker, that the previous administration’s inability to deal with the issues facing the

business community was and in fact continues to be rooted in a narrow ideological attitude that discourages individual initiative and in fact discourages the pursuit of profit.

What we had, Mr. Speaker, was one of the most important sectors of the Saskatchewan economy without — absolutely without — any real representation in government, certainly at the cabinet table. And it was this grave deficiency that led to the creation of the Department of Tourism and Small Business in 1983.

One of the first things that my colleague in that department did when the department was created was to meet and consult with business people from all across Saskatchewan. And I know that many of the suggestions that were received in those early meetings have since become part of the programming that is offered by the department today.

Mr. Speaker, I think that the positive reaction that we have heard across the province to the budget from small-business people speaks for itself, and I'd like to spend just a few moments discussing some of the initiatives that were taken in the budget, recognizing that small business, that the small-business sector is our most valuable source in terms of job creation.

Mr. Speaker, I should emphasize here that it is estimated that in the next decade, 80 per cent of the new jobs in Canada will be created by small business. When you consider that the significant element of our job creation package has to do with small business, many of the initiatives can be clearly understood.

In the budget, we introduced a two-year corporate tax holiday for new small businesses. Clearly this program is designed to improve the financial stability and the cash flow position of new ventures during that critical start-up period.

Clearly, Mr. Speaker, one of the major issues facing the small-business community today is the tax burden, and in particular, the municipal business tax. As was mentioned in the budget, the town of Lafleche has taken a major initiative by removing the business tax. And we know that several other communities are looking at that concept.

This tax has proven to be an onerous and in some cases disastrous burden for many small firms. And I think it's worthwhile to investigate how this tax has emerged in this province as an issue. Through a province-wide reassessment that was introduced by the previous New Democratic government, a strategy was put in place that was clearly there to shift an ever-increasing tax load to the business community. There is absolutely no question that the reassessment proposals that they put in place was to move the tax burden to the business sector. That was their intent, Mr. Speaker, and I know that the business community finds it somewhat contradictory now to hear that the opposition has suddenly discovered that this particular tax has some element of inequality in it and is prepared to take steps.

It's unfortunate that we haven't had sufficient time to correct all the mistakes of the previous administration,

but in the coming months we will continue to work towards a resolution of the business tax issue. This, Mr. Speaker, could only be done in full consultation with the various groups that have a vested interest. In these I would include the business community, the municipalities, organizations such as SUMA, and others.

I will assure the members of this Assembly and the business community of Saskatchewan that this government is committed to finding a fair and equitable solution that will penalize either certain communities or the business group, and we will work with the communities and the business sector towards that resolution.

One of the most popular components of our small-business strategy has been the concept of interest rate relief. Since the introduction of the small business interest reduction program last year, over 5,000 firms have been registered and these firms have realized a savings in the range of \$1 million.

The budget builds on the success of the program by lowering the interest rate ceiling to 8 per cent and by doubling the maximum loan to \$100,000. As well we have expanded the eligibility requirements to include automobile and farm implement dealers and all of those particular items were things that were raised in discussion with business people on our 30 community tour that we just completed.

Mr. Speaker, in 1982 there was no interest rate relief for small business and there was no help for small-home owners who were facing sky-rocketing mortgages. In fact, Mr. Speaker, according to the government of the day, the government that was manned by the members opposite, ideas such as interest rate protection were irresponsible. Suddenly these concepts have become sound policies, and I note their prominence in the platform that is being developed by the opposition.

As other members have said, Mr. Speaker, I believe that the NDP party is a party that lacks direction. It's clearly a party without ideas, and they think they can fool the public by adopting Progressive Conservative policies. I know, Mr. Speaker, that the public will see through this sudden repentance and will judge the NDP on their inaction and disregard for the ordinary people of this province while they were in government.

I think it is interesting, Mr. Speaker, to share with the Assembly a couple reactions I have had to the proposals put forward by the members of the opposition. One of my constituents phoned and reminded me of the popular Sherlock Holmes movie which played a number of years ago, referred to as *The Seven-Per-Cent-Solution*. He indicated that in his mind the new NDP proposal was very much like *The Seven-Per-Cent-Solution*. In fact, he called it cocaine-based fiscal policy. And, Mr. Speaker, I would suggest that that might be where that policy will take them.

However, an even more interesting comment was a comment I received from a female constituent who phoned me and expressed some distrust of the proposals put forward. She said whenever the NDP government

introduced a program that was designed to help home owners or anyone else, by the time you sorted through all the regulations and the criteria, you found that very few people were eligible. And she was concerned that that would happen as well.

(2030)

But I thought the most telling comment she made had to do with her concept of the Leader of the Opposition at the time that he made his announcement in Saskatoon. She indicated that no one in this province ever suggested that the Leader of the Opposition was a man of vision. He never demonstrated any great vision for the future of this province. However she indicated that he had managed to maintain a certain air of statesmanship that set him apart, and she said she was surprised to see him, I think her word was, "the pathetic shell he had become," basically a common huckster trying to convince people that this program they had introduced would not cost anything. A fact that he, himself clearly didn't believe that any thinking person wasn't prepared to believe, and she felt that it was rather deplorable that he had sunk to that level since he had been, at one time, somebody out of a certain degree of respect in this province. But, Mr. Speaker, I think that the program has been discussed by the members of the media. I think most people, who think about it, understand exactly where this has come from.

Getting back to the budget, Mr. Speaker, since 1982 our Progressive Conservative government has introduced many initiatives that are designed to encourage growth and diversification of the Saskatchewan economy, and in all these things the emphasis has been on small business. The venture capital program is one very clear example of such a program. By using a tax credit, we have encourage the creation of 52 venture capital corporations in Saskatchewan. Mr. Speaker, a brand-new concept and 52 brand-new corporations have strung up. We have an investment pool of over \$32 million that is available to be invested as equity in eligible firms.

The budget more actively encourages agricultural enterprises and removes restrictions on investments in retail and service related companies in communities of up to 20,000 population. The restrictions previously applied to centres of over 5,000, so that these changes will encourage new ventures in many large towns and in smaller cities in the province of Saskatchewan. And once again, this was a message that came through very clearly from the people who we visited on our tour around the province meeting with chambers of commerce and boards of trades and business groups.

Mr. Speaker, I could cite one example of the impact of venture capital on smaller communities. The town of Watrous has formed a venture capital corporation for the purpose of constructing a new mineral pool at Manitou Beach. We see this as an important tourist project for both the community of Watrous and for the province as a whole, and I think it points out how venture capital is clearly able to assist, particularly in rural Saskatchewan, in the promotion of economic development.

We also believe, Mr. Speaker, that labour organizations have a vital role to play in Saskatchewan's economic

development and that union members can do much to help Saskatchewan grow. The budget proposes the establishment of labour venture capital corporations to encourage trade unions to create jobs by channelling investment to small- and medium-sized business. Individual union members will receive provincial tax credits equal to 20 per cent of the cost of their investment, and when you couple that with the federal programs, the result will be a 40 per cent tax credit.

Mr. Speaker, I have noted and I'll use the term "luke warm" response to this concept from some union leaders, and I question whether this is an accurate reading of the views of the rank and file union members. I would urge the members opposite to exercise their considerable influence on such individuals as Nadine Hunt and Larry Brown, and encourage them to really access the merits of this very worthwhile venture, because I think, Mr. Speaker, that it's a suggestion, a concept, and a proposal brought forward from this budget that can have significant impact on economic development in this province, and it can be a very worthwhile return to the labour members who would choose to take part in it.

