

The Assembly met at 2 p.m.

Prayers

## ROUTINE PROCEEDINGS

### NOTICES OF MOTIONS AND QUESTIONS

**Mr. Goulet:** — I give notice that on Tuesday next, that I'll be moving the following motion:

That this Assembly condemns the Government of Saskatchewan for its continued neglect and betrayal of the people of northern Saskatchewan, and urges that the government implements immediately positive and effective measures regarding training and job opportunities for northern people.

**Some Hon. Members:** Hear, hear!

### ORAL QUESTIONS

#### Grants to Joytec Ltd.

**Mr. Koenker:** — Thank you, Mr. Speaker. My question is to the minister responsible for Science and Technology. I'm wondering whether the minister can confirm that the general manager of Joytec Ltd. of Saskatoon, one Settimo Carl Zanon is also the minister's PC Constituency Association president. And since the minister's department has provided Joytec with a number of government grants, I'm wondering if the minister does not see this as a serious conflict of interest.

**Hon. Mr. Meiklejohn:** — Mr. Speaker, I thank the hon. member for his question. And I would simply point out that Joytec has not received any grants from the Government of Saskatchewan during my tenure as minister.

**Mr. Koenker:** — Supplementary, Mr. Speaker. I'm wondering, Mr. Minister, even if Joytec has not yet received grants from the Department of Science and Technology, grants have been given, totalling \$165,000 or more in recent history; more have been given. We don't know what they are presently; more will presumably be given in the future. And so you as Minister of Science and Technology, will be in a position . . .

**Mr. Speaker:** — Order. Order. I'm afraid that the hon. member is getting a little bit lengthy in his preamble, and I would ask him to get to his question.

**Mr. Koenker:** — Thank you, Mr. Speaker. I'm wondering, Mr. Minister, whether you do not see your position as giving government grants, likely in the future, as a conflict of interest when your constituency president is general manager of this Joytec firm.

**Hon. Mr. Meiklejohn:** — Mr. Speaker, I would simply answer the hon. member's question by indicating that Joytec is a very viable company, and whether or not the executive director of Joytec is the president of the Mayfair constituency or not is immaterial.

As I've already indicated, Joytec has not received a grant from the Department of Science and Technology since September of 1986. Whether or not they will be submitting an application for grants in the future, I am not aware of that at this point.

And I would simply point out as well, as I had pointed out to you in the past, that Joytec is very much involved with their golf simulator at this time. They have recently made agreements, as I understand it, with a company in Japan and another company called Computech to distribute these machines. And some time later this fall they will be into production in Saskatoon where they will be producing these machines for western Canada and the United States.

**Mr. Koenker:** — New question, Mr. Speaker, to the Premier this time. Mr. Premier, do you consider it a conflict of interest that the Minister of Science and Technology's PC constituency president is also general manager of a company to which the minister's department has supplied grants and may likely in the future supply grants? Do you not see this as a conflict of interest?

**Hon. Mr. Devine:** — Mr. Speaker, I'll say to the hon. member that our membership sales in the PC Party of Saskatchewan are increasing very rapidly. We have people all across the province of Saskatchewan that are on the membership list and we find that particularly true . . .

**Mr. Speaker:** — Order, order, please. Order. Order, please.

**Hon. Mr. Devine:** — Mr. Speaker, if the hon. member would care to look at the record this morning, I believe on the Roy Norris show they were asked how they would vote in Saskatoon: 49 per cent said they would vote PC; 41 per cent NDP, and there wasn't a single Liberal.

Now we're out selling memberships all across the province of Saskatchewan, particularly in Saskatoon, Mr. Speaker, and I want to make the point to the hon. member that when we have companies that are expanding . . .

**Mr. Speaker:** — Order. Order, please. Order, order, order. I think it's a good time to go to another question.

**Mr. Koenker:** — It's obvious that Joytec is very involved with the PC Party and not just with Mr. Zanon alone. I'm wondering, Mr. Premier, given last December's Speech from the Throne that promised new conflict of interest rules, and the Culliton report which was tabled a few days after the Speech from the Throne that recommended a number of amendments to existing regulations, you failed to implement any of those recommendations to date.

My question is: will you undertake to introduce your response to the Culliton report as soon as possible?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Devine:** — Mr. Speaker, I'm sure the hon.

member knows that in the democratic process, which is competitive, that you don't need conflict of interest guide-lines to sell memberships in political parties. Now we happen to have a large number of people in Saskatoon who belong to the PC Party of Saskatchewan. And as we find out as you go right across the piece, whether it's small business, farmers, labour, people involved in community organizations, municipal government, they have memberships in the PC Party of Saskatchewan. Now that is not a conflict of interest.

In fact, Mr. Speaker, we're finding more and more people want to be associated with the government, so in fact our membership sales are up. And I suspect we'll have presidents from all kinds of walks of life who belong to the PC Party of Saskatchewan and in fact were very proud of it, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Blakeney:** — Mr. Speaker, I just want to direct a question to the Premier in order to clarify the answers he has given. As the minister will know, under The Department of Science and Technology Act it is provided that:

... the minister may, for any purpose relating to any matter under his administration ... make grants, on any terms or conditions that he may prescribe ...

Now acting on that, the minister of Science and Technology, as he then was, made a grant to a company of which the general manager is the president of one of your constituencies. Now this is not one of your 20,000 or however many members — 40 or 60 or however many you claim.

I'm asking now: do you see any conflict of interest in your minister making a totally discretionary grant to a company of which the general manager is the president of one of your constituencies?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Devine:** — Mr. Speaker, I'll say at the outset that you can sell political memberships to political parties to anybody in the province at any time, and the minister knows that. In fact, we are even getting memberships to new people who belong to new companies, and they may have ... the entire company might have a PC membership — that is, employees, management, all the rest of it.

And the ministers can stand up and say, well they belong to the PC party, they're on the executive of the PC party; therefore, Mr. Speaker, we wouldn't be able to have any sort economic association with them. What if we sold 85 per cent of the population a membership? Does that mean that we couldn't deal with 85 per cent of the population? Of course not, Mr. Speaker. In a democracy you're allowed to sell PC memberships. They freely can join the executive. They can be on executive committees; they can be involved in the provincial committee and the national committee. So, Mr. Speaker, it's not a restrictive measure to belong to a political party in the province of

Saskatchewan. It might have been under the NDP ...

**Mr. Speaker:** — Order, please. Order, please.

**Hon. Mr. Blakeney:** — Thank you, Mr. Speaker. A short supplementary.

**Mr. Speaker:** — Order, please. Order. Could I ask the co-operation of the members, please, in toning down the noise level and allowing the question period to go ahead in an orderly fashion.

**Hon. Mr. Blakeney:** — Short, supplementary, Mr. Speaker. I note from the public records that Joytec Ltd. got a grant of \$120,000 in the calendar year ended March 1986. Did that, Mr. Premier, assist you in selling a membership to Mr. Zanon?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Devine:** — Mr. Speaker, as the hon. member knows, our policies across the province of Saskatchewan are assisting us in selling memberships all over the place, and obviously this is a competitive process. So day after day after day we find that youth membership is up, business, rural, and urban. So, Mr. Speaker, of course if you have the right kinds of policies, you sell more memberships, and that's why you stay on this side of the House and don't go to that side of the House.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** — Order, please. Order.

#### Uninsured Depositors with Failed Trust Companies

**Ms. Smart:** — Thank you, Mr. Speaker. My question is to the Premier. The Metropolitan Life Insurance Company has made it clear that they feel no obligation to Principal Trust's uninsured depositors. I want to know how many Saskatchewan people had money on deposit in Principal Trust? How many had deposits above the \$60,000 limit? And remembering Pioneer Trust, what action is your government taking to help these uninsured depositors get their money back?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, I will get the exact detail. I understand the bulk of the people that would have deposits in Principal Trust is covered by CDIC (Canadian Deposit Insurance Corporation) as I ...

**Mr. Speaker:** — Order, please. Order, please. Order, please. The question ... please sit down. Question period seems to be just a little bit more lively today than some other days, so I'd just like to ask the co-operation of all members, on both sides of the House, to please tone down their interruptions to allow members to ask questions and other members to answer them. I'd like your co-operation, please — also that includes the member from Indian Head.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, in response to the

hon. member from Saskatoon Centre's question in which I took to be this: that of the people of Saskatchewan that would have deposits in Principal Trust, taken over now by Metropolitan Life, covered by CDIC, as I understand the bulk of the Saskatchewan deposit holders would in fact have an amount on deposit that would fall under the CDIC limits, but for perhaps two or three. Now I will stand to get the exact number when that number is forwarded to us from Alberta and bring that information forward to the hon. member.

**Ms. Smart:** — Mr. Speaker, I asked that question in the House a week ago. I would like to get the answer. I would like this question to the Premier as well, a new question. I'm reminding him that the forgotten people in this story are now the 3,000 Saskatchewan residents who had purchased investment certificates through First Investors Corporation and Associated Investors before those companies collapsed in June. British Columbia and Alberta are helping people in those provinces with their legal fees so that all the investors may benefit from civil action. Nova Scotia is talking about setting up a special compensation fund. What is your government, which is clearly negligent in the regulation of these companies, going to do to help these 3,000 Saskatchewan people, many of whom have lost their life savings?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, in response to the hon. member from Saskatoon Centre's question, we have, as indicated by the Minister of Finance I believe past Friday, appointed counsel in Edmonton to appear before the particular court hearing. That particular counsel appeared before the hearing and, as we understand, was successful perhaps in a small way in preserving the assets of the mutual funds in Saskatchewan, so that we would ensure that that dimension of it protected the mutual fund holders in Saskatchewan.

Now as I indicated earlier in this House to a similar questioning, the RCMP in Saskatchewan is investigating, and as I responded to the hon. member from Saskatoon Fairview . . . no, from Assiniboia-Gravelbourg, pardon me, last night, that RCMP investigation is still ongoing. I further have been advised through media reports and otherwise that other provinces are now considering referring the particular matter to RCMPs in their particular jurisdiction as well. So we have looked at doing that as well.

I think the hon. member has to realize and appreciate that the core issue of this particular issue, which is a large and complex issue, happens in the province of Alberta. That's where the bulk of the transactions were done, particularly the bulk of the transactions alleged to have been done at the head office of the various people within this various group of companies. And that's where the activity has to be taken, and the court has to determine exactly what has transpired in this particular case.

**Hon. Mr. Blakeney:** — Mr. Speaker, supplementary to the minister. The minister has told us that he's appointed a lawyer to protect the Government of Saskatchewan in the hearing in Alberta. What I would like to ask him is: what

has he done to protect the people of Saskatchewan — the 3,000 people who have fallen victim to your policies of deregulation and who you have now forgotten? Will you help them with their legal bills?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, that question was posed, I think, by the hon. member, Leader of the Opposition, perhaps a week to 10 days ago, at which time we indicated as our understanding that the various people had obtained a lawyer and were proceeding through the channels of the court process. He indicated . . . I guess it was the hon. member from Saskatoon Centre had posed the question: would we pick up and would the government pay all the legal costs of these people? At that point in time I indicated that the position of the government was that we would not pick up the legal fees for those people, and the position of the government has not changed from that answer.

**Mr. Koskie:** — I want to direct a question to the same minister. Mr. Minister, you're aware in the collapse of Pioneer Trust that Saskatchewan taxpayers were called upon because Pioneer Trust was, in fact, registered here in Saskatchewan, extra territorially in other provinces; that at the Pioneer Trust collapse that the taxpayers of Saskatchewan helped to cover the costs of the losses in other provinces.

My question to you: are you seeking reciprocal action from Alberta government, in turn, to cover the losses of Saskatchewan investors?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — We certainly would have some attraction to that argument. It appears that the Government of Alberta . . . It appears that any suggestion of that has been outright rejected by the Government of Alberta.

**Mr. Koskie:** — Supplement. I'd like to ask the minister, since he's surprised at the comment and thinks he could welcome it, could you indicate to us who in the government, and whether you have on behalf of the government, indeed, contacted the Alberta government and whether you can file a reply in respect to your request?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Now, Mr. Speaker, I can advise the hon. member that the Minister of Finance is a lead minister on this particular issue. He is unfortunately away this week and for that I would have to find out as to the nature of the particular investigation and the particular representations he has made, and I will then bring that back to him. But the Minister of Finance has been handling this file for about the last week to 10 days.

#### Alameda and Rafferty Dams

**Mr. Lyons:** — Thank you very much, Mr. Speaker. My question today is to the Minister of the Environment and it concerns the \$136 million political boondoggle known

as Alameda and Rafferty, the projects to be carried out in the constituencies of the Premier and the Deputy Premier.

Mr. Minister, your department had many, many months to study the submission put forward by the Souris Basin Development Authority to look at the environmental impact statement. Yet when you released a statement on August 11 of this year, you have given the public less than 30 days to wade through 18 volumes — nearly 2,000 pages of technical documentation.

My question, Mr. Minister, is this: what's the hurry? What's the hurry? Won't you be reasonable and allow the public at least 60 days — at least 60 days — to look at the environmental impact statement before allowing local people to make briefs to the hearings, and allow environmental groups in the province to be able to intervene in the hearings, having had a sufficient time to review the data?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Swan:** — Mr. Speaker, the environmental impact study was released on the 11th. The official 30-day period for public appeals started on the 17th of August. So we put it out almost a week ahead of that to give people a chance to study. Then they have a 30-day public review period which is standardized by the legislation that we operate under. We don't have a lot of choice in that. That 30 days is set out by statute.

