

April 12, 1989

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Mr. Lingenfelter: — Mr. Speaker, it's my pleasure to introduce to you today and members of the Assembly, a special guest, the president of the New Democratic Women, Marg Morrisette, who is with us today in our gallery. I wonder if all members would join with me in welcoming her here today, with her daughter.

Hon. Members: Hear, hear!

Mr. Trew: — Mr. Speaker, it gives me a great deal of pleasure today to introduce a lady seated beside Marg Morrisette — Bessie Ellis, who is a former school teacher; indeed she taught one of my sons. Mrs. Ellis is a long-time political activist, a lady of a great deal of enthusiasm and drive, and does a lot of volunteer work in and around the community. Mrs. Ellis is a resident of my constituency, Regina North. And I ask all members to join me in welcoming Mrs. Ellis to our Assembly.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Inquiry into Rafferty-Alameda Project

Mr. Tchorzewski: — Thank you, Mr. Speaker. I have a question to direct to the Minister of the Environment. It deals with the fiasco of what's happened over at the Rafferty project in the Premier's riding. Mr. Minister, today the federal Minister of the Environment, Mr. Bouchard, has announced that he is going to call for a full-scale inquiry into the Rafferty-Alameda project. The Minister of Natural Resources from Manitoba — and I have a copy of the letter here which I want to read part of it to you — has said to Mr. Lucien Bouchard that, and I quote:

... to strongly urge your government not only to adhere to the requirements of the judgement but to ensure that no licence is re-issued until Manitoba's long-standing request for an extended environmental impact study (is carried out), including a full study of Souris River water quality, downstream from Darling Lake, is fulfilled.

Mr. Minister, it appears that you stand alone here, and so my question to you is: will you now put the weight of your office behind this inquiry, which should have been done in the first place, support it whole-heartedly, or are you going to succumb to the meddling that continues to take place by your deputy leader?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, what . . .

The Speaker: — Order, order. I once more recognize the Deputy Premier, if the hon. members will give me the

opportunity to do so.

Hon. Mr. Berntson: — A couple of things that members opposite refuse to recognize, Mr. Speaker. The first thing that they refuse to recognize is that all times, Mr. Speaker, at all times the Rafferty project operated under a valid licence — at all times. Number one.

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, the court, the Federal Court of Canada has ruled that the federal minister acted beyond his authority. We respect that ruling, and, Mr. Speaker, we also know and we have every confidence that that project will stand the scrutiny of any environmental test, Mr. Speaker.

The other point that those people refuse to acknowledge, Mr. Speaker, is that that project is important to not only the south-east of the province, but to this province, Mr. Speaker. They are no more interested in protecting the environment than flying to the moon. They want to stop the project, plain and simple!

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — A new question, Mr. Speaker. I am really sorry and shocked that the Minister of Environment continues still to allow that member to meddle in the affairs of the environment and not stand up for himself.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — I quote, Mr. Speaker, to the Minister of the Environment, from a letter which his official Mr. Walker wrote, which sets out the facts as to where this thing began and why this licence was issued illegally in the first place, and the responsibility lies over there. And here's the quote:

Our strategy has been, and will continue to be, to take the project as far as we possibly can on our own and build as much momentum behind it before we open the process up to other governments.

There can be no doubt that this government set out to proceed without adequate studies so that others would not — including the federal government — would not have a choice but to go ahead. Thankfully the court had the choice and made the decision that it did.

So I ask the minister again. Stand up as the Minister of the Environment and take a position in this House, and tell us and tell the people of Saskatchewan: will you whole-heartedly support a public inquiry and environmental impact study as is now been agreed to by the federal government, and requested by the Manitoba government, or will you continue to shirk your responsibilities?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, what this province does not need, is another dose of hypocrisy from that

party.