Mr. Speaker, I don't have time in this forum to list all of our initiatives in support of small business over the past four years, but clearly we have had a great deal of success. For example, we've established a network of business resource centres across the province, because small-business operators told us that they needed access to valuable and relevant information and advice. Since these centres have been established, Mr. Speaker, inquiries have more than doubled to the point where now we are running at around 20,000 business inquiries annually at these business resource centres.

And I'm proud to indicate, as my colleague indicated in the budget speech, that we will shortly be releasing details on an entrepreneurial training program. I can tell you, Mr. Speaker, that that spirit of entrepreneurship is out there — that the desire to own your own business, to get into business on your own, is, in fact, very strong in this province as it is across North America. And it's something that we believe our department should be providing some information, and we will be establishing that program and making the details known very shortly.

I could make many comments and provide you with many statistics about the effect that our programs have had on business women. Mr. Speaker, I will give you only one statistic, however. It's interesting to note that since this government came to power in Saskatchewan, we have had a 30 per cent increase — 30 per cent increase — in the number of self-employed women in the province of Saskatchewan. And I think that demonstrates very clearly that women are anxious to get into business. Statistics prove that they are very competent business people, and we will continue to work with women who are interested in getting into the business world.

Mr. Speaker, we have also encouraged economic growth in smaller centres throughout the province through the community economic development program. Presently there are 53 communities enrolled in this program. And this program is helping to attract new businesses; it's helping to attract a variety of professional services to

these communities and to participating towns.

Mr. Speaker, the list of programs goes on. And at this time I'd like to turn my attention for a few moments to the tourism sector, where again we have made tremendous strides since the election of 1982.

It's important to note, Mr. Speaker, that predictions indicate that by the year 2000 tourism will be the world's number one industry, and it will be the largest single employer on the North American continent. Those are not new indications; this has been well-known for quite some time.

However, Mr. Speaker, despite the rapid growth in this sector, there was virtually no emphasis on tourism when this government came to office in 1982. The previous government had built the walls around this province so high that they simply refused to consider the benefits that tourism could have in this province. Despite the fact that this industry is going to be the largest single industry in the world in a matter of 14 short years, there was no emphasis whatsoever.

By incorporating the components of tourism and small business into one department, we took the first step towards capturing Saskatchewan's share of those tourist dollars.

Today, Mr. Speaker, tourism is a billion dollar industry in this province, and most certainly it is one that cannot be overlooked. It has created over 2,000 jobs a year over the last half decade. It is currently providing direct and indirect employment for about 32,000 people. And, Mr. Speaker, in the words of the Premier, when you look at tourism there is certainly so much more we can be.

To stimulate the growth of this industry, the Department of Tourism and Small Business has stepped up its support for tourism in three primary areas: tourism marketing, tourism development, and travel information services. To improve the level of travel information we provide, attractive new visitor information centres are being constructed in key locations in the province. This spring new centres will open at Fleming, Langenburg, and Maple Creek.

And I see the member from Regina Centre is now with us this evening. Last year in the House he had some trouble wondering why we would have information centres at Langenburg and Fleming, and I could reiterate the geography lesson my friend from Meadow Lake gave him, but I won't bother at this time.

Tourism and Small Business has also expanded its toll free, travel inquiry telephone service from across Saskatchewan through all of Canada and to the continental U.S.A. The result has been a dramatic increase in telephone inquiries to the toll free number.

Mr. Speaker, as well, to stimulate tourism development within the province, the Department provides technical advice to developers and helps them through the sometimes complicated development process.

Financial assistance is also available through the

Canada-Saskatchewan Tourism Agreement, which was signed by my colleague, the member from Regina North, in November of 1984. To date under this program, Mr. Speaker, 16 projects have been approved for assistance through the agreement, totalling approximately \$2.7 million. A further 15 projects, representing potential incentive contributions of over \$4 million, are now under review.

To promote Saskatchewan as a tourist destination, the department produced a new tourism film entitled *Sun Spirit Saskatchewan*. This was the first film that had been produced in this province in over 12 years, Mr. Speaker, a need that simply had to be filled, and again something that was completely overlooked by the previous government.

Since this film's premiere in Regina last July, *Sun Spirit* has won awards at major film festivals here in Saskatchewan and in competitions in Michigan and in California. What these honours tell us is that we in this province can compete with the best in the world, and it's about time that we began using these talents for our own benefit.

Mr. Speaker, last year from February to May, the Department implemented Saskatchewan's first extensive out-of-province advertising campaigns. They were centred in Ontario and Alberta, and in Montana, North Dakota and Minnesota. As a result of advertising in these markets, we estimate a net benefit of \$2.9 million was realized last year for the province through increased tourism.

Mr. Speaker, in my office today I just received two magazines that I think they contain in them ads that will make, I think, most people in Saskatchewan extremely proud. In the *Reader's Digest* we see a full page ad emphasizing Saskatchewan, "We'd love to have you." It's directed at people all across the province. It shows some of the scenery we have. And as well, Mr. Speaker, in *Maclean's* we have a two page, half across the bottom with some scenes of the province, and again the basic information with some toll free number. And, Mr. Speaker, this type of advertising, which had been completely overlooked, is paying tremendous dividends for the province. And as I indicated, almost \$3 million flowed into this province last year directly because of this expenditure of a few thousand dollars of advertising outside our borders.

Now this year from January through May, the department is attending nine U.S. and seven Canadian sport and travel shows. And the department is also attending market-places to promote group touring and business travel and will continue to advertise our tourist attractions in major markets for this province. In addition we are gearing up for a major tourist year in Saskatchewan resulting from Expo '86 traffic and have developed our promotional strategies accordingly.

Mr. Speaker, I think that bears a little further comment. It is estimated that in 1986 as a result of families and individuals travelling to and from Expo, we will see probably in the area of a quarter of a million, 240 or 250,000 trips across this province, and we see that as a

tremendous opportunity, a tremendous challenge.

We believe our role as a department is to present information, to do things to encourage these people to extend their stay in the province of Saskatchewan. And we have challenged the private sector, the tourism industry to provide the friendly service, the inviting facilities, and the many attractions that we have here, so that when people leave our province, they will return home and talk about Saskatchewan and will encourage their friends to come and will be, in fact, interested in coming back. And I think 1986 is going to be a tremendously exciting year, and is a basic opportunity that we have to access, as far as tourism is concerned.

In short, Mr. Speaker, with the things we are doing, we are reaching more potential visitors than ever before, and I think again it's safe to say that these efforts are paying dividends.

(2045)

Mr. Speaker, in addition to my small-business portfolio, I am pleased to serve as minister responsible for the Employment Development Agency, and I think it's safe to say that I'm also very proud of the results that we have achieved in tackling the jobs issues.

In the past year alone, Mr. Speaker, in the past year, 17,000 new jobs were created in Saskatchewan. Seventeen thousand new jobs in the province. This was accomplished in spite of poor resource markets, in spite of a crisis in agriculture, and I believe that it speaks well of our efforts to diversify the Saskatchewan economy. Furthermore, our performance stacks up extremely well against the results achieved by the NDP administration in its last term in office. For example, Mr. Speaker, if we take a few comparative numbers, in the last 44 months of the NDP government — which would be October 1978 to May of 1982 — 19,000 new jobs were created in the province. By comparison, in the first 44 months of a Progressive Conservative government, Mr. Speaker — which would be May of '82 to January of '86 — 35,000 new jobs were created.

Some Hon. Members: Hear, hear!

Hon. Mr. Schoenhals: — Once again, Mr. Speaker, a comparable amount of time — our first 44 months in office, their last 44 months in office — under their administration 19,000 new jobs created, under ours 35,000 jobs, Mr. Speaker, I think clearly indicating which party has the capacity to work with the private sector, to work with other governments, particularly the federal government, and to increase the jobs that are available for the people here in the province.