Beyond that, we have appointed a board of inquiry. And I believe that board of inquiry is to be given free rein to go out and hold as many hearings in as many places as they see necessary. At the end of that time, they will review what they have heard through the hearing and give a report back to the Department of Environment.

Overall, it will likely be very close to 60 days that they will have to . . . first the 30-day public period and then, beyond that, the hearings that are being held around the province. I believe the time is ample. It's as good as we have seen in any environmental impact study in the past.

**Some Hon. Members:** Hear, hear!

**Mr. Lyons:** — Mr. Speaker, again supplementary to the same minister. Mr. Minister, what you said in fact is a misrepresentation. The public hearings to which you alluded begin September 9. That's less than 30 days. People have less than 30 days. Written submissions to the Department of Environment, the deadline is September 16 — September 16, that's the deadline. And I'm wondering, what's the rush? Is it because you're trying to push this political project through and help the Premier and help the Deputy Premier pour \$136 million into their own constituency? Is that why you're rushing these hearings? And won't you be reasonable and allow at least 60 days . . .

**Mr. Speaker:** — Order. Order, order.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Swan:** — Mr. Speaker, the man likes to use flowery phrases, and some day I'm going to have to get

him to tell me what the words boondoggle mean because I'm sure that he doesn't understand.

Beyond that, we have given a 30-day public review period and that's normal. It started on August 17, and it ends the 16th day of September. The appeal board that was put in place call the appeal hearings on the dates that suit them and in the places that suit them. And I'm not interfering with that group. They were appointed. They have free rein to go out and hold the public hearings in their own time frame. How long those public hearings will be ongoing, I don't know. We left them complete free rein.

So don't tell me that we're rushing it. It has all the time that's necessary for the public to be involved and to make their views known to that committee. Once they're finished they'll report back to the department. I believe ample time is being allowed.

**Mr. Lyons:** — Supplementary, Mr. Speaker. Mr. Minister, yesterday you were on the Roy Norris open-line show, open-line show in Saskatoon, and you said that the Shand project will go ahead, that it will go ahead, it didn't matter what happened. The credibility of yourself and the perceived . . .

**Mr. Speaker:** — Order. Order, please. Order, please. I know the hon. member has a great deal to say and sometimes his preambles tend to get a little lengthy. He has had a little preamble. I would like to ask him to get to the question.

**Mr. Lyons:** — Mr. Minister, will you, in order to maintain the credibility of your department and to maintain the already damaged credibility of the committee that you have struck to oversee the public hearings, will you agree to a request to ask the committee to postpone the start of its hearings from September 9 to October 9 — a reasonable request of a 30-day delay?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Swan:** — I believe that the committee has a job to do. They're all busy people. They have other jobs as well as the hearings that they're conducting. They've been given free rein to go and hold public hearings dealing with this issue — certainly within the time frame that has been allowed. People can react. They've had at least a year now to make decisions of the areas they want to respond to in these public hearings. They've known since way last fall that public hearings would be held. There's no need of an extension of that time frame. The committee can hold their hearings in the places that they choose, on the dates they choose, and I believe that's the free rein that the public would expect me to give them.

### Collection Agents for Sask Power

**Ms. Simard:** — Mr. Speaker, my question is to the minister responsible for the Saskatchewan Power Corporation. The minister no doubt, Mr. Speaker, has received a number of complaints about his decision to end SPC's long-standing policy of allowing SPC customers to pay their monthly bills at drug stores and

small businesses and post offices across the province. This arrangement was convenient for SPC customers, and particularly for senior citizens, Mr. Speaker, particularly for senior citizens. And it provided a number of small businesses with income — extra income because they received commissions.

I would like to know from the minister, Mr. Speaker, whether he is considering reversing this ill-advised decision of the Saskatchewan Power Corporation and whether he will continue SPC's collection agent system as it now stands?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Berntson:** — Mr. Speaker, I remember last week, one day, I was asked this question, and they're not likely going to want to hear this. But I was asked the question relative to Saskatchewan Power overpaying a bill at the Moose Jaw Times-Herald and that was the compelling issue of the day.

At that time I thought that this question was far more urgent and compelling, and I asked her if she would please ask it, and then I went on and gave her the answer at that time. And I'll give the answer again.

Mr. Speaker, there has been a change in policy as it relates to the payment of bills in Sask Power. And what the policy change is, essentially, is that we would no longer have commissioned collectors, if you like, in Saskatchewan. And this would generate a savings of somewhere upwards of ... directly upwards of \$200,000 a year for Sask Power.

Now indirectly there will be some more benefits to the power corporation because of the money management technologies that are available through electronic deposits and debits and so on, by going through financial institutions. In those areas where there is no credit union or bank whatever, we will continue to have a relationship with some agency in that particular community.

The reason, Mr. Speaker, that we must do these kinds of things is because of the serious debt load that is being carried by Sask Power, approaching \$3 billion, Mr. Speaker. We are still paying, Mr. Speaker, for power lines that were built in the '50s, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** — Order, please.

## INTRODUCTION OF BILLS

**Mr. Speaker:** — Order, please. I'd like to ask order once more, please. We can't have the business of the House continue if we're going to have chaos and disorder by constant interruptions.

### Bill No. 32 — An Act Respecting the Emission of Air Contaminants

**Hon. Mr. Swan:** — Mr. Speaker, I move first reading of a Bill respecting the Emission of Air Contaminants.

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

## ORDERS OF THE DAY

### MOTIONS

#### Resolution No. 17 — Development of Local Manufacturing Programs

**Mr. Kopelchuk:** — It is an honour, Mr. Speaker, to rise today to move the following motion:

That the Government of Saskatchewan continue to promote the development of local manufacturing of goods and services, thereby expanding the tax base and fostering economic benefits to the communities affected.

Mr. Speaker, there is not a member of this Assembly, and hardly a person in the province, who's not aware of the dramatic changes that have occurred in the economy of our province.

We have watched the price for grain literally crumble. And even though we have been able to consistently increase our share of the world's market, the revenues from those increased shares has continued to shrink by alarming proportions.

Mr. Speaker, we have seen the effects of the bust in the price of potash so that we are left with the enormous burden of paying off the debts incurred to expropriate the mines, with no revenues to support that debt.

We have watched with growing concern as the income from our uranium mines has declined. And now we face the possibility of being dealt de facto what the NDP would like to do by policy — the complete shut-down of the uranium industry.

Oil prices have crashed from their historic highs, and only recovered slightly recently.

Shocks to our pulp industry have also had their effects.

In effect, Mr. Speaker, we have seen across the board that the dependence upon our natural resources, including agriculture, is no longer a viable economic strategy.

Unfortunately, for years and years nothing was done to diversify our economy. Instead, the resources of this province were diverted into buying up the resource businesses that already existed. As a result, hundreds of millions and literally billions of taxpayers' dollars were wasted.

That can no longer be the principle upon which we try to build our economy. Instead, we must diversify, must develop the local manufacture of the products we need ourselves, and the products we can sell to the world.

This government, Mr. Speaker, has set about doing that. And my motion simply calls upon the government to continue on that course for the sake of our future and of

our children's future. There are dozens of examples of the kind of work that has gone on, and the kinds of successes that have been realized by our government. The record of economic development under this PC administration is, I submit, the best record of any government in the province's history. And I suggest that the reason that this is true is because the government understands the complex interplay between the many areas of government policy and the impact of all those various policies ultimately have upon economic development and diversification.

Let me just give you a few examples. The government's policy on energy resources could take one of a number of approaches. The approach suggested by members opposite is that the government should extract every last dollar out of the oil producers that is possible. When it is pointed out that such a policy would inevitably lead to the closure of many of those companies, the opposition says: that's okay, we'll make it up through higher royalties and taxes on the ones that survive.

The logic in that argument is extremely questionable. But let's take it for the sake of argument. Let's pretend for the moment that this fantasy is true. We can tax oil businesses out of existence and still somehow manage to have higher revenues from the survivors. Because even if it were true, it would be a fool's policy. Under that fool's policy you would never be able to read this headline, "Calgary oil firm opens two offices in Saskatchewan." That's right. Northern Canadian Oils opened a field office in Maple Creek and a full branch in Regina. That, Mr. Speaker, brings jobs, incomes, and government revenues into this province, and it would not have happened under the NDP.

How about the policy of how to treat the potash companies? After all, we have to build on what we have, and like oil, potash is one of our basic resources. Can you imagine the potash institute of Canada moving its headquarters from Toronto to Saskatoon under the NDP? Can you imagine Canpotex bringing its head office to our province under a government that treated them like pariahs?

The right mix of policies is absolutely essential. A government must have thoughtful, considerate policy and cannot be driven by personality considerations and ideological considerations.

Look at the attitude for the member of The Battlefords, Mr. Speaker. Now I'm not even talking about the fact that he goes to his local business community and threatens them with some unspecified retribution if they don't treat him like the way he thinks he should be treated. That obviously is a policy driven by personality.

But that is not the example I am talking about. I am referring to his position on the Gainers bacon plant. Let me read a quote from the member for The Battlefords own local newspaper, the Battleford Telegraph. It's the editorial for December 19, 1986, and it's titled "Wins and losses." The bottom line the editorial states is that:

The city is investing 2.1 million in Gainers, Vanguard and another deal and over five years it expects to reap \$175 million in return. (Not a bad

deal.) There are those, however, who refuse to believe the political climate has changed. Our new MLA has suggested these new jobs were meant to buy The Battlefords. Does that mean that an MLA will only get re-elected if he does nothing to create new jobs because voters will feel they've been bought if he does. Does Mr. Anguish plan, then, to be re-elected by doing nothing?

That's the end of the quote, Mr. Speaker. That's the end of the quote, Mr. Speaker: "Does Mr. Anguish intend to be re-elected by doing nothing?"

Well we already know that he's not exactly going to do nothing. But instead of doing anything constructive to get jobs for the people of his riding, he's going to threaten them to watch out. That's not the kind of tactic that sits well with the people of Canora, Mr. Speaker, and I can't believe it sits well with the people in The Battlefords.

Gainers is a large example, Mr. Speaker, and it is a good example, as is Vanguard. And I think the past MLA for The Battlefords, for that riding, should get a little credit.

**Some Hon. Members:** Hear, hear!

**Mr. Kopelchuk:** — But I also want to point out how important the not so large companies are. As you well know, 80 per cent of all jobs are created by small businesses — family businesses, Mr. Speaker. Businesses that are exemplified by Kiljay industries in the village of Buchanan, in my constituency. Kiljay manufactures shingles and door casings, and it provides employment and tax dollars. And I can tell you that the people of Buchanan are proud of that company, and are proud that their community can maintain the base for such a company.

There is something else happening in many of our towns, Mr. Speaker, that this government can really be pleased about. As many people know, there is a great deal of concern in the colony of Hong Kong that in a few short years the control of Hong Kong will be transferred to the communist Chinese. As a result, many people in Hong Kong are looking for somewhere to start up their businesses and get their families re-established. Now I know some people speak disparagingly about these people. They tell the people of Saskatchewan that these Hong Kong immigrants, they're all the rich people taking their money out of the colony, as if they were robber barons or something.

But let me tell you what is happening in Canora, Mr. Speaker. We have three fine families — not robber barons — three fine families. And one of them is starting up a restaurant, Mr. Speaker; another is starting up a clothing store; and a third one is starting up a stationary store. And, Mr. Speaker, the people of Canora welcome these new Canadians with open arms. As the MLA for Canora, I can tell you that I am grateful that they selected our community to do business. And I might add, Mr. Speaker, that they have provided jobs for local people. They have become involved in our community in service clubs. Their children go to our schools. They are becoming fine citizens of Canora, of Saskatchewan, and of Canada. That is the kind of local development that we need, that this

government is committed to bringing about, and which would be impossible under the NDP.

Before speaking today I was looking through a number of clippings, and I was just amazed to see all the new things people are doing and trying in this province. It is true, Mr. Speaker, that not everyone is successful, but people are really trying all kinds of things and lots of them are, in fact, succeeding. Like the gentleman in Strasbourg who invented a new food spread while working for a hotel and is now marketing that product himself; like the agricultural belt manufacturer that opened recently in Regina; like the \$1 million, year-round resort lodge being constructed at Duck Mountain Provincial Park; like the 100-and-some odd, new advanced technology businesses marketing everything from satellites to educational computer programs. The list is truly an impressive one — from upgraders to salt storage buildings.

But these successes, Mr. Speaker, have not come about by magic. In exceedingly difficult times we have had a Premier and a cabinet committed to diversification and development. And just so you can see how well interlocked all these things are, I will provide you with one more example.

The minister for Sask Power, as did all the ministers, took the Buy Saskatchewan policy and said, now how can Sask Power be even a greater part of diversifying this province? And at last count I saw there were three separate items that Sask Power previously had purchased out of province that, because of this commitment, are now being produced and purchased in Saskatchewan.

So you can see, Mr. Speaker, that the commitment to developing local manufacturing cuts right across the government. And I ask all members to join me in this motion, and I urge the continuance of these sound policies.