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, the Poplar River dam that is the coolant for the Coronach power station did not receive one page of federal environmental impact assessment. The Boundary dam at Estevan, on the Souris River, Mr. Speaker, did not receive a federal environmental impact assessment, and it didn't even get a provincial one — five hours of hearings one afternoon, that's all it got. Tell me they're interested in environment. Mr. Speaker, they want to shut down this project for their own cheap, political reasons, plain and simple.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — The applause has obviously been very well rehearsed because it's not very sincere, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Another question to the Minister of the Environment. Mr. Minister, this project was ill-conceived. This project was the use of cover-up so that the public wouldn't know what the problems are, were to take place there. This project isn't one in which, from its initiation, you took no responsibility as the Minister of the Environment. I now give you the opportunity to come clean and do your responsibility. Get up in this House and respond to my question, which I ask you for the third time: will you now stand up and give full support to the public inquiry and the environmental impact study, Mr. Minister, as the other governments have done, or will you continue to shirk your responsibility and ignore the law, which you've done for . . . (inaudible) . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, he is suggesting, Mr. Speaker, that there has been no environmental impact study. Mr. Speaker, we have five feet, five feet of volumes, Mr. Speaker, that show about the environmental impact study as compared to two or three pages on Boundary, zip on Poplar River. Mr. Speaker, yesterday that very member talked about this being a political pork-barrel and a boondoggle. Today he's talking about it being an environmental problem.

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, the critic for the Rafferty, he calls himself, the critic for the Rafferty project — that's what he calls himself in the paper — he says, oh, happy day; oh, happy day, the project is delayed for three years. Not a mention of the environment, the project is delayed for three years. That's his only concern.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — A new question to the Minister of the Environment. Mr. Minister, this was a political pork-barrel project. And as has been recorded in the *Leader-Post* today, the political strategy was about as subtle as onions on an ice cream cone.

Now Mr. Minister, I'm going to give you one more chance to show the kind of a minister you really are. Stand up and defend the requirements of the environmental laws of this country and this province, or if you're not prepared to do that, at least do the honourable thing and submit your resignation so that we can get a minister who is responsible.

Some Hon. Members: Hear, hear!

Hon. Mr. Swan: — Mr. Speaker, the hon. member makes a lot of noise. He hollers that we haven't done the environmentally proper things in this particular project.

I think if the hon. member will go back over the history of this project and take a look at the environmental impact assessment that was done; take a look at the public review opportunities that were offered by this government — and we offered not 30 days but 60 days; take a look at the board of inquiry that was established and the number of meetings that that board held; take a look at all of the meetings that were held with the United States and with the federal government and with the government in Manitoba, Mr. Speaker, there was very adequate environmental impact assessment done on this project.

I make no apologies for the work that we did, and I make no apologies for licensing the project. It's a project that is good, a project that our people need, and a project that should go ahead.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Speaker, now that the Minister of Environment has been flushed out, I will ask him the question again.

Mr. Minister, since the federal Minister of the Environment is acting on his responsibility and has called for a full-scale inquiry; since the Government of Manitoba, also a Conservative government, is now saying that there ought to be a full inquiry, public hearings, and that there not should be a reissuing of the licence, will you stand up in this House and assure the public of Saskatchewan that you will put the force, the full force of your office behind that kind of study and support it, instead of succumbing to the member, the deputy leader, who is saying that he is yet going to launch another appeal and not have this public inquiry? Will you take that position?

Some Hon. Members: Hear, hear!

Hon. Mr. Swan: — Mr. Speaker, the hon. member makes some accusations in the House today that are not factual accusations, and the member knows it. I don't know what he would do if he were minister of Environment. He probably would pour concrete over the whole project as he did over the Federal Pioneer project . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Swan: — Mr. Speaker, that's not the way that we are involved in environmental matters. We have done

a very thorough study. I am proud of the study and the review that my department staff have done. I believe that any government that had an environmental assessment staff do the amount of work that our staff did, and then approve the project, would feel confident that they had a good project. That's where I sit.

Some Hon. Members: Hear, hear!