If you take these same time periods, we find that in those periods, Mr. Speaker, Saskatchewan under the NDP recorded the lowest jobless rate of the provinces in Canada in only 12 of those 44 months, while we have led the nation with the lowest unemployment rate in 36 of the 44 months. And again I think that statistic clearly indicates which party is capable of working in a co-operative manner with the groups that are in fact going to create the jobs in this province.

Recognizing the importance of co-ordinating our approach to the jobs issue, we created the five-year \$600 million employment development fund in 1985. Approximately \$125 million will be provided through the fund for job creation and training programs this year. Mr. Speaker, I've had the pleasure recently of announcing the details of two programs that are administered by the employment development fund which place particular emphasis on the youth of Saskatchewan.

In mid-Marc, I announced the details of the Opportunities '86 program which is our summer employment program for students who attend universities, technical schools, or high schools. We've committed \$8.5 million to the program which is now in its fourth year. Since its inception, Mr. Speaker, the Opportunities program has helped to facilitate 17,500 summer jobs for summer students. And we estimate that this year this job program will create about 8,500 jobs for the students of our province.

Another employment development fund that is administered by our department, which commences today, Mr. Speaker, is the Saskatchewan Access youth employment program; \$3.25 million dollars has been earmarked under Access youth for the coming fiscal year. It's aimed at creating employment opportunities for those in the age category of 16 to 24 years old. And I think there is no doubt that in Saskatchewan, all across Canada, probably North America, this age group is the one group that we have to direct our attentions to in order to solve the long-term job problems that these people will face.

To date, Mr. Speaker, Access youth has created some 2,300 jobs for young people. And the important statistics that we're finding is that approximately 75 per cent of the employers who access this program intend to keep the employee on after the wage subsidy ends. And Mr. Speaker, I think, when we take a look at the employment development program of this government, at the things that we have been able to accomplish and compare them to what has happened in the past, it becomes clear that this party has the capacity to provide the opportunities that the people of this province need in the future.

Mr. Speaker, in terms of creating opportunities, many of my colleagues have indicated the positions that have been taken by the members opposite. And I think the member of Assiniboia-Gravelbourg, in his address, again reiterated their position on many of the major projects that have recently been announced in this province and which will have such significant — first of all construction employment, and secondly permanent employment.

The opposition have stated that they are clearly against the Rafferty dam and power station near Estevan. They have indicated their opposition to the Gainers plant at North Battleford. They've also indicated that they're against the sale of PAPCO, and the construction of the paper plant in Prince Albert.

And I think it's fair that we, and everyone else in this province, can only conclude that if they ever became government, that they would obviously halt these very worthwhile ventures. And while I don't have all the

numbers at my disposal, we're obviously talking about thousands of jobs, Mr. Speaker, that the NDP is prepared to pass up and seem to think that we don't need. And I think the key word with those jobs is opportunities, and that's what the people of this province are looking for.

At the same time, the Leader of the Opposition claims that he's in favour of the Lloydminster heavy oil upgrader, and I don't know who could disagree with that particular statement. However, then, in the next breath, he will state that it's his intention to turn up the taxes on the oil industry — this during an international oil crisis. Mr. Speaker, I wonder if the Leader of the Opposition is prepared to explain how the upgrader could possibly come to pass under the circumstances that he proposes to put in place. And I would challenge him to state his position on oil royalties and on the upgrader to the people of Lloydminster who are very anxious to hear what the position is.

The Leader of the Opposition, Mr. Deputy Speaker, also said that he will get more revenue from the potash industry. He knows that this industry is facing major difficulties, and I believe that kind of attitude does not bode well, Mr. Deputy Speaker, for the thousands of potash workers who work in that important industry in this province.

Furthermore, I would point to the policy of the opposition that they would dismantle or, as the Leader of the Opposition would put it, "phase out" the uranium industry. So we could again forget the thousands of jobs that are there.

Mr. Deputy Speaker, if these important projects are in fact cancelled, are in fact shut down, and our resource enterprises are shut down, I have to ask, where will the jobs, where will the opportunities in this province come from? I don't believe that the people of this province want to return to opportunities only through Crown corporations, and I believe, as I've indicated, that we have clearly indicated we have the capacity to work with the private sector, with other governments, to create the jobs in this province that are needed.

Mr. Deputy Speaker, at this time I'd like to turn my attention to some of the issues and some of the initiatives that we have taken in respect to the city of Saskatoon, and more precisely, my constituency of Saskatoon Sutherland. The Sutherland riding, both in terms of residential growth and in terms of new businesses, is one of the most dynamic areas in that city today. I've been pleased over the past four years to welcome a great number of new constituents to the Forest Grove subdivision, and I know, Mr. Deputy Speaker, that they're optimistic about the future, given Saskatchewan's buoyant economy.

Such optimism was not evident when I first began visiting with people in Saskatoon Sutherland in 1982. At that time, many home owners in Sutherland, in fact all across Saskatchewan, were in real danger of losing their homes. But the NDP government of the day said families would simply have to live with mortgage rates of 20 per cent, that there was literally nothing that they could do. We, as Progressive Conservatives, offered a solution, and thousands of home owners were helped through very

difficult times and with a very real problem.

The NDP also said that we would have to live with steadily increasing gasoline prices, and also a hefty —and I say hefty — provincial gasoline tax. Again we offered a solution and, as the budget points out, the average family in Saskatchewan has saved over \$1,000 since we removed the gas tax in this province.

And I know that many of my constituents are pleased at the healthy, overall growth that has taken place in Saskatoon in recent years and with some of the new projects that have been launched. For example, Mr. Speaker, I know that the people in Sutherland, and in fact all of Saskatoon, are excited about the new \$78 million college of agriculture building that is to be constructed on the university campus.

Mr. Deputy Speaker, as well, they are excited about the new nursing home construction that is going on in the city — construction that is ending the seven-year moratorium that was placed on nursing home construction in this province by the NDP. They are also excited about the construction that is going on at St. Paul's, at University Hospital, the cancer clinic that is being constructed, as well as the plans for a new City Hospital.

Having said that, I'm sure that we will hear the opposition rail on about how they would have done the same thing. Mr. Speaker, I think we've established a definite "me too" pattern as far as the opposition is concerned. And it says that if Progressive Conservative initiatives prove popular, they'll be among the first ones to jump on the bandwagon and try to indicate that they would carry out the same thing.

Once again, Mr. Speaker, I think people will look at their record over that 11 or 12 years that they were in government, when the majority of the members from Saskatoon in fact sat on their benches, and the only thing we have in the city to show for it is the Sturdy Stone building in downtown Saskatoon. But, Mr. Speaker, where does the opposition really stand on major projects that will benefit Saskatchewan now and in the future?

Mr. Deputy Speaker, you will know that I have been a strong advocate of the need for a new multi-purpose facility to replace the existing Saskatoon arena. Notwithstanding the substantial delays that have confronted this project, I am confident that the concept is indeed supported by a vast majority of Saskatoon residents. Mr. Deputy Speaker, it has been fascinating to watch members of the NDP teeter back and forth on this issue and then manage to come down squarely on the fence. I believe that the need for such a facility was evident throughout the 11 years that the previous administration was in office, and as my colleague, the Minister of Finance, indicated, it's a need that's probably equivalent to the need for decent drinking water in Regina. And, Mr. Speaker, this government will deal with both of those crying needs. And even today, even today the NDP, through their representatives in the city of Saskatoon have taken what I will call a "wait and see" attitude. We believe that we have offered a solution through a major funding commitment for the project, and I am confident that Saskatoon will indeed take up the

challenge.