I move this motion, seconded by the hon. member from Rosthern.

**Some Hon. Members:** Hear, hear!

**Mr. Neudorf:** — Thank you very much, Mr. Speaker, and indeed it gives me a great deal of pleasure to be able to rise in this House once more and to support the motion made by my friend and colleague from Canora in support of the development of local manufacturing of goods and services in this great province of ours.

Mr. Speaker, what we are really doing is that we are talking about diversification. We're talking about diversification as an alternative to the direction which this province is going. And, Mr. Speaker, the Government of Saskatchewan is committed — is committed — to diversifying the economy of this province.

Now what do we mean by diversification? I would suggest to you, Mr. Speaker, that diversification means fostering an economic development through increased efforts to expand our manufacturing and our processing industries, particularly, Mr. Speaker, our food processing industries. We must create the climate in this province in

order to do that.

It means, Mr. Speaker, building on our strengths — building on our strengths in agriculture and our natural resources, and building upon the ingenuity and the aggressive entrepreneurial spirit that is out there in the people of Saskatchewan.

(1445)

Saskatchewan, Mr. Speaker, will always be primarily an agricultural province. And we know that we have rich deposits of resources, such as oil, potash, uranium, and so on, that will literally last us for thousands of years. But we harvest our crops, and we haul our resources out of the ground, and then we trade them to the rest of the world — mostly, mostly as raw products. And I'll address that a little bit later on, Mr. Speaker.

I first of all want to recognize the fact that we are a trading province; in fact we are a trading nation. Exports account for more than 40 per cent — 40 per cent — of our annual gross domestic product, and trade-related industries employ about 25 per cent of our work-force.

If the world market was stable, Saskatchewan would be in an enviable position, as we were up to a few years ago. But we all know that the trade wars between the United States, Japan, and the EEC (European Economic Community) have driven commodity prices to an all-time low. The international market-place has been distorted. It is now an insane, an insane market-place of subsidies, of subsidizing products that not too many people want — an over-supply of many of our products.

And Saskatchewan's dependence on resources and agricultural products means that we've been hit harder than most of the other nations. We have been hit harder than most of the other traders in the world, Mr. Speaker. And unfortunately it does not appear that a solution to this problem is going to be found in the near future. Oh, there are signs. There seems to be a light at the end of the tunnel, but the tunnel is so far, far, and so long — it seems so far away.

When we hear President Reagan of the United States saying that something must be done, that there must be a change, that is the light at the end of the tunnel. But to further complicate matters, Mr. Speaker, we at the same time hear what the Congress in the United States is saying. And like a forecaster, we can see that it looks as if there are going to be a lot of clouds in the horizon for almost as far as we can see. So we are looking at some more problems along that line.

But another perhaps bright spot — I don't know how bright it is, but we did have, in our own city here of Regina, the President of France, not too long ago. And to me that seemed as if it added a little bit of light, just a comment that he made in the Centre of the Arts in Regina, when he suggested that he was finally seeing that the subsidies that they were pouring into their agriculture was beginning to hurt his own country. He publicly recognized the fact that it was hurting the province of France as well, or the country of France. So perhaps in the

long term we can see a little bit of light.

But, Mr. Speaker, I would suggest to you that we don't have the luxury of looking at this problem in the long term. We've got to have some short-term solutions, some short-term remedies to take the vacuum or to take the place of this interim period between now and those long-term solutions.

And, Mr. Speaker, I would suggest to you that the short-term solution for Saskatchewan, then, is to diversify, to diversify our economy, to do more processing, to do more manufacturing, and to take advantage of the strides that we've already made in the high technology sector. Then we'll be able to export, to trade more than just raw materials, Mr. Speaker; we will also become known as an exporter of finished products.

Yes, Mr. Speaker, I could ask the question: what will diversification do for us? Diversification will give us the value added industry, economic growth, and job creation, the elements we need to ensure a comfortable standard of living for all of the people of Saskatchewan, Mr. Speaker.

Now when we talk about diversification, I cannot help but remember an incident last week, when I stood in this House and was given the opportunity to talk on a motion, and the point was made of the difference between our perception of diversification and the perception of the members opposite.

When they had the opportunity to give this province a lead into this whole matter of diversification, what did they say? What did they say? What did they say back in the 1980s when they had the opportunity to do something about avoiding the position that we find ourselves in now?

And I refer to an incident back again, Mr. Speaker, of the then minister of Agriculture, one notable hon. Gordon MacMurchy, and I would like to make a quote of the Financial Post of February 12, 1980. And I quote the then minister of Agriculture saying:

If Saskatchewan farmers hope to cash in on a growing, profitable world grain market, the changeover to straight grain is necessary.

That's what he said. Mr. Speaker, that's what the minister of Agriculture said, "... the changeover to straight grain is necessary." Do you know what else he said? He continued on and said:

The Saskatchewan economy is diversified enough to take the strain of a large crop failure.

"The Saskatchewan economy is diversified enough . . ." Well, Mr. Speaker, I still find it very difficult to understand that kind of reasoning. I find it difficult to understand that a minister of Agriculture would get up in this House, or be quoted as saying something like that to the people of Saskatchewan, to the farmers of Saskatchewan. It's scary, Mr. Speaker, when you think that this is the rationale, this is the kind of thinking that they will be doing.

I would suggest to you, Mr. Speaker, and to this House, and indeed to all of the people of Saskatchewan, that there are many, many benefits to be had from diversifying, from going away from becoming a hewer of wood and a drawer of water, but rather getting in there and doing something with the raw products — manufacturing and these kinds of things.

With that train of thought, Mr. Speaker, I would just like to take an article that I happened to be reading yesterday while we were going through the Justice estimates and the lawyers were doing their honourable thing in this House. And during that time I happened to pick up an older copy of the Moose Jaw Times. It's October 12 from the Moose Jaw Times. And there was a heading here that caught my attention as I was thinking about what I was going to be saying this afternoon, and it's entitled, "Secondary industry deserves priority." I'd like to quote from this article. The article states:

Secondary industry can do a lot for a community. Take a look at Moose Jaw. Recently Phillips Cable opened a \$7 million plant in the Band City to provide cable to Sask Power and SaskTel.

The article goes on to say:

The new factory has done a lot more than create jobs. First, Phillips has increased Moose Jaw's tax base.

That's one of the benefits, Mr. Speaker. It has increased Moose Jaw's tax base.

Secondly, the plant has been responsible for creating other secondary industries. A case in point is Northern Reel, the first manufacturer of wooden cable reels in Saskatchewan. Northern Reel set up shop to provide Phillips with reels for cable. And the two plants offer youths a chance to stay in Moose Jaw rather than move elsewhere to find employment. Phillips Cable and Northern Reel represent a step in the right direction for Moose Jaw.

Western Canada must do its utmost (the article goes on to say) to promote secondary industry. For too long the West's economy has been based on wheat and oil.

It goes on to conclude:

We must diversify our economy. There's no easy way to accomplish the objective. However, progress has been made in Moose Jaw.

I would suggest to you, Mr. Speaker, that progress has been made in Moose Jaw, but it has been made in many other communities in Saskatchewan — a direct result of the policies of this government and the policies that we will continue to implement as time goes on.

**Some Hon. Members:** Hear, hear!

**Mr. Neudorf:** — I would suggest to you, Mr. Speaker, that the benefits of these kinds of policies are felt at all levels



within the community, within all levels of society, from the individual, to the community, and to the province as a whole. It permeates the fabric of the entire infrastructure.

When we think of the fact that up until now mostly what we have been doing is taking our primary resources from the primary industries and then selling raw products, that is not the proper approach, Mr. Speaker, and we suggest that this government is now on a move to create secondary industries, to create more manufacturing and so on, because by creating secondary industries, Mr. Speaker, you also create the tertiary industries. You increase the industries that supply the goods, that supply the services. And it's an ongoing thing; it's a mushrooming thing; it's something that can feed on itself, that can grow on itself. And it's a mushrooming effect that is just going to have tremendous potential for this province of ours.

Now, Mr. Speaker, we've supported a number of programs and services to assist communities. We've done that, we've done that as a government. But by the same token we also believe that governments should not be the only prime mover in an activity like this. We do not believe that better government . . . or more government is better government, that the government should become involved in more and more things. We do not believe that that is the case, Mr. Speaker.

Communities must take the initiative; people must take the initiative. The movers and the shakers must take hold of these things and start moving them on. And we believe, Mr. Speaker, that the people are willing, and we believe that the people are ready. Because the people know their attributes; they know their weaknesses; they know the parameters under which they can work, in between which they can work; and they really know that they will be affected by the new industries, and they will be affected by these new industries in a positive way.

In recent years, Mr. Speaker, our cities and many of our towns have established economic development offices or volunteer economic development committees, and the results have been astounding. And it proves, Mr. Speaker, it proves that initiative, it proves that get up and go pays off. That's what it proves.

And to expand a little bit about what my colleague from Canora was talking about just a little bit before, and I cannot help but mention this because I think it's a prime example of what we have been doing and what can be done, and that is that I would like to once more bring up the examples that exist in the city of North Battleford.

(1500)

North Battleford over the last little while has attracted three major new industries — in fact, over the last couple of years — Gainers bacon plant, the Vanguard recreational vehicle plant, and the High R Door Manufacturing plant. And I would suggest to you, Mr. Speaker, that these industries that have been established in the city of North Battleford are proof positive, proof positive of what can be accomplished when a constituency is represented by an MLA, by a member of the Legislative Assembly that is sensitive, that is a hard

worker, that is broad minded, and that is empathetic with the community; a member who works in co-operation with the community; not a member who is going to go get up and browbeat; not a member who is going to get up and threaten; not a member who is going to say to the board of trade or the chamber of commerce: you do it my way, you play ball with me, or else. You cannot, Mr. Speaker, I suggest, make headway with threats and intimidation. The people of Saskatchewan do not react favourably to something like that.

I would suggest further, Mr. Speaker, that the three industries that I just named will mean, to North Battleford, millions of dollars worth of investments to the city. The member from Canora indicated the amounts. It will mean millions of dollars worth of investments in this city and almost 800 new, permanent jobs for the local economy and for the local residents.

I'm just going to give you a few more examples, Mr. Speaker, of things that we have been able to accomplish along this vein, namely, the fair town and the fair community of Wolseley is an example. It's an example of a small town that has been successful in attracting new industry. Local business people in Wolseley and area got together and formed a VCC, a venture capital corporation, to raise financing, and now the town is home for western Canada's first pharmaceuticals manufacturing plant — a tremendous coup, a tremendous accomplishment. And by whom was that accomplished? By the residents, by the people of the community of Wolseley. And they are to be congratulated for that.

I've got other examples, Mr. Speaker. I'm not going to go through all of them, but I would like to indicate to you that there are projects that are still in place and are still being brought to fruition through the industrial incentive program. We have 580 projects in over 100 communities in this great province of ours, and this involved over \$377 million of private sector investment — \$377 million out of the private community being invested. And this created over 4,800 jobs. That is powerful, I suggest to you, Mr. Speaker.

One of the new industries that was created was the Wood Masters Enterprises Inc. from Clavet, Saskatchewan, who received \$45,000 in incentives from government, but in so doing had to spend over \$228,000 in order to create six new jobs. And Clavet, of course, is in my own constituency of Rosthern, and I'm very proud of them for being able to accomplish that.

We have the Hoffman Lumber, and from my colleagues from Kinistino here, who received \$60,000 in order to create eight new jobs at a total cost of \$265,000. There are many others here from Canora, another one from Canora, one from Kelvington-Wadena that also . . . To show that we're broadminded, Mr. Speaker, one from Humboldt received \$15,000 at a capital expenditure of \$61,000 to create new jobs, to diversify, to get into manufacturing, and to do more with our raw products than just sell them down that road. The value-added aspect, I suggest, Mr. Speaker, very, very powerful.

In many cases, Mr. Speaker, it wasn't just the government

that did this. It wasn't just the government that created this climate. It was the people, the people in the communities, the people of Wolseley, like I suggested — Canora, Rosthern, Clavet, and all of these others. It was the communities that went out themselves and set up programs. It was the communities that offered tax breaks or other concessions to attract new industries. It was the people's decision based on their energies. And it was the people's perception of the future, a perception of the future that is similar to that of this government.

Mr. Speaker, I would suggest the people of these communities were willing to give up a little. That is true; they had to give up a little. It doesn't come on its own. But they were giving up a little in order to gain a lot more. That is what these people were willing to do. What they have gained is thousands of jobs for Saskatchewan and millions of dollars worth of investment for the provincial economy. More importantly for the individual communities, they have gained industries that will be taxing, that will be taxed. They will be tax-paying businesses injecting more money back into the local economy.

New jobs for a community also mean a positive attitude, a positive attitude and more money to be circulated in a local area on everything from food, clothing, housing, recreation — a vast area of commodities.

And then there are the spin-off activities, Mr. Speaker, the spin-off activities. A new business means supplies, and buyers will have to be found. The company's raw materials will have to be brought in, and the finished product will have to be sent out. That means businesses along the way for other producers, for the transportation company, for the transportation industry, and possibly for retailers. An aggressive and progressive attitude about economic development can initiate an upswing in the economy of a community very, very quickly.