Mr. Speaker, I'd like to very briefly mention a few of the positive indicators that point to the strength of the Saskatoon economy. The city is gearing up for what will undoubtedly be its greatest year in terms of construction. I indicate it's going to be a record year in construction in the city of Saskatoon.

Saskatoon is home to 30 of Saskatchewan's 52 venture capital corporations, and an investment pool in excess of \$25 million exists in Saskatoon for an equity investment in the province's small businesses.

Mr. Deputy Speaker, Saskatoon, as you are well aware, is the centre of advanced technology in Saskatchewan, with 49 per cent of the province's high-tech companies. To help meet the needs of this rapidly growing sector, the Department of Science and Technology will be relocating the majority of its operations to Saskatoon in the coming months. The high-tech community in Saskatoon has been further enhanced by the recent announcement that Sed Systems will construct a new \$11 million head office and facility in Saskatoon near the university.

And, Mr. Speaker, as an aside, I take a certain amount of pride in the fact that I was the minister responsible at the time that the water Crown decided to move to Moose Jaw. And I certainly commend my friend and colleague, the member from Melville, on the fact that crop insurance will be moving to Melville, something that is long overdue in this province in terms of some decentralization of government. As well, my colleague from Swift Current, on the fact that the Ag Credit Corporation will be moving to Swift Current. And I believe that the majority of the people in this province clearly support those initiatives, and I think they're long, long overdue.

(2100)

Mr. Deputy Speaker, I've indicated just a few examples, and I think one needs only to look around in Saskatoon to see the rapid growth that has taken place in the last four years in new businesses. I think of the north end of Saskatoon and the southern business district as clear examples; many expansions in the retail sector. All of these things are signs of a healthy economy. And I'm sure that the city is very excited about the fact that in 1989 we'll be hosting the Canada Summer Games. And I know that, as usual, the entire community will get behind that tremendous endeavour in the spirit that they have undertaken so many others.

In conclusion, Mr. Speaker, I believe that my constituents in Sutherland and College Park and Forest Grove are pleased with the record of this government and the major points that we addressed in the provincial budget. They are certainly pleased that the sales tax has been removed from clothing. And they're supportive of the responsible measures, and I emphasize the word responsible measures, that we've introduced to stimulate new housing construction. The measures that we've indicated, again very responsible measures to encourage small business because we clearly believe that small

business is the mechanism that has to be used to create jobs and opportunity in this province. I believe that all things, Mr. Speaker, will help the Saskatchewan economy to grow and to flourish and continue into the future.

And, Mr. Deputy Speaker, obviously I am very proud to support this budget that was presented last week by my colleague, the Minister of Finance.

Some Hon. Members: Hear, hear!

Mr. Klein: — Mr. Deputy, Deputy Speaker, it always seems that the opposition has something to say about my physical size when I rise in my chair, at least — rise from my chair — at least I'm not compared as being a mental midget, like some of my colleagues across — opposite.

But I am extremely proud, Mr. Deputy Speaker, to rise in this Assembly tonight to join in the debate on the dynamic budget that was presented in this House last week by the Minister of Finance, and I'm particularly delighted to reinforce the remarks of our Minister of Tourism and Small Business.

Opportunity and protection; those are the keywords that the budget brings to the people of Saskatchewan. Opportunity, by providing further stimulation for business and industry to create new economic opportunities and even more jobs for our citizens. Protection, by providing additional protection for individuals, families, and our social institutions. This budget of your Progressive Conservative Government recognizes, as we have since we assumed office in 1982, the importance of protecting Saskatchewan residents and enhancing the quality of life in our province.

Today, Mr. Deputy Speaker, I would like to lead off by commenting on the opportunities provided in the budget, the opportunities for business and industry to stimulate our economy and thereby create those more needed jobs for our people.

But first, Mr. Speaker, I would like to give you some factual information on the Saskatchewan flat tax rate income tax and also explain the truth to the members opposite. The flat rate tax is an attempt by Saskatchewan to return to an income tax system that, number one, is simple to understand and to comply with; and secondly, is fair to the people of all income groups; and third, ensures that no one escapes paying his fair share. And that's true, and you know it. The flat rate tax is being levied at a rate of 1 per cent on an individual's net income. This net income is defined under the Canadian Income Tax Act. It is total income from all sources, but total income minus the following deductions: CPP contributions, UIC premiums, RPP contributions, RRSP contributions, RHOSP contributions; union dues are deductible, tuition fees, child care expenses, allowable business investment expenses, index security investment plan losses. Alimony payments are deducted. Moving expenses and other items are also deductible.

Mr. Speaker, as a means to protect low and middle income earners from a possible tax increase resulting from the flat tax, the basic low income reduction has been

increased to \$260 for 1986, and the result has been almost a total elimination of any tax increase resulting from the flat tax for tax filers earning up to \$10,000 annually.

For example, approximately 216,000 taxpayers — about one-third — have an income under \$10,000. Their income tax actually decreased \$3. When you add approximately another 89,000 taxpayers, which now, totally combined, represents over one-half of the taxpayers, and include from \$10,000 to \$14,999, their income tax for the year goes up approximately \$8 for the year. Now we hear the opposition crying that we don't get the big people, the high earners from this. That is not true. Taxpayers having an income of between 50 and \$100,000, as a result of this flat tax, will now be obligated to pay an additional \$505. So the low income earner, in fact, minus \$3; the middle one, approximately an \$8 increase annually, while the high taxpayer, Mr. Deputy Speaker, pays an additional \$505. And that's the truth, for the members opposite.

Meanwhile, let's not forget the personal income tax rate reduction. Effective July 1, 1985, the Saskatchewan personal income tax rate was reduced by 1 per cent, and this reduction is intended to partially offset the impact of the flat tax. And I could supply further information to enlighten the members opposite and the people, but I would like to return, Mr. Deputy Speaker, to the budget.

The initiatives to support small business contained in this budget are the strongest evidence yet of this government's commitment to the private sector of this province as the engine of economic development. These measures include: a two-year corporate tax holiday for new small businesses; major changes to the small business interest reduction program, including the writing down of interest to 8 per cent from nine and five-eighths; expansion of the venture capital program; extension of the industrial incentive program for an additional year.

Now, Mr. Deputy Speaker, I know when one speaks of jobs, the only kind of jobs that the members opposite are familiar with creating are those of the public payroll of provincial government departments and Crown corporations. That's the only way they know to create jobs, and they sure put their methods into practice as they padded the employee lists of government departments and Crowns during their 11 years in office. That's not the philosophy of those of us on this side of the House, Mr. Deputy Speaker, and indeed of most of the people of this province.

Since we assumed office four years ago, we have worked — and with some success, I might add — to restrain the size of government and the number of employees on the public payroll. And I can assure the members opposite there is overwhelming support from the public right across the province for our efforts in this regard.

The new measures that I mentioned, along with others, will help to stimulate the economy and create many, many more jobs for our citizens. On this side of the House, Mr. Deputy Speaker, we look upon small business as the driving force that stimulates our economy. Most of the new jobs in this province are created by small

business enterprises; that's why we're introducing yet more initiatives to help small businesses grow and to help small business prosper.

In June of 1984 a survey showed that over 50 per cent of those employed in the commercial sector worked in businesses with 49 employees or less — small businesses. Also there were 98,000 people employed in firms with 49 employees or less, representing almost a quarter of the total employed labour force. Almost one-third of the total commercial jobs in 1984 came from firms that did not exist in 1976. Of these new jobs in the province nearly 60 per cent were with firms of 49 employees or less, and almost one-half were with firms of 19 employees or less. That's where the new jobs are, in small business. And that's why this budget has provided even more initiatives to stimulate small business.