And I suggest to you, Mr. Speaker, all we have to go is touch base with these communities that I have been talking about, and ask them, ask them what their response is, and you will find what a kind of positive attitude can be instilled into a community. And we encourage all communities, Mr. Speaker, to develop such an attitude because it will be good for them and their people, and it will be good for all of Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. Neudorf:** — Mr. Speaker, in conclusion, I would just like to reiterate: we must diversify. We can do more of our own manufacturing and processing in this province, so we must make that effort. We must create that climate.

Our economy, and yes, Mr. Speaker, our very social well-being demands it. And that is why I take a great deal of pleasure in seconding the motion as put forward by my friend and colleague from Canora.

**Some Hon. Members:** Hear, hear!

**Mr. Anguish:** — A point of order, Mr. Speaker. Both the member from Canora and the member from Rosthern

seem to centre out The Battlefords constituency, in particular North Battleford, for some special treatment in their debates. In fact the member from Canora used my name specifically, although the member from Rosthern did not do that. But both of them made aspersions on my character as to threatening people in my constituency, which I don't take a great deal of respect in them in doing that.

And what I'm wondering, since they're both such experts, Mr. Speaker, on the topic of industrial development and diversification in The Battlefords, as to whether or not we could have leave of the House that those two members would be able to answer a couple of questions about the diversified economy in The Battlefords constituency, Mr. Speaker. And I would ask leave of the House to be able to ask the previous speaker some questions, specifically about the Gainers development, about Vanguard homes, and about the High R Doors, which I think are the three major developments he was referring to.

**Mr. Speaker:** — The hon. member does not in fact wish to raise a point of order. He wishes to ask the opportunity to ask questions of the members who just gave the speech. And therefore we must ask leave of those who were speaking out of the House. Now is leave granted by those who were speaking?

Leave not granted.

**Mr. Lautermilch:** — Thank you very much, Mr. Speaker. Before I begin my remarks today, I wish to indicate to the House that I intend to move an amendment to the motion.

As a matter of fact, I was quite amazed when I looked through the blue book today and had a look at the motion as proposed by the member from Canora. It says to "... continue to promote the development of local manufacturing of goods and services ..."

And I took it at first to mean that this motion was proposed with a little bit of humour. But when the two members, the mover of the motion and the seconder, stood up to speak to the motion, I realized that they in fact are serious, and that in their own minds they truly believe that this government has made major moves in terms of economic development and diversification in this province.

Well I want to say, Mr. Speaker, during the course of my remarks I would like to take the members opposite back to what their record really is, and to remind the people in this province of the kind of government they've delivered and what they've done. Let's start with a couple of headlines that I've gone through, and I just want to read a few headlines for you.

Construction in city half of last year's; Sask economy expected to lag; Sask economic growth will lag, according to the forecasters; Sask Housing starts drop dramatically; Unemployment down except in Saskatchewan; March court date set for houseboat bankruptcy case; Bankruptcies increasing in Saskatchewan.

Mr. Deputy Speaker, these headlines are not indicative of a government that is creating economic activity and a

buoyant economy in this province.

I want to take you back to 1986 and to the Premier's little one-liners that the members have been quoting day after day after day in this House. And I want to say, Mr. Deputy Speaker, that as he travelled throughout the length and the breadth and width of this province with his little paint brush, this Rembrandt Premier we have, he was painting a picture of economic diversity and buoyancy and how good things were.

But, Mr. Speaker, the people in the gallery that are looking at that picture that he's painted are seeing quite another picture. And I tell you that the paint isn't even dry, and the people understand the kind of government that he's been delivering, the kind of economic diversity that he's been talking about that we haven't been receiving. And they understand that there's a different tune during an election campaign, as there is when the election is over.

I note reference, when they're making their speeches, to large manufacturing companies. I note reference to bigness and to hugeness and grandiose schemes. But, Mr. Speaker, what about the small businesses in this province that are suffering because of the kind of government they've delivered? What about the little clothing stores that have gone bankrupt since 1982? What about the little confectioneries that are gone down the tubes? What about the mom and pop business that they don't seem to want to refer to when they're up making their speeches?

The business community knows full well what diversification as well has cost. He made reference to Pocklington and neglected to mention Weyerhaeuser, by I'll mention Weyerhaeuser; mention of the Vanguard trailer plant, but didn't make mention of Manalta Coal; or the oil companies that this government gave a billion and a half dollars. I noticed that they were conspicuously absent in those . . .

**An Hon. Member:** — Say something nice about their chamber for a change.

**Mr. Lautermilch:** — And I will mention something about the chamber to the member from Regina South, if you'll just be patient for a couple of moments and quit chirping from your seat. And I'll get to it.

I want to say that this government hasn't been able to create an environment or an atmosphere in this province that will bring any kind of diversity in terms of the business community, other than when they bought it or gave it away.

(1515)

You gave away a quarter of a billion to Weyerhaeuser in order to get a paper mill. And a quarter of a billion, I say, is a very small "c" conservative figure because I think you're looking at more like \$350 million as opposed to 248. But you gave away those kinds of assets.

**An Hon. Member:** — Gave away the trees.

**Mr. Lautermilch:** — You gave away the forests. And what did you get in return? I tell you, the people don't believe you any longer.

You gave Peter Pocklington some \$20 million. What you did was you bought economic diversity. And I tell you, if Peter Pocklington thought that it was a viable business, he'd have been moving into here to process pork bellies. But what you had to do was to buy the man in, to try and buy the seat of the former member from The Battlefords, which you couldn't do. That's your kind of diversity, and that's the kind of false economy, and that's the kind of government you've been delivering.

**Some Hon. Members:** Hear, hear!

**Mr. Lautermilch:** — I want to take you back to what's happening in downtown Saskatchewan.

And the schoolteacher, the member from Rosthern, can get up and talk about economic diversity and business all he wants. But why don't you get out and talk to some of those business people and find out how things are really going? Why don't you talk to the little grocer in MacDowall who closed down a few months ago and find out how he feels about your economic diversity?

Why don't you go into the town of Duck Lake and talk to some of the small business people, or in Hague, or go into your own riding, if you've still got the courage, and talk to your small business men and find out how they feel about the kind of government you've been delivering? You maybe want to do that.

I'm thinking the only way you can go home and be comfortable is if you're deaf and blind, because people are seeing through you and they've had enough.

Part of what I want to say as well, Mr. Speaker, is the reason that the business community is suffering in this province is because of what they've done to the working people and how they've polarized capital in this province. The member from Rosthern . . . from Canora indicated that 80 per cent of the jobs are created by small business, and he's right. For once he's right. The member from Rosthern talks about a grant of \$45,000 and a business that invested some \$228,000 into that same business.

Well members on this side don't see any problem with those kind of incentives. But where they have a problem is where you give a Peter Pocklington from Alberta some \$20 million, with no investment, no commitment to this province, no commitment to the people of this province. That's what people are against. That's what you have to understand.

You talk about thousands of jobs being created through economic diversification. Look at the figures. In 1981 there were 25,000 jobs in manufacturing in this province, and the figures in 1986 are the same. So you tell me . . . I'll tell . . . 25,000 minus 25,000 gives you nothing, and that is the amount of jobs that you've created through your economic diversity.

You and the Liberal friends that you've had in Ottawa

governing for years are willing to subsidize — you're willing to subsidize — but who? You're willing to subsidize Pocklington and your friends from Manalta Coal and Ford Motor Co. and Chrysler and your big banker friends. That's who you subsidize.

You tell me, member from Regina South, what have you done for small business since 1982? I'll tell you what you've done. You can't name a decent program, you can't name a decent program for downtown Saskatchewan that you've implemented. The only thing you've done for small business is given them the opportunity to find jobs elsewhere because they've gone bankrupt — record numbers of bankruptcies. You've allowed them to put padlocks on their doors. That's where you're coming from — friends of the big money men. But the downtown Saskatchewan businesses, the family businesses that grew and that supported their communities and worked in their communities are rapidly disappearing because of the kind of government you're delivering.

**Some Hon. Members:** Hear, hear!

**Mr. Lautermilch:** — The member from Regina South was alluding to the chamber of commerce earlier on, and I'd like to speak for a few moments about that, Mr. Deputy Speaker.

I'm a member of the chamber of commerce; I've sat on the board of directors of the chamber of commerce. But I want to tell you that I don't believe that 100 per cent of the time the whole entire business community in Saskatchewan agrees with them. I agree with them on many occasions, but like every other organization they make mistakes. I think they're a good organization for the business community in this province, and I think that they're going to be around for a long time, and I hope to support them. But I tell you, I believe they're being used by your government.

I want to get back if I can for a moment to why small business is suffering. I can recall prior to 1982 when I would talk with my small-business colleagues in Saskatchewan, we would talk about an inflationary growth in our businesses, and as well we would talk about a real growth — a true growth. Well I'm sad to say, Mr. Deputy Speaker, that when I'm talking to my small-business colleagues in Prince Albert or in Moose Jaw or wherever I happen to be, what we're talking now is just trying to hold on to last year's gross.

There isn't an environment in this province any longer where businesses can grow and where family businesses can expand and increase the number of jobs — the 80 per cent of the jobs that they create. That isn't happening. And as well, what's happening is your government is forcing many employers to lay off long-time loyal employees who they've helped over the years through raises to get a decent standard of living.

What your government has done, Mr. Deputy Speaker, is force many family businesses to lay off not only family friends but employees, and to lay those people off because they simply can't afford to pay them any more and keep their doors open. That's the litany of the Tory

government in Saskatchewan. And I'm telling you, Mr. Deputy Speaker, the members on this side of the House are committed to seeing that change.

**Some Hon. Members:** Hear, hear!

**Mr. Lautermilch:** — We're committed to long-term reasonably priced workers. We're committed to offering jobs so that people can raise their families and stay in Saskatchewan and afford to work for small businesses. That's what this caucus is committed to.

And for the very reason that I've outlined that you've disallowed this to be happening in this province, I don't believe that you're going to be around after the next election. You may have Peter Pocklington coming in from Alberta, but I want to remind you that for the \$20 million you gave to Peter Pocklington, he doesn't even get one vote. And it's very clear you didn't buy the people of The Battlefords.

Have a look at the polls. Have a look at what people are really saying about you. Sit down and analyze the ridings where the small-business community is, and have a look at what percentage of votes you really got. Don't you stand in this House and talk about being the purveyors and the friends of small business, because you're not. You're the friends of Pocklington. You're the friends of George Hill. You're the friends of the Ford Motor Company and the banks in this country. The big oil companies, those are your friends; those are your friends.

The statistics show it by the kind of donations you get from them as well, I would like to remind you. And if you look at the number of jobs that those kind of people create for the number of dollars you inject into their businesses, if you've got any business sense at all, divide the number of jobs by the amount of money you give them, even use a stupid spin-off figure, use a half a dozen or eight or 10 — and you're still coming up short.

And you're taking the money out of the pockets of the small-business community in this province to do it. You've increased . . . you've caused business taxes to increase. You've had a look at the flat tax increase. You've seen the drug prescription plan scrapped, or nearly scrapped. You've seen property tax increases. You've seen the E&H tax increase, and all of the small family businesses in this province pay those taxes, Mr. Deputy Speaker. And I'm telling you, I believe they're fed up with it, and they're fed up with that kind of government, and that's why I don't believe you're going to be around after the next election.

**Some Hon. Members:** Hear, hear!

**Mr. Lautermilch:** — If I can, I want to spend a couple of minutes talking about what you've done to the working class, and how that has cost small business, and how that's caused the growth of the small-business community to deteriorate in this province.

We used to have working people, Saskatchewan men and women, earning decent salaries and working for fair periods throughout the year, albeit a lot of it was seasonal. They were making good enough incomes to support their

families, to buy their cars and their ski-doo's, and keep their homes, buy their groceries, and clothes for their kids, and basically enjoy life.

And I want to tell you what's happened since you've been in. And I think I'm a fairly good authority, because I know my clientele fairly well, and I know what you've done to their spending habits, and I know what it's cost every small business in terms of the bottom line because you've done these things. Men and women who used to make a 30 or a \$40,000 a year income are now reduced to unemployment and even to social assistance. They've had to sell off what little assets they've had, and that's happened because you've either put them out of work totally or you've reduced their salaries to the point where they can hardly exist.

People who were making 14, \$15 an hour are now looking at 5 and \$6 an hour if they can get it. You've bankrupted those people. We're still looking at a \$3.4 billion debt that you guys have created that these people are going to have to share in paying back once we get them to work after the next election.

I say to you that this government has nothing to crow about in terms of its treatment of the business community, with the exception of a 3 or 4 or 2 per cent, the Tory hacks, and the friends that you have — the rich money men — the George Hills and the Peter Pocklington. But I warn you again, Mr. Deputy Speaker, and I warn members on that side that those people don't have any more votes in this province until you do your gerrymander. We are still one person, one vote.

Mr. Deputy Speaker, I want to just pass on a little quote from the . . . I believe it's the . . . Well, I can't see the paper here, but anyways I'll just quote it from a paper and the headline says, "Andrew says a bacon plant is a lesson to everyone." Well, I believe it's a lesson to everyone, too. I believe it's a good lesson in what a government shouldn't do, and I want to quote to you from the paper. It says:

Pocklington, who said his company would not have been built in North Battleford if it weren't for the financial assistance from the government, and municipal governments as well, in a spirit of free enterprise promised by Premier Grant Devine . . .

What Peter Pocklington was saying is that unless you took \$20 million of taxpayers money and gave it to him, he didn't see the plant as being economically viable. But, Mr. Deputy Speaker, that's this government's style of free enterprise. This same Peter Pocklington was running around this country saying that he wants government out of the pockets of the business people, and he wants hands-off government. But I tell you, he sure wasn't too concerned when it came his turn to put his hand into the people of this province's pocket and put out some \$20 million.

If you would have taken the \$20 million you gave to Pocklington and distributed that through a fair and equitable program in the small business community, I'm going to tell you, you would have created more jobs, more economic buoyancy than one Peter Pocklington is

ever going to do.

**Some Hon. Members:** Hear, hear!

**Mr. Lautermilch:** — Mr. Speaker, what you've done is you've created a situation where young people have to leave our province, and I'll read you another headline: "Saskatchewan's big brain drain", meaning that our educated and our young people are leaving the province to seek employment elsewhere because you've created an environment and an atmosphere where they can't exist. Saskatchewan, another headline from the Leader-Post, "Saskatchewan down by 8,422 in 1986 net migration." What would that mean to you? Does that mean, Mr. Deputy Speaker, that this government has created an environment where people can exist and raise their families? Is that what this headline means? I don't believe so, Mr. Deputy Speaker, and the people of this province, as well, don't believe.

Mr. Deputy Speaker, I would submit to you and to members of this House that the PC government has been a failure to the business community. Many of my small-business colleagues expected big things from you. We expected sound business management. We expected an extension of the balanced budgets that the Allan Blakeney government prior to 1982 . . .

**Mr. Speaker:** — Order. Order. I would ask members not to refer to other members by name, but by constituency or position.

(1530)

**Mr. Lautermilch:** — Excuse me, Mr. Deputy Speaker. The former premier of this province delivered 11 balanced budgets, and what I say is that the New Democrat government that governed for 11 solid years and delivered 11 balanced budgets, before this record of deficit budgets, that you've created, has disappointed the business community.

I can quote from people involved in the chamber of commerce. I haven't brought quotes along, but the member from Regina South is well aware of what the chamber of commerce feels about his deficit budgeting. And he should as well be well aware of what the other business people in this community and in this province are feeling about his deficit budgeting. It's a shameful specimen. It's a shameful display and it's not what you promised. It's not the kind of government that you promised to deliver, and it's not what the people are going to put up with.

We've got mismanagement in more ways than in the business community as well. You guys have mismanaged from one end to the other. You can't run a Crown corporation, and that's pretty clear. Ever since you were in power every Crown corporation in this province has been reeling under the hands of your administration. You can't forecast a budget, that's pretty clear. You can't run a Crown corporation. And economic diversity is a fairy-tale unless you take hundreds of millions of dollars of the people of this province's money and inject it to some multimillionaire in order to get some small thing going.

**Some Hon. Members:** Hear, hear!

**Mr. Lautermilch:** — I say, Mr. Deputy Speaker, that this government has been a failure. I submit to you that the people of this province feel that it's been a failure, and that this motion put forth by the member from Canora is a fairy-tale, and it's not what the realistic situation is in this province. And for that reason, Mr. Deputy Speaker, I would like to move a motion, an amendment to that motion:

That all the words after the word "That" be deleted and that the following be substituted therefor:

... this Assembly regrets that the provincial government's open for big business policy has failed to provide prosperity, economic opportunity, and jobs for Saskatchewan's people.

Thank you.

**Some Hon. Members:** Hear, hear!

**Mr. Van Mulligen:** — Thank you, Mr. Deputy Speaker. It was interesting indeed to read the motion of the government. The gap, again, between what they say and what they do is simply incredible, and it's a simply incredible government, Mr. Speaker.

I think that the amendment is far more appropriate to today's circumstances. Prosperity, economic opportunity, and jobs are very scarce commodities for Saskatchewan's families and Saskatchewan's communities.

I need not reiterate the reason for our present-day sorry state of affairs. I need not reiterate the comments made very ably by my colleague from Prince Albert-Duck Lake about this government's wrong-headed approach which is designed to provide massive help for the big business players but turns its back on small business — small business which, as has been conceded, is the main engine for economic growth and is responsible for 80 per cent of all new jobs created.

But I would say that the government's heavy-handed approach and its central planning about the kinds of massive help that will be given to selected industries is more reminiscent of Joe Stalin at its best than reminiscent of any sound and competent government, Mr. Speaker.

The question is: what would the government be doing? What should their strategy be to promote the development of local manufacturing of goods and services? And for me and for many people in Saskatchewan, and especially for Saskatchewan's municipalities, the question is: how should we foster economic benefits for local communities?

And I would suggest, Mr. Deputy Speaker, that there is at least one area of where government initiative should be clarified, at least one area where the government is now muddling through, but where resolute leadership would be welcomed — welcomed indeed by small business, welcomed by Saskatchewan's municipalities, welcomed by local government.

And that is the whole question of the whole matter of local involvement in promoting economic activity. What is the government's strategic plan for involving local government in stimulation economic development activity? What role should local government play in stimulating economic development activity?

Should that role be the one which seems implicit in the legislation governing our municipalities, and recently espoused by the government's very own Local Government Finance Commission report ... finance commission in their final report? And that role is one which discourages exemptions and financial incentives as a means of enticing industry to locate in a particular municipality.

And that is something that is implicit in legislation which governs municipalities, where there are restrictions on the kinds of things that municipalities can do. And I assumed that those restrictions, and municipalities have assumed over the years, and people assume that those restrictions were put in place because the government felt that it was necessary to discourage local municipalities from providing financial incentives to particular industries to locate in a particular community. And that is implicit in the legislation.

And that theme and that direction has been very clearly espoused by the Local Government Finance Commission, which makes it very clear that whatever arguments their might be for a local government to provide financial incentives to a particular industry to locate in their municipality are far outweighed — far outweighed — by the arguments against providing such types of incentives.

Now that is one role that is espoused by the government through its legislation and through its finance commission report. And there is the other approach, and that is, should municipalities be encouraged to use financial incentives or bonuses to attract industries to locate in their particular area? Now that is the approach which is strongly advocated by the Minister of Economic Development and Trade. And the question, I guess, for the people of Saskatchewan — what is it to be? What should be the role of municipalities? Should it be the role that, on the one hand, is clearly outlined in your Local Government Finance Commission report and is implicit in legislation, or is it to be the role which is espoused and strongly advocated by the Minister of Economic Development and Trade?

Should municipalities adopt an entrepreneurial role in developing the local economies? What legislative framework do you propose to enable the actions being promoted by the Minister of Economic Development and Trade when he talks about communities and economic development? And does anyone know, does anyone know where the government is headed in this respect? Does the government know where it's headed?

The people of Saskatchewan and Saskatchewan's communities, Mr. Deputy Speaker, await the leadership of this government because there simply is no leadership. We have a case here where the government seems to be

headed in two different directions, and I think the direction needs to be clarified if we want to have meaningful involvement of communities and economic development in this province.

There needs to be, in the first instance, some clear leadership as to where we're headed. And that leadership is not there. What we have is a seeming anarchy when it comes to the approach of the government, headed in whatever way seems to be popular on any given day. And we need to move beyond that. And the question is: will common sense and wisdom prevail, or are we bound to play the fool's game that is being advocated by the Minister of Economic Development and Trade?

**Some Hon. Members:** Hear, hear!

**Mr. Van Mulligen:** — And while you're sorting that out, and while the government is sorting that one out, Mr. Minister, and there are substantive questions involved, there are substantive questions involved, and I know that they like to move in a knee-jerk type of fashion; that they don't think things through. But this is one area where I would encourage them to think things through and to consult widely with municipalities in this province about what the government's approach might be when it comes to local municipalities, when it affects local government.

And I would encourage them to consult widely with other provinces in Canada and with other jurisdictions about what the role of local communities should be. Certainly no one would argue that there is not a role for the federal government and the provincial government when it comes to shifting economic activity from one part of the province to another part of the province, or to use its resources to encourage economic development activity in an area which may be relatively underdeveloped, given the total context of the province.

No one would argue that the provincial government and the federal government do not have the right, and do not have the legislative framework, and I think, indeed, do not have the responsibility to look at underdeveloped regions and to try and encourage development in those areas. But it's something else again to say that we're going to encourage local municipalities, or enable the local municipalities to set up their own system of financial incentives to attract particular industries.

There are many questions involved about: is it fair for a local municipality to benefit one industry and expect others to pick up the cost of those incentives? Does it make sense from the overall provincial point of view to have one municipality, which may have more in the way of resources and therefore can attract industries, to continue to . . . or to have those kinds of industries located in that municipality, whereas it might be better from a provincial point of view to have some balance in where new industries are located? And I would encourage the government to undertake some thorough discussion and some thorough review of those kinds of questions before it settles on an approach, given the fact that right now they don't seem to have any approach, except whatever comes along on any given day.

And while they're sorting that one out, Mr. Deputy

Speaker, I would command to them, I would command to them, that a number of areas that they might move in . . . actions which might be well received.

First, I would suggest to them that a grant program to support municipal economic research and development would be welcome. Before communities can develop realistic economic development objectives, they need to have a very clear sense on what is the current picture within their community in so far as economic activity. And the traditional sources such as Statistics Canada and assessment records, I would submit, are not enough — that further research is required at the local level on types and numbers of jobs, migration patterns, and so on, before realistic objectives can be set. And I would encourage the government to look at that type of program to assist municipalities to do the kind of research that is required before objectives can be set.

Secondly, provincial leadership in fostering the formation of regional economic development corporations, I think, would be welcome. Economic growth and development cuts across local government boundaries. And an economic development, or an industry that chooses to locate in one municipality, may have implications for other municipalities. And perhaps what we'd need to do is to find ways, through provincial government leadership, to encourage municipalities and regions of this province to co-operate; to attract industries to locate in their regions — industries which may be appropriate for the kinds of strengths and resources that prevail in that region. And again we have not seen any leadership from the government in that area.

(1545)

We do see central initiatives arising from the ministers and their central planning people, but we do not see leadership from the provincial government which attempts to encourage local people to become far more involved in charting their own futures, in charting their own activities in so far as attracting economic development is concerned. And again I think that kind of approach and that kind of leadership — nothing heavy-handed — but leadership and enabling municipalities to do those kinds of things would be welcomed by the people of Saskatchewan, and I think would be welcomed indeed by municipalities in this province.

I note the government has begun some very minor initiatives in the area of rural development in encouraging rural municipalities to come together, and that's to be applauded. But when you look at the total budget commitment for that kind of activity, it's a drop in the bucket. It pertains only to rural municipalities, and I would submit that there is far more that can and should be done when it comes to all municipalities of Saskatchewan.

And again, when it comes to regional economic development, does it make sense for Estevan and Weyburn to each have their own economic development corporations to compete with one another for various kinds of jobs, or should we also be finding ways to encourage them to co-operate to set up a south-eastern

Saskatchewan regional economic development corporation which might then see benefits for all the communities in that area? And again I would encourage the government to give some thought to that solution.

Provincial leadership would also be welcome which would enable the hospitality industry to generate its own revenues and to chart its own course when it comes to bureaus. And I would suggest to the government that it look at its own legislation which now permits business improvement districts, legislation which was developed and set up and enacted by the New Democratic government in the 1970s, and by all accords is excellent legislation — excellent legislation when it comes to encouraging businesses, encouraging businesses to take a direct hand in a co-operative way, but a direct hand in charting their own course in promoting their own development.

Many of the members are aware of business improvement districts throughout Saskatchewan where primarily downtown businesses and main street businesses have come together and through the mechanisms provided for in the legislation have been able to tax themselves, to use that tax revenue to promote their own areas as a place to do business. And I would commend to the government, I would commend to the government the possibility of following that approach for the hospitality industry.

What we see now is a situation where municipalities are in a very direct way providing the funding for local tourist and convention bureaus. But I would submit to you that those tourist and convention bureaus would work much better, much better, if those industries affected had a more direct say in what those tourist and convention bureaus were to do.

And I would commend to you, I would commend to you discussion with the hospitality industry in this province — not just the hotels, but restaurants and others — I would commend to you those kinds of discussions to see if some legislative framework might be developed which would encourage a far more direct involvement of the hospitality industry in promoting Saskatchewan, in promoting tourism, in promoting small business. And that's something that you simply have not done. And it seems to me that, from what I understand, that what we have here is a paralysis through analysis and just simply a lack of guts to move in this matter.

I would, finally, encourage provincial leadership in reducing or eliminating the business tax which is now exacted by many municipalities in this province. The business tax, we would submit, has outlived its usefulness. Whereas it might have been an appropriate form of taxation in the '70s when business was expanding and business was good and there was little or no consideration given to business expenditures, conditions in the '80s have changed because of the policies of your government. Because of those policies, Saskatchewan's economic activity has taken a nosedive since 1982, and because of that, small businesses in this province are suffering. And because they're suffering, they're choosing to look at their expenditures, and one of the expenditure

items that all of them have is business tax.

And we simply must find ways to assist business to reduce or to eliminate that business tax. And it's not enough, it's not enough for you to take the ostrich type of approach which has been indicated by your Minister of Finance, which simply says that it's none of our business, it's a matter for business and for local municipalities to deal with.