The record of this government in job creation and employment is one of the best in all of Canada. Since 1982 Saskatchewan has had the lowest or second lowest average annual unemployment rate in the country, well below the national average. This summer 60,000 more people will be working in Saskatchewan than were working when we took office — 60,000 more. A total of 17,000 jobs were created during the last year alone, and we expect to create another 20,000 jobs in the coming year.

The opposition benches and their socialist friends want to call this only a budget for business and industry. Sure, we know these measures will help business and industry in Saskatchewan to grow and expand, but that's what we want for the business community of our province. But in the process, Mr. Deputy Speaker, they'll be providing more jobs for our citizens, and that's the point that the opposition misses, Mr. Deputy Speaker.

The opposition doesn't appear bright enough to realize that the more we can stimulate business, the more we stimulate industry, the more opportunities we can provide that sector with to grow and to expand, the more employment that can be generated for the people of our province.

Let's review briefly some of the new initiatives supporting small business. The small business interest reduction program. Interest rates on loans will now be written down to 8 per cent from nine and five-eighths. And car and farm equipment dealerships have also been added as businesses eligible for benefits. Also, the limit on loan amounts — that has been increased to \$100,000 from \$50,000.

The expanded venture capital program. That program introduced a redirect savings of Saskatchewan residents into equity capital for small businesses has really taken off. We now have 52 venture capital corporations with a combined investment of \$32 million, providing funding for new and for expanding businesses.

In the new budget, the venture capital program has been expanded. It will now include retail and service industries in communities up to 20,000 people, from the original limit of 5,000 in population, and it will be made more accessible to agricultural enterprises. In other words, it

will now be able to provide funding for even more Saskatchewan businesses.

(2115)

The two-year corporate tax holiday for new small businesses gives much needed assistance to new enterprises during their critical start-up times. For the information of the opposition benches, there's been an increase of approximately 4,000 small businesses since we assumed office.

The new budget will extend the industrial incentive program for another year. Under this program, one-time payments of \$7,500 are made for each new permanent job created by manufacturing or processing firms. For the information of the members opposite, this is the incentive Gainers qualified under — that program, and no other. To date, this program has encouraged more than 300 firms to expand, creating 3,500 new permanent jobs.

For the rural areas, financial assistance will be given to municipalities to establish community economic development corporations to stimulate economic development and jobs in the rural area. Unlike the prior administration, which was letting our rural communities slowly become ghost towns, this government is working to ensure that the smaller communities benefit from increased economic growth.

These are just some of the new measures introduced in the budget to help stimulate business and industry, and generate employment in our province. These measures will add to our accomplishments since 1982 to help businesses grow and to help businesses prosper.

We helped reduce the tax burden on small businesses, too, by eliminating the provincial corporate income tax on small manufacturing and processing firms, saving businesses million of dollars annually.

We eliminated the sales tax on research and development prototypes. And don't forget — and again, I remind the opposition benches — the elimination of the provincial gas tax, which has not only reduced input costs for virtually all businesses, but has provided residents with over \$120 million each and every year to spend on other goods and services.

Since 1982 we have wiped out 1,300 obsolete regulations which the NDP were continually bringing in to choke and strangle the daily operations of business right across our province. Our northern revolving loan fund has expanded northern economic activity by providing over \$6 million in loans to 179 northern businesses since 1983, creating or maintaining almost 1,000 jobs in the North.

And we're making good progress in helping local businesses capture a larger share of the almost \$7 billion in purchases made outside of our province. For example, the Saskatchewan Power Corporation has taken the lead role in supporting local suppliers, purchasing \$209 million in commodities, supplies, and services. That was in 1985 — an increase of 55 per cent over 1984. SPC now makes 76 per cent of its purchases from Saskatchewan

firms.

When you compare our record of economic development and job creation in four years with that of the previous 11 years of the prior administration, all I can say is: what a waste of opportunities we passed up. During that period the Canadian economy was in good shape. But all the NDP could do in their economic and business development programs during those 11 years was to introduce a series of do-nothing grants, do-nothing grant programs.

Mr. Deputy Speaker, business expects more from its provincial government in its economic and business programs than a series of grant programs. Business and industry isn't interested in give-aways. Business and industry want and need a positive business climate in which they can function. And that is what we have given them.

The previous administration never understood the real needs of business and industry; and what was even worse, they made no effort to try and understand business. That's one of the many reasons that the people of this province don't want to see them in office again.

The NDP made little or no effort to meet with business during their 11 years in office. All they had to do was attend a few meeting — just a few — of business groups like the chamber of commerce. They would have found it enlightening, new — a new experience of meeting with the business people which they have never done.

How different it has been since our government has been in office. We meet regularly with all business groups. I probably meet with more business people in one week than you have met in the last 11 years. For the last two months — quietly and with little fanfare, but very, very effectively — the Minister of Tourism and Small Business has been meeting with business groups in all parts of the province, obtaining their ideas, their recommendations on programs and activities which can help to stimulate our economy. And these meetings will continue.

Mr. Deputy Speaker, I'd like to conclude my remarks with a few comments about my home city and the capital city of our province, Regina. Unlike some of the members opposite, the members from Regina on this side of the House are pretty proud of our city and the contributions made by our government to building a better Regina. We think Regina is looking pretty good.

For the information of the members opposite, I have lived in Regina almost my entire lifetime. I grew up as a young boy on the east side of this city. I spent my teenage youth on the west side. I raised my family and enjoyed my business career in the south end. I proudly represent my constituents of Regina North. I dare say, Mr. Deputy Speaker, I could seek election in any area of this city with any degree of credibility; and it's a far cry — it's a far cry — moving from Humboldt to Regina North East and being parachuted in there.

Some Hon. Members: Hear, hear!

Mr. Klein: — Let's take a quick look at some of the

benefits the government of Grant Devine has brought to the people of Regina. First of all, our water. Matter of fact, I'll have a sip right now. What can I say? We acted on the water in one term. You couldn't do that in three terms.

The heavy oil upgrader. The largest single project in Saskatchewan's history. It will create 3,000 new jobs in the construction phase alone and bring untold spin-off benefits to all sections of our economy, and particularly to the small-business sector.

New construction at our hospitals, the General, the Pasqua; the construction of the Wascana Rehabilitation Centre: all part of your government's plan to make Saskatchewan's health care system the very best in Canada.

Nearly \$40 million spent in new school construction and renovations in Regina since we took office; the new Winnipeg North campus of the Wascana Institute of Applied Arts and Sciences to bring improved technical training to the people of Regina.

More units of senior citizen accommodations with the Trianon and St. Basil's projects; with these projects we will have more than 1,600 units of subsidized living for seniors in Regina. Over 2,000 Regina senior citizens received grants under the senior citizens' home repair program; bringing the 1987 Western Canada Games to Regina, and with it a new all-purpose field house for our athletes, young and old.

Increased funding for the University of Regina and renovations to Darke Hall; a new provincial Court House in the 1800 block Smith Street, built at a cost of \$4.5 million; Regina's expanding skyline, with the Continental Bank Building, the Canada Trust Building — private sector development stimulated by confidence in your government; Lewvan Drive expanded from Regina Avenue to No. 1 Highway, 100 per cent financed by the provincial government. These and many other accomplishments of our provincial government have helped make Regina look good, and a better place in which to live.

Mr. Deputy Speaker, the record of this provincial government is something to be proud of and certainly unmatched by anything done by the prior administration in their 11 years of office. Mr. Deputy Speaker, from my remarks I'm sure that it's obvious to all that I will gladly support this budget.