There's a very major player in this game, and that's the provincial government. And it seems . . . it's the feeling of people in business and in local government that if the provincial government were to provide some leadership on this question, we might see some resolution of the problem that we now face.

And those are approaches that I would commend to the government, Mr. Speaker, before they pat themselves on the back about the wonderful things that they're doing. If they're really concerned about economic development at the local level and fostering economic development benefits for local communities, they will take into consideration some of these suggestions and find some ways in which to involve local municipalities in a meaningful way to create and to stimulate economic development. And if the government can commit to some of those initiatives, we just may help to expand the local tax bases, and we just may encourage prosperity, economic opportunity, and jobs.

Mr. Deputy Speaker, the government would need to show me a lot more than what they have shown. They will need to show the people of Saskatchewan a lot more than they have shown. They will need to show local government a lot more than they have shown before anyone in their right mind would want to support the motion that was put forward by the government.

And in the meantime, the amendment is a reasonable one, and it suggests that, given the current circumstances, we should not support the amendment . . . or the motion. I'll be supporting the amendment, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Swenson:** — Thank you, Mr. Deputy Speaker. It gives me a great deal of pleasure to rise today and speak in the Assembly on this motion. Mr. Deputy Speaker, the entire issue of diversification is one that has obviously gained a great deal of importance, and it is being talked about in the House today.

And I think that's doubly important, because at least we're talking about diversification now and we are not talking about nationalization any longer. And that is a big step. If this government has done nothing else but get the people in this House in Saskatchewan talking about diversification rather than nationalization, they've gone a long way.

**Some Hon. Members:** Hear, hear!

**Mr. Swenson:** — You know, it seemed to be taken for granted in this province, and particularly by the members opposite in their 11 years of government, that our exports



and different commodities would keep on sustaining the economy of Saskatchewan year after year, and that we wouldn't have to do anything else in order to survive in this province.

And I listened with great interest as the member from Prince Albert talked about the problems of small business, small business failing, and about the problems that our smaller cities and towns have been having in the last few years. And I also heard the member from Regina Victoria talk about ostriches and putting heads in sand.

And I can tell the member from Prince Albert that the very reason that some of those small businesses in some of those towns and villages are having trouble is because for 11 years the absolute major industry in this province, agriculture, you people kept your head in the sand, because you didn't look at ways to diversify.

**Some Hon. Members:** Hear, hear!

**Mr. Swenson:** — You didn't look at ways to diversify and expand that agricultural sector which provides the dollars for so many of our small businesses in towns and villages. You thought that it would go on for ever, that nothing would change, and that it didn't need looking after.

Well it has come home to roost. And now we must talk about diversification, because that 40 per cent drop in income that has occurred out in rural Saskatchewan, and whether you like rural Saskatchewan and you hoped that it would go away, it is a fact of life in this province. And there is a 40 per cent drop in income, and that income is not going back into business and towns and villages.

Mr. Deputy Speaker, it doesn't mean that this government is placing any less emphasis on those traditional strengths. As you know, we've done everything that we can to try and educate other people in this country and around the world that some of the practices that have been followed in trade and the dealing of raw commodities is wrong, and that we want back on a level playing field so that rural Saskatchewan can benefit and those dollars can flow back into the business community all through Saskatchewan.

Our Premier has done the best of any person in Canada to talk about protectionism and trade wars and the damage that has been done. And that is why it is so essential that we talk about diversification, because those things have happened. And even though we're doing the best we can to come out of it, it has happened. And now the only alternative that we have before us is diversification.

And that is why this government, in the last five years, has encouraged it, why we have worked with small business, why we have worked with the chamber of commerce, why this government was the first to institute low interest loans at a time when interest rates were going through the roof.

I mean, we can't expect anyone in our economy to survive and prosper with 22 per cent interest rates. This government realized that from the very beginning, Mr.

Deputy Speaker, and has taken measures to ensure that people were protected — that home owners were protected, that farmers were protected, and that small business were protected. And that is a far different record, Mr. Deputy Speaker, than the members opposite in the last years of their dying government. Because those facts were in front of us, and yet nothing was done about it. And it kind of boggles the imagination, Mr. Deputy Speaker, that they can stand there now and talk about their preservation and expansion of small business when six short years ago they were prepared to see it all die, and do nothing about it.

So, Mr. Deputy Speaker, we go to the value added sector, we go to the manufacturing sector, because those are areas that can provide dollars and jobs to the people of Saskatchewan. It means taking strength that we have here, commodities that are either grown here naturally or that we mine or we lumber, things that we do very well here in this province and give us a built-in, inherent advantage over other people in the world economy.

We've also expanded the high-tech industries because we have a population which is very well educated, which understands the intricacies of the computer age. That is why we have a Minister of Education who recently talked in this House at great length on training the people in this province to take advantage of some of those value added and secondary industries which require a high degree of understanding, a high degree of education, and we are committed as a government to providing those things so that people can access this sector in the world economy.

When you talk about Saskatchewan, Mr. Speaker, you talk about a province with a relatively small population. And regardless of what the members opposite say in regard to multinational business and very large business ventures, most of the industries that have potential in the value added sector in Saskatchewan are relatively small. They match the size of our towns and villages. It doesn't mean that they can't trade in a world economy. But many of the things which have been encouraged by this government are for the smaller parts of Saskatchewan rather than just simply Regina and Saskatoon.

(1600)

A few jobs in a town like Central Butte, in my constituency, mean as much as the hundreds of jobs which SED Systems in Saskatoon, for instance, provides, or Northern Telecom, where you have hundreds of people. I'm sure that the people in Wolseley, which one of my colleagues referred to in an earlier address, are just as proud of a pharmaceutical firm employing 40 people as some of the hundreds of people employed in other areas.

We are very proud of getting people like Peter Pocklington and the Bondar family to invest and build in a place like North Battleford. We have taken, naturally, strengths that are natural to Saskatchewan and built upon them. And whether it be Peter Pocklington or any other Canadian who wished to come into Saskatchewan and do business, the same opportunities would have been provided, Mr. Speaker.

And I think the fact that one of our own, like Mr. Bondar and his family in North Battleford, had the courage and the wherewithal to develop a new industry in their own city in Saskatchewan with assistance from the Saskatchewan government, I think is something that other families and business men in this province can look to with pride and accomplishment. And I'm sure that there will be other similar opportunities springing up around this province because of the incentives program brought in by this government.

And I hope, Mr. Speaker, that as we're going through this process of diversification, that we don't forget one of the long-standing strengths which has been in our province, and that is the manufacture of dry land farming equipment. And whether it be developed in a quonset, as it is in my constituency with a fellow that developed a depth control for the back of a discer, the Jeanotte system . . . and I've been out to their plant. There's two brothers there that hire a few neighbours during the winter-time, and they are now marketing a product all across western Canada, and indeed around the world, because they're in the off-shore market.

Or whether it be with some of our more well-known manufacturers — the Morris Rod-weeder Company, the Degelman's, the people at Flexi-Coil in Saskatoon who I had the opportunity to go out with with the recent visit of the Russian trade delegation as they demonstrated some of the equipment that they make and manufacture — I think this particular sector has the potential to keep growing and providing jobs in Saskatchewan because it is a naturally occurring strength to us. It is something that we can take around the world with pride, and it's something that I would not want to see our government turn its back on. I know that some of the things that we've done with the Russians and the Czechs to encourage them to purchase our products will continue on because the Minister of Economic Trade and Development has stressed this particular area.

Another naturally occurring strength, which we haven't exported yet, but which I'm sure will come in the future, is the technology that occurs with the mining of potash and uranium. The mines in Saskatchewan are some of the best in the world, Mr. Speaker. And that technology has been developed along with the private sector and the Saskatchewan government, and I am sure that there will be opportunities there in the future to market this technology because it is first-rate and some of the best in the world.

The challenge of diversification, Mr. Speaker, part of it is letting the world know what you can do; letting the people out there who purchase products and technology know just exactly how good you are. And I think that is why the Saskatchewan government was so happy to participate with the co-operative movement in this province with the heavy oil upgrader. This will be one of the most comprehensive projects of its kind in the world. It is diversification at the leading point of technology.

This heavy oil upgrader is going to give us the opportunity to take a natural occurring strength, which we have more of than anyone else in the world — and that's heavy oil —

and refine it down to gasoline and other petroleum products, which not only can be consumed here by the people in Saskatchewan, but can be consumed all across Canada and North America and around the world. And this technology, which the Government of Saskatchewan is participating in with the co-operative movement, will be watched by people across this entire country and across the continent of North America, because the ramifications of what will happen here are very important for that entire industry, world-wide.

And I would say that the creation of thousands of jobs in Regina and in southern Saskatchewan — and indeed, anyone with a tradesmen's ticket in this province has the opportunity to work out there, Mr. Speaker — is diversification at the leading edge. And I think that that diversification and co-operation with the co-operative movement is a far greater boon to this province than any nationalization project which could be undertaken here.

I guess, Mr. Speaker, the same applies to the paper mill in Prince Albert. Once again, the members opposite have decried the investment by the Government of Saskatchewan in co-operation with the private sector in utilizing a product which we have lots of, which I'm sure in the future we will be able to manage and grow better than anyone else, and that is the trees that we used to throw away because we couldn't make raw pulp out of them. And now we are going to; now we are going to make paper in the province of Saskatchewan.

And I can remember, Mr. Speaker, many years ago listening to one Alvin Hamilton, who was at that time the federal minister of Agriculture, saying that northern Saskatchewan probably had some of the best opportunities, the best climate for growing pulp poplar trees in North America. And I suppose Mr. Hamilton was maybe 20 or 25 years ahead of his time, but the opportunity exists now in this province to take something which many farmers consider a weed, grow it on a commercial basis, and make paper out of it.

And that opportunity, Mr. Speaker, would have never occurred had we continued on the course that the previous administration laid out in this province. They nationalized a plant which was in competition making kraft pulp with many other plant in the world. It was losing considerable sums of money each day in that endeavour, and now we have a comprehensive diversified project which is not only going to produce pulp, but is also going to produce high-grade paper which is in heavy demand in the new technologies that we are developing around the world.

And, Mr. Speaker, I would say that particular diversification will mean much more in the long run to this province than any nationalization of a particular pulp mill could ever bring, because that nationalization could never bring any more new jobs. It could never bring any more new technology, and it certainly could not open up the ability to tree-farm a product which we have in this province and has been talked about for many years. That nationalization could never do that. But this paper mill and pulp mill, working in conjunction together, can provide those jobs and technology and the new opportunities that that diversification can provide.

So, Mr. Speaker, in wrapping up, I don't think that the industrial incentives program that was in place in this province until April of this year can be said to be a failure. It has brought companies like Gainers to North Battleford. It has helped many other centres in this province provide money so that schools and hospitals and recreational facilities can be built. And, Mr. Speaker, that type of initiative must continue because, as my colleague from Rosthern said, there is light at the end of the tunnel with the raw materials and the raw products and the grain that we produce in such vast quantities, but it is going to be a while coming.

And I always go back to the old saying: when it's tough times, the tough get going. And that is exactly what this government has done, because rather than turning our back and wringing our hands and nationalizing something, we, Mr. Speaker, have taken the opportunity to build on natural strengths here, no matter what the situation is.

Mr. Speaker, I would just like to say that I think economic development corporations that have sprung up in rural Saskatchewan in the last few years and the venture capital groups, even though they've just begun their endeavours, I think that there will be great things develop out of these initiatives. And I think the member from Regina Victoria recognizes that, that what is happening out there with local government when you draw it together and have it work in a co-operative spirit can only bring good to the province of Saskatchewan. And whether it be a couple of guys in a quonset manufacturing \$30 or \$40,000 worth of product a year, or whether it be hundreds of people working together in a project like Weyerhaeuser, the same principles apply, the same benefits accrue back to the Saskatchewan economy. And I believe that those initiatives with those two particular small groups will really bear fruit for our province in the future.

Our PC government will continue to provide encouragement, Mr. Speaker. It will provide support and information. And we will help each and every community that wants those things in this province so that both of us, together, the provincial government and our communities, can diversify and grow economically. If we are ever to break out of the hold of an unstable world economy, a market-place that we cannot control and predict, then we must diversify, whether it be small town or large city, and the economic future of this province, Mr. Speaker, absolutely depends upon it.

And that is why I commend my colleague from Canora for raising the point; why I commend my colleague from Rosthern for raising so many good points to continue on with this program, to build with it, to make it grow.

And that is why I will be voting, Mr. Speaker, for the motion and against the amendment.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Klein:** — Thank you, Mr. Speaker. It's always a pleasure for me to rise and speak in this Assembly, and I

would like to take this opportunity to speak for only a moment.

Business is a topic kind of dear to me, and I don't propose that I have the same business expertise that the members opposite suddenly claim that they have. And so I sat with interest and listened to their statements that kind of seem empty and hollow and without sincerity and meaning, and as a result, Mr. Speaker, I feel rather obligated to stand in my place and comment on some of their statements.

It's quite a change in their philosophy, all of a sudden in the last few months, that they stand opposite and claim to be friends of the business community in this province, Mr. Speaker. The Regina Manifesto clearly indicates their absolute disdain for the private sector, and resolution after resolution at the NDP conventions clearly support that same stand.