Some Hon. Members: Hear, hear!

Hon. Mr. Maxwell: — Thank you very kindly, Mr. Deputy, Deputy, Deputy Speaker. This is a very pleasant surprise, to be able to jump in at this stage of the debate and take part, Mr. Deputy Speaker. Pardon me for being out of breath. As you know I was not in my seat, and I had to hustle across here to reach the seat.

Well, Mr. Deputy Speaker, I have sat here tonight with a great deal of patience and an equal amount of scepticism, having listened to some of the balderdash being perpetrated not only upon the members of this House — not only upon the members of this House — but on the

poor people of Saskatchewan who are unfortunate enough to have tuned in tonight to have witnessed a dismal performance from the members opposite.

Mr. Deputy Speaker, I listened to the member from Assiniboia-Gravelbourg pick up a fairly reputable magazine — or at least, should I say, Mr. Deputy Speaker, a part of a fairly reputable magazine — and quote from it extensively.

Now, Mr. Deputy Speaker, perhaps I misunderstood the hon. member's intentions. Perhaps I misunderstood them. But I took it that he purported to read this article as if it were an editorial from the *Saturday Night* magazine of April 1, 1986. Mr. Deputy Speaker, when I picked it up . . . (inaudible interjection) . . . And the member from Regina Centre is chirping through the seat of his pants again that in fact this is an editorial.

Mr. Deputy Speaker, when I look at it, it is an article called "Hard Times," not an editorial, written by one Robert Bott, B-o-t-t — a couple of letters missing there. And Mr. Deputy Speaker, I find this article not only to be something less than objective but actually derogative to the family of our Premier.

Now, Mr. Deputy Speaker, the Premier is not in his seat tonight. He's on an engagement. But I for one am one member in this Assembly who will not sit here, who certainly will not stand here, and allow the Premier's family to come under any scurrilous attacks from some mud-raking sleaze buckets in the opposition.

Welcome back, Mr. Speaker. I'm glad to see you in the chair, sir. Mr. Speaker, I was pointing out earlier — and you were in the chair, sir — that one of the members had been quoting from a magazine as if it were an editorial. He neglected to point out that it was in fact merely an article, merely an opinionated article, a somewhat misleadingly opinionated article from one member only.

Mr. Speaker, there were several comments made by the member for Assiniboia-Gravelbourg, and I cannot in all conscience, sir, allow them to go without some comment. I heard him quoting about chemicals. Now I don't know why he got into the subject of chemicals on this particular debate, but he went on at some length. He expanded on the use of chemicals, he expanded on the use of chemicals all across southern Saskatchewan. And in fact this isn't the first time he's done that.

I can turn back to *Hansard* of June the 11th, 1985, when the member from Assiniboia-Gravelbourg on page 3243 of *Hansard* says, and I quote, sir:

Now there's another point, there's another point that needs to be made, Mr. Deputy Speaker, and that is on the chemical that we use. Back in the time of the wheat midge and in the time of the Bertha army worm, a decisive government (I repeat, a decisive government) made some decisions and allowed some chemicals to be used that weren't licensed, (he repeats it) that weren't licensed.

Now, Mr. Speaker, perhaps the member from

Assiniboia-Gravelbourg who had the courage, I should say probably temerity to visit my seat some time ago . . . I wish he'd come back. You did me nothing but good, sir. I got all kinds of votes because of your visit.

Some Hon. Members: Hear, hear!

(2130)

Hon. Mr. Maxwell: — Perhaps the member from Assiniboia-Gravelbourg and the member from Quill Lakes, who is not in his seat, who said something even worse in *Hansard*, perhaps they should have a chat with my opponent in this upcoming election who represents the negative disappearing party. What does he say? He's travelling farm to farm, Mr. Speaker, and he's telling people he's absolutely opposed to the use of chemicals. He's completely organic. He's been going to the villages . . . He's organic from — no I won't be rude. He's going around villages, Mr. Speaker, querying secretary treasurers and saying, what are you putting for dust control on the streets? Don't put anything on those streets because, Mr. Speaker, he's saying after he's elected — and he's a supreme optimist, I tell you — after he's elected he's saying, we're not going to allow any chemicals of any kind in Saskatchewan. Now you guys get your act together and tell this fellow . . . (inaudible interjection) . . . No, he doesn't have a pony tail any longer. He cut it off before his nomination. You get out there and get your act straight and decide who's right, the member for Assiniboia-Gravelbourg or the hypothetical dream merchant who purports to represent your party in the constituency of Turtleford.

Some Hon. Members: Hear, hear!

Hon. Mr. Maxwell: — Now as long as I'm on the subject of disputing comments that have been made, Mr. Speaker, as long as I'm taking issue, there is another issue that I have absolutely no choice, this has been forced upon me, and it deals with the moratorium the former administration placed on the construction of nursing homes.

Now I believe this morning the member from Shaunavon was on an open-line show on CFQC and between 11:10 and 11:20 a.m. this morning he did not remember any moratorium. I'm sorry I cannot quote the gentleman word for word but it was, to paraphrase, it was to the extent, the member from Shaunavon says, he does not remember any moratorium placed on the construction of nursing homes . . . (inaudible interjection) . . . Well my colleague are asking me for the facts, Mr. Speaker, so I'm duty bound to show the facts.

Here we have a memorandum from one Walter Smishek, chairman of the treasury board, to the Hon. Herman Rolfes, minister of Social Services, dated January the 4th of 1976, before the hon. member from Shaunavon, I believe, was elected. And he goes on to say:

Until such time as a need for additional beds can be clearly identified and a suitable construction policy defined, a moratorium (m-o-r-a-t-o-r-i-u-m, a moratorium) on further commitments should be enforced.

Now, Mr. Speaker, as if this is not enough to vindicate the position that we have consistently taken since 1982, let me quote a little further. And this is a letter dated July 18, 1978, fully two and one-half years later, Mr. Speaker, fully two and one-half years later.

An Hon. Member: — After he was elected.

Hon. Mr. Maxwell: — After the member . . . No, I believe it wasn't. At this point, what's the position? This is to a Mr. M. Bilokreli, secretary treasurer of the village of Theodore, in Theodore, Saskatchewan. And the village of Theodore, Mr. Speaker, had been attempting to obtain a nursing home, a much needed facility for that community, for some time. And here's the response they received:

Government has been prompted to place a moratorium (m-o-r-a-t-o-r-i-u-m, a moratorium) on the development of any additional special care beds and focus attention and priorities on the delivery of basic home care services.

Mr. Speaker, further evidence, if the member has selective amnesia or just was not aware . . . Sir, you are now aware, you imposed a moratorium. We lifted it under the leadership of the Minister of Health, the member from Indian Head-Wolseley.

Some Hon. Members: Hear, hear!

Hon. Mr. Maxwell: — Now, Mr. Speaker, let's bring this up to 1985-1986. Now we have the new NDP policy. Here we have the people who learned that you don't have moratoriums on nursing homes because it's not popular; because there is a chronic need in Saskatchewan. Despite the number of beds we have put into Saskatchewan, Mr. Speaker, we're still fighting with a backlog and we're trying to catch up; we're doing our best, but what is the latest NDP policy? And I quote — it's from a magazine called *Hospital Products and Technology*, August/September edition, 1985. And the headline says, "Building more institutions for aged is road to disaster, says Romanow."

Complete with photograph. Mr. Speaker, I want that on the record and I'm going to say it again. "Building more institutions for aged is road to disaster, says Romanow."

Has their policy changed? Has their policy changed one bit, Mr. Speaker? Of course it hasn't. They imposed a moratorium in 1976. They maintained a moratorium until 1982. The member from Shaunavon will not remember this. I know a considerable amount of mail crosses the desk of a minister. When he was Minister of Social Services he received a letter from the town of Spiritwood. I had the honour of being mayor of Spiritwood at one time and also serving on the hospital board. I was also a member of what was called the level 3-4 committee. And we wrote and asked about the possibility of a nursing home for Spiritwood.

Mr. Speaker, we received a negative reply, accompanied with, accompanied with, no offer to meet, would not discuss it any further with us, and declared the issue

closed.

Let me get back to what is probably going to be policy for the NDP, unless this gentleman, who served with some distinction in the former administration is — and I freely say, served with some distinction. I didn't say great distinction or continuous distinction, I said some distinction. He was not without blemishes. But who's right? They had the moratorium. We have it in evidence they had the moratorium.

And now we have this retread making a come-back, and this retread's saying — what's he saying? He's saying the moratorium has to continue because building more institutions for the aged is a road to disaster.

Let me go a little further with this man who would be leader of the NDP party. He says:

Roy Romanow, a former Saskatchewan cabinet minister and co-chairman of the negotiations that brought home the country's constitution, said that, if the politicians try to cope with the sickness problems of our aging populations by building more hospitals or similar facilities, the cost will be prohibitive and the results disastrous.

That's the opinion of one Roy Romanow, aspirant to the leadership of the New Democratic Party, which proves beyond any shadow of doubt, Mr. Speaker, they have not changed. They have not changed one bit.

After the last election, Mr. Speaker, I remember sitting across on the other side in the Tory overflow, I believe we were called. And I remember chastising the members of the opposition. I remember saying . . . (inaudible interjection) . . . And I'm glad the member from Assiniboia-Gravelbourg is leading into the next election, because I'm coming to that, too.

I remember saying after the last election that what the Leader of the Opposition was left with was the B team. Remember that? I said he was left with the B team. Well where was the A team? Well the A team was a former member for Riversdale, a former member for Biggar. Well, they went down to defeat, the A team, and he was left with the B team, the would be's and the has beens. That's the B team. The would be's — the member from Shaunavon; the has beens — member from Assiniboia-Gravelbourg. But what's he going to have after the next election? We've had the A team, we've had the B team, now we're going to have the C and the D team. And what's that give us? The "seedy" team. That's what we're going to be left with.

Mr. Speaker, I'm well aware of the last couple of summers, the attempts the NDP caucus made to dump their leader. We're all aware of some of the shenanigans that went on. I always sympathize with the leader, and I thought they'd have been a lot further ahead if the leader had dumped the caucus, Mr. Speaker. I want to make a comment or two about this, and I want to say it with sincerity. I have always felt, I have always felt that the Leader of the Opposition is a man of honesty, integrity. I think he has dignity, and I think he conducted his years as premier with class, Mr. Speaker.

I realize that he and I share a different political philosophy, certainly a much different political ideology, but that doesn't prevent me from showing respect to him — a respect, Mr. Speaker, which I'm afraid is totally denied to the rest of that caucus. And it's too bad that the Leader of the Opposition is head and shoulders above the rest of his caucus when it comes to class, when it comes to dignity, when it comes to integrity.

An Hon. Member: — Intellect.

Hon. Mr. Maxwell: — Intellect — I forgot. And I suppose we could roll off a whole lot of adjectives, Mr. Speaker.

I don't want to get into any exchange of insults. I'd rather stay on a much more positive note because we have a good news budget, and I'd like to dwell on the good points in the budget. But one thing I can say, Mr. Speaker, in this upcoming election, I certainly for one — I certainly for one will be making no personal attacks on the Leader of the Opposition. I respect him, I respect his reputation when he was the premier of this province, he served with distinction. As I say, we differ, but when we leave the Assembly I do believe the acrimony can stay in here and we can treat each other like gentlemen when we step outside the door. And I say, Mr. Speaker, from me there will be no personal attacks in the upcoming election campaign whenever it may come.

I see the member, the member from Quill Lakes has joined us in the Assembly. Now here we have the very antithesis, the absolute antithesis of what I was describing just a moment ago. And if we ever need a contrast, thank you for coming in and providing it to us, member for Quill Lakes.

Some Hon. Members: Hear, hear!

Hon. Mr. Maxwell: — Mr. Speaker, there's a point I'm going to make — there's a point I'm going to make — last week we had some members from the Weyerhaeuser corporation sitting in that gallery up there, and I remember sitting here embarrassed and ashamed at some of the comments coming from that side of the House when those gentlemen were being introduced.

I particularly remember a comment coming from the member from Quill Lakes when Mr. Bill Gaynor was introduced, and the insult was hurled, "Ah, Gainer the gopher." Mr. Speaker, for me, that was a personal low in term of decorum in behaviour in this House. I was embarrassed, I was ashamed, I was abhorred by what I heard. And I took it upon myself personally to apologize to those gentlemen afterwards. And, Mr. Speaker, I assured them that what they saw in here that day — the conduct, the behaviour which they witnessed, the derogatory remarks tossed towards them, were not indicative of Saskatchewan people. Mr. Speaker, that's not us. That's not Saskatchewan. That's that happy little band of renegades sitting over there. And I submit, Mr. Speaker, they do not represent the vast majority of opinion of the people of this province.

I also submit to you, Mr. Speaker, that come the next election, sir, the words I have said tonight will be

thoroughly vindicated with the return of a Conservative government to office in this province under the leadership of our Premier, Grant Devine.

Some Hon. Members: Hear, hear!

(2145)

Hon. Mr. Maxwell: — Mr. Speaker, I'd like to turn to a few other things now. Yes, I would like to turn to the events in the House of the past couple of weeks. The residents of our province, Mr. Speaker, in the last few days have been presented with both a new Speech from the Throne and a new budget. Both unveil initiatives that reconfirm and continue the principles and priorities established by our government since 1982.

Mr. Speaker, I can tell you that on this side of the House we are proud of the directions we've taken in the past four years. And we take tremendous pride in the accomplishments residents of Saskatchewan have achieved as they have grasped the new opportunities and challenges that have been offered to them by this Progressive Conservative government.

Mr. Speaker, our aims were simple. They were determined and visionary. We had to create opportunities for residents to enhance and enrich themselves in all endeavours and enterprises. We had to find ways to allow residents to have more say in the day-to-day running of government activities and to participate in a meaningful way in the development of our province. And we had to have vehicles through which good, decent, hard-working men and women and families could be protected against mishaps and misfortunes over which they, and we as government, have no control.

I believe that both our recent Speech from the Throne and more recent budget, most ably presented by my colleague, the Minister of Finance, did the job. Many will remember 1980 and '81, and how the Devine government came to power in 1982 and worked with the people to make our province a better place.

When mortgage rates in the 18 to 22 per cent range were robbing families of their homes, it was a Progressive Conservative government who institute the first — the very first — home mortgage rebate program in North America. We protected the homes of Saskatchewan families because, Mr. Speaker, we cared.

When young, starting-out farmers couldn't afford to buy their own farms, and they faced the prospects of a lifetime as tenants on someone else's land, it was a Devine government who established the farm purchase program with 8 per cent mortgages.

When drought and grasshoppers devastated our farmers, we spearheaded programs that put \$500 million back into farmers' pockets.

When inflation ravaged the pocketbooks of drivers, young and old, it was a Devine government who abolished the provincial tax on gasoline. That measure alone has saved our drivers \$600 million in taxes since

1982. And they're still saving dollars, Mr. Speaker, every time they fill their tanks.

Progressive Conservatives believed then, as we believe now, that government has a responsibility to improve the quality of life for those whom it serves. And despite some admittedly tough times, plummeting world prices for some of our goods, three straight drought years right there at home, we've tried hard to encourage opportunity in all parts of our province.