(1615)

There's no way now that they can stand in their place and try to fool the people in the business community of this province into believing for only a moment that they care, or understand business, they still don't understand business, and you never will understand business.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Klein:** — And there are various accusations that are made. Yet, Mr. Speaker, I made a note quite some time ago, July 27, and you can check Hansard. A member from Saskatoon University, the NDP member, Saskatoon University stood in his chair and said that our government provide opportunities for, and I quote: "... your private business friends ..." Now he admitted that they were our friends. And he said it in such a way that obviously they weren't friends of yours, and so why do you stand here and debate this today.

My colleagues and I, Mr. Speaker, have had the opportunity and pleasure of opening business after business throughout the province in the last years in every constituency of this province. And even with the member from ... the member of Quill Lakes is well aware that I shared the opportunity of opening up several businesses in Quill Lakes constituency.

The member from P.A.-Duck Lake spoke a moment ago and said, what have you done since 1982? What have you done really for business? Well let me tell you, Mr. Speaker, this government, this PC government since 1982 has done more for business than has ever been done in the history of our province.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Klein:** — The member from P.A.-Duck Lake claims to be an authority on business. Well, Mr. Speaker, if he's ever around in business long enough to speak with authority, then maybe he should do so. But to claim to be an authority is just ludicrous for a politician to stand and claim to be an authority on business. It doesn't work that way. You can be a supporter, but certainly not speak with

authority on it. He's probably the best little-known business man in Prince Albert.

And he stood in his chair and gave us a warning. They're full of warnings. You know the member from North Battleford gave a warning to his chamber of commerce. He stands in his chair. The member from P.A.-Duck Lake gives us a warning. They're always warnings. Well we do it differently than warn.

He asked some of our accomplishments. I'll just speak briefly for some of them and mention some of the things that have occurred prior, Mr. Speaker. We all remember the small business employment program that our government initiated a few years ago. And it was the first thing that started bringing about a good percentage of unemployment rate in our province. And it was at that time that Saskatchewan moved into number one in Canada. And we've remained in that position, either one, two, or three for the last five years. That's a pretty enviable record, and it was the small business employment program that helped get all that started.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Klein:** — We put in place the management assistance program. And that did two things, the business community throughout the province — and they're obviously not aware of that program, the member from Regina Victoria certainly isn't, and it sounded like the member from Prince Albert-Duck Lake wasn't — but the management assistance program, Mr. Speaker, was put in place to assist owners and operators of local businesses to come in and analyze the businesses, to see what kind of problems there might be occurring and how best to solve those problems and get on with the job of what they know to do best, and that's to create jobs and to earn a profit.

Profit is not a dirty word to our government. Why should it be to the members opposite? But it does two things, that program. It helped the small business community, Mr. Speaker, and along with that it helped develop our own supply of local business consultants — right throughout the province. And in 1982 there was a great deal of difficulty. If we needed a business consultant, generally speaking, we had to leave the province.

Now, Mr. Speaker, I'm happy to tell you that we have business consultants with actual, factual, on-the-job training, working experience, that could come into the majority of businesses in our province and really give them a hand to sort out any problems and difficulties that they might have.

Working at the local level — the community economic development program that we had in our government, where we go out into the communities. Again the member from Regina Victoria was speaking that we should work with the local communities. Obviously he's not even aware of that program where we go in and work with the municipal officials; where we do profiles on their communities; where the statistical information that he was babbling about is all compiled and put into place, so that prospective business people can come into a community, look at the profile, and know exactly what they have to know about the community.

And it's done by the people of the community, Mr. Speaker. Not done by our government, but rather working in consultation together with these people, putting them together, helping them to develop their communities.

Chamber of commerce. Yes, they're famous for saying that they disagree with their chamber. They're getting a little closer. The member of P.A.-Duck Lake said that he, every now and then, had a little bit of respect for their opinion. But by and large they weren't always right and accurate. So none the less, they don't come out and encourage their chamber of commerce and say, right on; you're really doing it right. No, they'll still sit back and kick and everything else.

Well let me tell you, we've got an awful lot of respect for the chamber of commerce. We've got an awful lot of respect for the Saskatchewan chamber, or for local boards of trade, for the Canadian independent business federation, and on and on. And we believe in meeting with them and dealing with them and doing as best we can in working together with them to provide the climate that Saskatchewan requires so that we can develop our business community and, as a result, the tax base, and create the jobs that the people need in our province.

You know, when we took over, Mr. Speaker, all that the NDP left as a legacy for the business community was a system of grants — grants for this; grants for that. Mr. Speaker, the business community is smarter than that. Grants don't solve the problem of a business. They have nothing to do really . . . sometimes the grant turned out to be licence for them to lose more money. Because with the encouragement of an outright grant, a person wanting to start up a business said, well, it must be a good idea because the government gave me this money. And what happened? The grant was lost and so was his capital, because the planning wasn't in place.

And that's what you need, is good consultative process and proper planning and proper management. That's what we've developed with our business community, and the business sector out there really appreciate and recognize that.

And then they claim to be the saviour of small business now, Mr. Speaker. Why? So that they can come in here and put in a payroll tax like the NDP have in Manitoba. Don't tell me that the business community thinks so much of you over there. I know better.

They keep . . . (inaudible interjection . . . Now the member is speaking from his chair, speaking about the banks. Oh, you're friends of the banks, you're friends of the banks. And yet what happens? You accuse us now of chasing them out of the province. Make up your mind. You never can decide what you want to do — one hand we're their friends, next hand we're their enemies. Don't you know? Why don't you stop to figure it out?

But in any event . . . Sure, Mr. Speaker, we've got some major accomplishments in this province that we should be very proud of, starting with the Peter Pocklington of this world, who came in and invested a lot of money and,

contrary to what they say all the time about a give-away and a give-away and we're buying them off, the program that Mr. Pocklington had was available to anybody that wanted to start a business in the province at the time, under the industrial incentive program. Just pure, simple. And there was no hanky-panky, the way you people always keep talking about it.

Hunters in North Battleford — the recreational vehicle manufacturer. Just think for a moment of the diversification and the spin-off benefits to that community, along with the employment that it creates, Mr. Speaker. The upgrader, Weyerhaeuser. And the member from Prince Albert-Duck Lake, who said there would never be a paper mill, and none will ever be built, why don't you drive around and have a look; see what's happening up there in your constituency? You'd be awful surprised.

The member from Regina Victoria spoke awful repetitively, Mr. Speaker. He kept saying the same thing over and over and over again. He spoke for 10 minutes on the same subject and said absolutely zero — nothing. He suggested local involvement; the government should do local involvement regarding economic activity. Well what does he think we're doing under the program that I just mentioned? We've got VCCs set up now, local community.

My time is dragging on, so I won't dwell on it, but we do consult with the municipalities and their role. Unfortunately some officials, though, have the same narrow-minded view that the members opposite do, and won't listen and take to heart what they should.

But in any event, they are obvious . . . The member from Regina Victoria . . . Two more points and then I'll sit down. He was obviously not aware that the community economic development program does just that — profiles the community, works together with the local people, puts them in charge of their own future.

He's obviously not aware either . . . He spoke about the hospitality industry. Have you not heard of TISASK (Tourism Industry Association of Saskatchewan)? Who do you think worked and developed that? And TISASK is obviously that; it's the hospitality industry.

Regina, Saskatoon — both have tourist and convention bureaus. We work with both of them. We assist both of them and they know that. And it works hand in hand. So you're out to lunch. You don't know about that either.

Mr. Speaker, no question that this PC government, under the strong leadership of our Premier, will continue to build, will continue to diversify, will continue to manage our economy. And they found something humorous about that because, as I said at the outset of my remarks, they don't understand. They never will. But we will continue to diversify and manage our economy under the strong vision that our Premier has, to promote — as the motion states, Mr. Speaker — local development to expand the tax base and to foster an economic benefit to our communities.

I will not support the amendment, but there is no question

that I will support the motion of my colleague.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — Thank you very much, Mr. Speaker. It gives me a great deal of pleasure to enter this debate. I watched the back-benchers enter this debate today, and so desperate were they to put forward some kind of a case that they brought forward the former minister of Small Business and Tourism. And what a sad case that their big hitter put forward. I would have thought that if their economic growth was so great that he would come forward with all of the indicators, indicating how the economy is growing.

But do you know what he did? He went back to 1932 talking about the Manifesto, if you can believe it. That's his defence of his economic strategy in this province.

I want to say, Mr. Speaker, there's no doubt about it whatsoever that the Tory myth of economic development is burst. It took \$25 million to try to sell it to the people of Saskatchewan during the last election, and I'll tell you, none of the people out in Saskatchewan today believe in their economic development.

I wonder why they didn't talk about some of the mythical enterprises that were going to be developed as the Premier announced during the campaign. I ask you, where is the fertilizer plant? Big headlines, press releases — we're going to have a fertilizer plant; employ hundreds of people; make fertilizer cheaper to the farmers. And it dissipated; it dissipated as soon as the election expired.

I want to say, I wonder where the chemical plant that the Premier said was going to be erected during the campaign, where is that mythical enterprise, that diversification in the economy? I believe that somewhere down in Lloydminster or Swift Current we're going to have an airplane assembly plant, during the election. Where is that mythical plant?

I say to you, Mr. Speaker, all that one has to do is look at some of the economic indicators to see how well this economy is performing and whether or not we're creating jobs and whether or not the policies of this government is assisting small-business men.

I take a look at the budget address, and you look at some of the province of Saskatchewan summary of economic indicators. And if you look under the gross domestic product, you find that in 1986 it went down a minus 2.9 per cent. If you take a look at private and public investment in this province, which is an indicator, do you realize that the private and public investment in 1986, the latest figure that we have, is down? It's down in respect to '83; it's down from '84; it's down from '85. Is that a vibrant economy developing diversification and building a diversified economy? Of course not.

(1630)

Housing starts — you'd think if there is economic activity that you would have a number of housing starts. I'll tell you, in the mid-'70s we had up to 11 to 12,000 units built in Saskatchewan. And do you know what's happened in

this buoyant economy, this mythical buoyant economy in the imagination only, in the minds of the members opposite? Housing starts is even down over 1985 — 5,510 units compared to the previous year of 5,354.

In '82, after they inherit the government, the sound fiscal management of this province by the former premier 6,822. So housing starts are down.

Let's take a look at what's happening to investment, as I said . . . And do you know what the headline says? "Saskatchewan may have the largest drop in capital spending." And if you take a look at Alberta and British Columbia and you take a look at Manitoba, you'll find investment in Saskatchewan down. "Capital spending in Saskatchewan is expected to decline by 21 per cent in 1987."

**An Hon. Member:** How much?

**Mr. Koskie:** — Twenty-one per cent. This is that booming economy of building and diversifying. The article goes on and says that:

The total capital spending in the prairie region is estimated at \$6.9 billion, an increase of 4 per cent. More than 70 per cent of that spending will take place in Alberta, where capital expenditure is expected to increase by 8 per cent. Large companies in Manitoba expect to increase spending by 10.6 per cent to \$876 million, which will increase 11.7 per cent to \$840 million.

And then it goes on and indicates in respect to Saskatchewan:

Domestic companies are decreasing their spending in the province by 13.3 per cent to 652.7 million in '87, while foreign firms are cutting back 42.3 per cent.

That's the cutbacks. Saskatchewan may have the largest capital spending decrease in the country. Those are the indicators of economic growth.

And I say to the members opposite: you can try to sell your myth, but the myth is over. The bubble has burst, and the people of Saskatchewan . . . you're exposed to the people of Saskatchewan. They take you for what you are.

The people of Saskatchewan know that, in the past, attempts to go with a Tory government, as far back as the 1930s, that Tory times were difficult times. And that's what the people, not only of Saskatchewan but across Canada are determined to kick you boys out of office.

In every poll across Canada taken consistently has put the Tory governments in third place. And I'll tell you any government that has a so-called economic development that's helping people wouldn't be riding in third place in the polls.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — I want to take a look at this further myth of the Tories, and I want, Mr. Speaker, just to take a look at

my constituency, what was developed during our administration, and I defy any member on that side to raise a comparable situation of manufacturing and economic development that took place since I was elected in 1975.

I want to say that you can go into the little community of Anaheim, and there you have the Doecker brothers manufacturing. And they're manufacturing large trailers. And I'll tell you that community there is a small community, no rail line, and that was developed during and under the administration of our government, and that is operating.

I go into the village of St. Gregor and I find Michel's tarps, Michel's windows, operating but started under our administration. I take a look at St. Gregor and I find Western Industries continuing to operate. I go into Watson and I find Dyna-Fab, just north of Watson, operating — started under the economic diversification in this province by an NDP government. I take a look at Wynyard and I find Plains Poultry, and it was our government that helped to bail out the Plains Poultry, get it back onto its feet, and it's operating and operating well. And I'll tell you Plains Poultry will continue to provide up to 300 jobs or more each year to the community of Wynyard, providing the Tories don't sell out under free trade and we lose that basic industry — and well, we will lose it.

Those are some of the indicators. You can go into the town of Lanigan, Keen Industries, building trailers — again, started under our administration.