Last year we introduced four major funds that in total committed \$1.5 billion to improving opportunity in Saskatchewan. That represents \$1,500 for every person in our province. And, Mr. Speaker, we believe, as a government, our efforts are worth every penny.

Number one, Mr. Speaker, a 600 million employment development fund to create and maintain jobs in an all-out co-operative effort, the like of which has never been seen in Canada before. Now that's opportunity and participation. In the past year, working with the private sector, 17,000 new jobs have been created in Saskatchewan.

Number two, Mr. Speaker, an educational endowment fund of \$400 million to upgrade educational facilities across our province; it was introduced by the Devine government. Now that's opportunity to participate in the future.

In last week's budget, we introduced other features including 6 per cent student loans. We know the importance of quality education and the importance of our young people.

Number three, Mr. Speaker, a health capital fund of \$300 million on top of a budget of 1.2 billion for health care to finance new health care facilities, and to renovate those which we have, was introduced. Now that's protection against illness and protection for families. But there's more.

Our new budget provides approximately 700 new positions in hospitals and nursing homes this year. About 300 of these positions will be nurses. We have increased the number of health care positions in this province.

And number four, Mr. Speaker, an agricultural development fund with \$200 million for agricultural research, development, and marketing opportunities was introduced. That means building security and opportunity for our farmers in the future. And as you know, sir, the agriculture department's budget for this year will more than double that of last year, the largest increase in the history of our province.

Mr. Speaker, it's not enough. The Devine government is continuing to do more, much more. The budget contained further initiatives to create jobs through small business investment. It also outlined programs to teach welfare recipients skills so that they can build opportunity and participate in our province's success. Much of the budget, and before that, sir, the Speech from the Throne, was aimed specifically at making sure government responded to economic and social needs in

Saskatchewan.

We have, for example, paved the way for a voluntary pension plan for Saskatchewan home-makers, the self-employed and small-business people, to give them an opportunity to feel contentment and financial security in their retirement years. This is both exciting and innovative. And I submit, Mr. Speaker, this is nothing short of visionary on the part of the Progressive Conservative government.

We have kept our commitment to rural residents with plans to abolish party telephone lines, bring buried electrical cable service to 86,000 rural residents, and bring full television service to all. And the rural priorities of the Devine government include our intention to support rural economic development corporations, to bring new jobs and economic activity to rural areas.

Our program for this year proposes new irrigation and water resource projects for farmers; campaigns for new international markets for agricultural produce and products at fair prices; tax credits for increased livestock production; and a farm chemical price information system.

The Progressive Conservative budget abolishes the provincial sales tax on clothing and footwear valued at less than \$300. This measure follows the abolition of the sales tax on children's clothing and footwear.

It is important to note, Mr. Speaker, that virtually all essential goods are now sales tax free in the province of Saskatchewan under a Progressive Conservative government.

Some Hon. Members: Hear, hear!

Hon. Mr. Maxwell: — Mr. Speaker, our budget also proposes direct operating grants for day care for the first time in our history, and the increasing of the day care commitment by almost 10 per cent — 10 per cent in a single year.

The budget offers a new, first-time home buyers' grant of \$3,000. And this, of course, follows on the success of similar home ownership programs.

it also increases the Devine government's commitment to senior citizens' housing.

The budget introduces a two-year tax holiday to make the establishment of small business by Saskatchewan residents easier. And it lowers to 8 per cent from nine and five-eighths the already immensely successful small business loan program brought in by the Devine government.

Small businesses provide the bulk of jobs for Saskatchewan people. More small businesses mean more jobs, and it means more prosperity.

The budget also expanded the venture capital program to include agricultural firms and it makes it more accessible to rural communities.

The budget offers labour unions and union members substantial tax credits through the formation of their own venture capital corporations. Such corporations will create new jobs and provide increased security and prosperity for union leaders.

The budget proposes a Saskatchewan agricultural and commercial equity corporation to allow residents to make diversified investments in our province's future, and it sets out tax incentives for increased livestock production. It proposes a property management corporation to help restrain government expenditures and save taxpayers substantial amounts of money.

And, Mr. Speaker, we believe in bringing government closer to those whom it serves. In that light we intend to decentralize some of our operations. Our crop insurance corporation will be moving to Melville. The agricultural credit corporation is being transferred to Swift Current.

Our budget increases taxes on large corporations and hikes the tax on a packet of cigarettes by 25 cents. Mr. Speaker, those are the only tax increases we are proposing. For other people in Saskatchewan, our plans for this year are either to hold taxes or to reduce them.

In short, Mr. Speaker, our budget and the plans outlined in the Speech from the Throne continue the course we adopted in 1982, a course that is based on the basic values of Saskatchewan people.

Mr. Speaker, the objectives of our budget are simple. They're very straightforward: to create good, secure, well-paying jobs by all means possible; to give Saskatchewan residents the best health care in Canada; to abolish taxes on gasoline, clothing, shoes, and other essential goods and services; to upgrade our schools and give our students the best educational opportunities in Canada; to encourage the establishment and growth of small business, which will both create jobs and brings residents prosperity. And, Mr. Speaker, lastly, and by no means least, to safeguard the farms of our province and ensure that Saskatchewan farmers are rewarded for their contributions to Saskatchewan and Canada.

Mr. Speaker, as you would have gathered from my earlier remarks, I'm pleased to say that I whole-heartedly support the budget presented by my colleague, the Minister of Finance. And I thank you for the opportunity to participate in the debate.

Some Hon. Members: Hear, hear!

Hon. Mrs. Duncan: — Thank you. I see that the opposition wait in eager anticipation, Mr. Speaker, for my remarks.

I would like to say, Mr. Speaker, that it is a pleasure for me to speak tonight on the budget presented last week by the Minister of Finance, the member from Qu'Appelle. In fact, Mr. Speaker, it is a great pleasure to think back on the events of last week because I believe it was a memorable week for not only our government but for the people of Saskatchewan.

The budget presented before a full house in this Assembly

has been referred to by the public — by the voting public I should say, and by the press — as one of the most outstanding budgets in this province's history.

One journalist wrote, Mr. Speaker:

The rookie Finance minister brought down a budget which promises to stimulate the economy, reduce taxes, and bring the deficit in line.

That same journalist also said:

This seemingly impossible feat required the cool hand of a brain surgeon. Fortunately (he wrote), Gary Lane does have that.

The fact is, Mr. Speaker, as I found out over the weekend while I was home in my riding of Maple Creek, that the more the people find out about the budget the better they like it.

The Finance minister stated at the very onset that when we took over government four years ago we made our purpose and our focus to build the opportunities for the people of Saskatchewan and to stimulate economic activity, while bringing in programs that focus on the need for protection; protection of the individuals in society, the family farm, small-businesses. That has been the focus in the last four years, and they have worked out very, very well, Mr. Speaker. The Minister of Finance left no doubt that we are still committed to providing opportunity and protection for the people of Saskatchewan. It was spelled out in very simple terms when the Minister of Finance said:

Our common sense approach to economic development, together with our firm commitment to protect families, the family farm and our social institutions, has guided this government's actions during the last four years. It also has formed the basis of our budget for 1986.

Mr. Speaker, I see it is near 10 o'clock, and I do have a rather lengthy speech . . .

An Hon. Member: — And a good one.

Hon. Mrs. Duncan: — . . . and a good one, I must say. I would therefore beg leave to adjourn debate.

Debate adjourned.

The Assembly adjourned at 9:59 p.m.