I'll tell you, Mr. Speaker, under this administration there is not one single, new manufacturing industry that was started in the whole entire area. There was one mythical announcement. They were going to, just before the election, set up a potassium phosphate plant in Kandahar. And they had an announcement and they had an environmental impact study and they had press releases in respect to it, and there was going to be hundreds of people employed. And today after the election, just like with the fertilizer plant, the chemical plant, what has happened? They're going to have nine people employed with the pilot project. A promise before the election.

But I'll tell you, you've got to come through with your promises to be credible with the people of this province because they're used to governments that when they made commitments to the people of this province, they made every attempt to keep those commitments. And that has not been the record of the members opposite.

I want to say, Mr. Speaker, if we take a look at some of the disastrous results of the economic strategies of the government opposite, we need only look at, in my area again, is the Massey-Ferguson dealership in Humboldt — closed out. You take a look at the Farm Rite Versatile, Humboldt — closed out. You take a look at Englefeld, a dealership of Versatile — gone. You take a look at Drake — a dealership is gone. You take a look at Vonda Rock-O-Matic — it's in receivership today.

**An Hon. Member:** — Gone.

**Mr. Koskie:** — Gone. And I say that if you want to take a look at some of the industries and some of the businesses that have closed under this administration, and I'm going to take time for the people of this province who may be watching — and I know there's many because they're concerned with the operation of this government, and I'll tell you, more people are watching than ever before.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — This is the record of closures of this province — some of them: 1982, GWG Ltd., Saskatoon, closed; Bi-provincial heavy oil upgrader, Lloydminster, forgotten. Sheldon Manufacturing, Regina, closed; September 14, '83, CIT Office Interior, Saskatoon, closed; November of '83, Intercontinental Packers in Regina closes — 125 people let go.

In 1984, Moose Jaw mall, scrapped; December 31, 1984, Dad's Cookie, a long-established enterprise at White City, closed down after 46 years of operation; 1985, Vencap Equities, Regina, floundered in '85 and closed; Battlefords Venture Fund Incorporated, flounder in '85; CSP Foods in Saskatoon — canola crushing plant, closed; Prairie Industrial Chemical Incorporated — chlorine packaging plant at Davidson, closed; Drapery Shop, Cornwall Centre, Regina, closed; Pioneer Trust, collapsed; Premiere Furniture Ltd., closed; Pro-Star Mills, closed; CSP Foods Ltd. in Nipawin, shutting down the packaging department of the plant and transferring it to a new facility in Edmonton; Dominion Bridge in Regina — 26 years in this province, 35 to 40 people laid off.

In '85, Native Metal Industries in Regina, the scrap steel-cutting enterprise — 50 employees shut out of a job; Microtel, closed down; Molson Brewery plant in Prince Albert, closed — 75 people out of a job; Saskana Sausage in Regina closed four locations in the province; Ward Johnson Electric Ltd., in Regina, distributor of Frigidaire products, are gone.

General Motors closes its Regina sales office, 40 people affected; Northern Telecom, closed one of the four Saskatoon area plants — 124 people gone; pull out of Federated Co-ops Ltd. from a government-led consortium and fertilizer plant integrated co-op refinery — 200 million project down the tubes.

Supercart — this is the one that they opened up just before the election. This was part of their diversification. This was to be their show-case. But what happened? The venture capital corporation invested about \$1 million — lost, closed.

CWA houseboat charters at La Ronge — what happened to them? That was a new development to tourism growth in Saskatchewan, diversification of the economy — closed. Central Canadian Drilling Company, Weyburn, closed — 23 full-time employees. Fresh Air Experience, Saskatoon, specialty sporting goods — closed. McGavin bakery in Saskatoon — closed.

And then if you take a look at it, if you can believe how things have deteriorated under this government, their own friend, the architect of the Tory government's policy, the vice-president of the Royal Bank, one Boyd

Robertson, who said we need those Tories elected, who worked with them and designed their election, do you know what he said the other day? He said, we're pulling out of Saskatchewan. We're closing out 35 to 40 employees. And the reason, he said, is the economy in Saskatchewan is so bad.

The Royal Bank which they have handed millions of millions of dollars of business are even deserting them. That's the indicators of where this economy is going.

Well let's take a look. Maybe they do have some major achievements. But I have looked, and I'll tell you it's hard to find, hard to find. Because when I take a look at what's happening in the climate of this province here, in 1987, if you take a look at the budget you see indications that there is no strategy for the economic development of this province, because if you look at the budget cuts, they aren't consistent with economic growth.

The '87 budget provides severe cuts throughout the education system. Technical institutes, which was going to be their corner-stone — cut by \$4.5 million in total. University operating budgets — been frozen. Grants to community colleges — cut by 2.2 million. Education development funds, again another myth that they put over the people of Saskatchewan. Oh, we have a five-year plan for education. Sure they had — before the election. But after the election, it's no longer a five-year plan. And the Minister of Education stands up and blames the school boards and the trustees. He said they couldn't absorb it. Just imagine; they couldn't absorb it.

It was a cut. It was deception. It was mismanagement. It was a lack of trust. That's the characteristics of this government.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — And I'll tell you, the people of Saskatchewan recognize it.

Trades opportunity program was one that they had for this diversified economy, this building economy. Trades opportunity program — \$1 million allocated in '85-86 for young university and community college graduates. It's gone.

Saskatchewan Opportunities '87 student employment program — cut by \$4.5 million, down to \$4 million. And now the government expects to be able to create approximately 4,300 full-time and part-time summer jobs, compared with 10,300 created in the summer of 1986.

Saskatchewan access youth employment program — cut by over \$3 million, down to a miserable \$200,000. And this program was directed to Saskatchewan youth aged 16 to 24.

(1645)

Furthermore, any economic gains that Saskatchewan may be experiencing are not being shared by our young people. If you take a look at the statistics and the indicators in respect to that, you find that the labour force

data reveal that the number of employed youth, 15 to 24, totalled 98,000 in May of '87. This is down 6,000 or 5.8 per cent over May of the previous year.

Unemployment rate for our young people in this province is at a record level of 13.8 per cent in May of 1987 — 1.2 points over the comparable period of a year ago. In other words, worse than a year ago. Bad a year ago, but worse this year.

Statistics provided by the Saskatchewan Bureau of Statistics reveal that in 1986 Saskatchewan's net migration figure was 14,085 people. The net migration from Saskatchewan was over 14,000 people — 14,000 more people left this province than entered this province. And you say that . . . and the members opposite try to get up and defend that they're building the economic diversification of this province. Those are the statistics, Mr. Speaker.

I want to take a look at a couple of other indicators here in respect to the economic situation here in Saskatchewan. And one of the sad indicators is the number of bankruptcies that we've had during the past year. While the PC government apparently are able to find large sums of money for the large multinational corporations and political friends, Saskatchewan's consumers and the small businesses are abandoned by this government. In 1986 there were 21 per cent more bankruptcies in Saskatchewan than in 1985. Now isn't that a booming, diversified economy?

And then if you go to the migration, as I've mentioned already, we find that that trend has been continuing. We find that in 1985 the net loss to the province of Saskatchewan was minus 4,924; we find that in '86 there was 7,583 in January to December. And in the final analysis, the analysis reveals that in 1986 Saskatchewan's net migration figure was, as I said, 14,085. Those are the sad statistics.

And we have here a government that gets up . . . or members, and moves a resolution, to have the utter audacity when they're driving young people out of this province, when they have destroyed hundreds of peoples' lives by callously dismissing them without even a chance of applying for jobs. They have slashed the efficient civil service that this province had in the past and have filled it with political hacks. That's the tenor of this government's operation.

But what I want to say that they say oh, they have an economic policy. One of the things that they hold up as a show-case is Saskoil. Oh, they're giving the public an opportunity to participate, they say. Well let's take a look at Saskoil in 1984.

Saskoil made \$44 million in profit in 1985. And I ask you: who owned that money? The Government of Saskatchewan on behalf of the people of Saskatchewan, and it was operating and it was developing oil in this province. It was creating jobs in this province. It was employing Saskatchewan people. And do you know what they said? Well we're going to allow the public to participate in Saskoil, as though we didn't own it already. And so they decided to sell 40 per cent of the so-called

appraised value for a little over \$100 million.

And do you know what resulted in it? Of the shares that they sold, 75 per cent of every share was purchased outside of Saskatchewan; 75 per cent of all the shares in Saskoil were purchased outside of Saskatchewan. We owned it 100 per cent before. It was a Crown corporation. All of the profit came to the people of Saskatchewan to build schools, to provide dental care and health programs and build highways or what other programs. But they said, we'll give the people a chance. And they sold shares. Supposedly we kept 60 per cent, the province. But they gave it not to Saskatchewan people, because Saskatchewan people only own 25 per cent of the shares of Saskoil. So who are the benefactors? Is it the people of Saskatchewan because of their privatization? It's the people outside of Saskatchewan who are the benefactors and Saskatchewan people are the losers in this transaction.

And to make a sad story even worse, they privatized it, gave it to outside investors, and they closed down their operation of exploration here in Saskatchewan. And where did they go? They went to Alberta to explore for oil?

Now that's the economic development of the Tory government opposite. And so I say to you, Mr. Speaker, the people of this province are well aware of the direction that they're going. Certainly I say, Mr. Speaker, that the myth is over. The cold, hard economic facts are now facing the people of this province. And I say to you, Mr. Speaker, if things were going . . .

**Mr. Speaker:** — Order, please. Why is the member on his feet?  
P

**Mr. Petersen:** — Mr. Speaker, I'd ask leave of the House, if I could, to introduce someone in the Speaker's gallery.

Leave granted.

## INTRODUCTION OF GUESTS

**Mr. Petersen:** — Thank you very much, Mr. Speaker. In your gallery, we have Mr. Lynn Biggart, past president of the Saskatchewan Stockgrowers Association whom I'd like to have all members acknowledge.

In the past, stockgrowers have provided invaluable advice to the members of the government, whether it's with regards to national tripartite red meat policies, lease policies, helped us out with our drought programs and so on and so forth.

And I'd just like all members of the Assembly to acknowledge the presence of Mr. Lynn Biggart.

**Hon. Members:** Hear, hear!

## MOTIONS

### Resolution No. 17 — Development of Local Manufacturing Programs

**Mr. Koskie:** — Yes. I am pleased to allow the member to introduce his special guests. And I join with him to



welcome them also.

As I was saying so correctly, that every indication points to the fact that the economic policies of the government opposite is a dismal failure. They opened their onslaught when they got into office with a \$300,000 extravaganza — 300,000 bucks they took out of the taxpayers' pockets for propaganda. And I'll tell you, their economic strategy has disintegrated ever since, if they ever had one.

What they're saying is, oh we have a buoyant economy on the one hand; and on the other hand, they say times are tough. We got a \$3.4 billion of debt. Now how can you have a buoyant economy with people earning money and everybody working, and a massiveness of debt? Well it's simple.

There are two facts that are evident: one, the economy isn't buoyant. The economy is on the slide downward like it's never been in the history of this province, and you know it. And I'll tell you, the only way that you can develop the economy of Saskatchewan is the way in which the New Democratic Party approached it. You use the tools that you have. And those tools are public ownership, there's private ownership, there's joint venture, and there's co-operative.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — You will build a strong economy if you use those tools. But I'll tell you, you can't build it on fluff and an advertising agency calling out that we're going to build an economic new strategy with big business — open to big business is the cry.

But two things they're saying. They're saying we got a buoyant economy, but on the other hand they're saying we don't have. We can't pay our bills. We got massive debts we imposed on the citizens of this country, of this province, and on the children and their children.

I say to you, Mr. Speaker, that there's no doubt that across Canada we've had an opportunity — the people of Canada and the people of Saskatchewan — to examine what the true Tory government policies economically are. And I say to you in summary, I say to you in summary, Mr. Speaker, that their economic policy has collapsed . . .

**An Hon. Member:** — It's gone down the tubes.

**Mr. Koskie:** — Gone down the tubes, as my colleague says. They have mismanaged the province to the tune of \$3.4 billions. They have cut the social net, the safety net that we had in this province for the people of Saskatchewan, right to the core. Look what they have done. They say they have a buoyant economy, that they're building. And look what they've done to the drug program, to our seniors who built this province. They have cut the drug program that it's not recognizable as to what the people of this province had before. And secondly, they've cut the dental program.

But the third thing that they've done is that they have a tax grab. Never in this province before have we seen the magnitude of taxation increases that we've seen under this administration. Do you realize that a person earning

\$30,000, his net income, just on the flat tax alone, pays \$450 a month? There's \$300 million of increased taxation, and they haven't finished yet. They're going higher on taxation.

We thought when they brought down the budget that they had all the taxation in it. But that's not true, because the Acting House Leader got up the other day and he says . . . well suddenly he decided he's the minister of Highways, and he decided that maybe we need some roads. They hadn't built any for four or five years, and they gave away the gas tax which was building the highways. He says, oh I've got to tax the people now.

I wonder where your thinking hats were in 1982. You deceived the public. Every major promise that you made to the people of this province, you broke. And I'll tell you, sitting at 23 per cent of the polls is where you deserve.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — Mr. Speaker, I have a lot more to say on this subject so I would . . . I think that . . . it's close to 5.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** — I believe the member wanted to adjourn the debate, so would you like to do it?

**Mr. Koskie:** — Yes, that's what I was planning on doing.

Debate adjourned.

The Assembly adjourned at 4:59 p.m.