Compensation Payments

Mr. Lyons: — Thank you very much, Mr. Speaker. Mr. Speaker, my question today is to the Deputy Premier. Mr. Deputy Premier, I noticed last night in a meeting in Estevan that you promised compensation to the contractors. I wonder, Mr. Deputy Premier, will you compensate the workers that were laid off due to your stupidity and your greed — yes or no.

Hon. Mr. Berntson: — Mr. Speaker, that member, as is usually the case, brings information to this House and waves it around with great fanfare and passes or tries to pass it off as fact. And once again, Mr. Speaker, he has done the same thing.

He said that last night in Estevan I promised compensation to the contractors. Last night in Estevan I made no such promise, nor was I even thinking of any such thing, Mr. Speaker. There may have been discussions gone on between certain contractors and officials at Sask Water or SaskPower. I have no knowledge of that.

But, Mr. Speaker, when you start asking me, when that member starts asking me if I am going to compensate the workers, it is that member that put them out of work, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Lyons: — Mr. Speaker, a new question to the Deputy Premier. Mr. Deputy Premier, the only people I'll be putting out of work after the next election is George Hill and you, sir. That's the only people I'll be putting out of work.

Some Hon. Members: Hear, hear!

Mr. Lyons: — I asked you a question. If you want to cry crocodile tears about the workers that you laid off because of your stupidity, answer this question: will you make a commitment to those workers here in the House that you will compensate them? You fired them because of your own stupidity.

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, that member, not only does he not care about the environment, he doesn't care about the workers, Mr. Speaker; he doesn't care about our ability to diversify; he doesn't care that there's a possibility that Babcock & Wilcox will not be building a plant in Melville if this Shand project doesn't go ahead; he doesn't talk about the possibility of SK Turbines losing orders to that project if it doesn't go ahead, Mr. Speaker.

That member, that member, him and the NDP, him and the NDP, Mr. Speaker, care nothing about the environment, nothing about the workers, and nothing about diversification.

Some Hon. Members: Hear, hear!

The Speaker: — Order. Before the hon. member begins to ask his next question, which he indicated he wishes to, I would just like to remind him that referring to other hon. members as stupid is not really becoming in this legislature, and you can certainly imagine what would happen in this legislature if people began to name call in that fashion. I just bring that to your attention.

Mr. Lyons: — Mr. Speaker, another question, new question to the Deputy Premier.

Mr. Deputy Premier, I've asked you twice now, and I'm going to put it . . . rephrase the same question but in a different way.

You can talk to me about the 400 dental technicians that you fired; you can talk to me about the 800 highway workers that you fired; you can talk to me about the thousands of people, including the Cory potash miners, that you fired, and the Cameco workers that you just put out of work. I'm asking you about the workers at Rafferty. You're making compensation for the contractors. Will you, sir, stand in your place in this House and promise the same kind of compensation for the workers that you and your government's greed have thrown out of work?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, I could spend quite a bit of time talking about the 700 construction jobs at the paper mill in Prince Albert and the 203 permanent jobs at the paper mill and paper cutter, Mr. Speaker; spend a lot of time talking about the 400 new jobs projected as a result of the project at Meadow Lake, and I could spend a lot of time going through that, Mr. Speaker. But instead of doing that, I just want to point out the sincerity, or lack of sincerity, that that particular member has relative to the workers at Rafferty, Mr. Speaker, relative to the workers at Rafferty.

He's not interested in compensation for those workers, Mr. Speaker. He said, oh, happy day. They're gone for three years. Whoopee! That's what he's talking about. He doesn't care about the workers at all, compensated or otherwise.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — A question to the same minister. Mr. Minister, just a little while ago you said that you did not commit compensation to the contractors involved with the Rafferty.

I have here a newspaper story from the *Leader-Post* today with . . . headline says, "Rafferty work halted; appeal planned," and that's why I asked the minister the questions which he refused to answer, the Minister of the Environment. It's an article written by Don Curren, provincial editor of the *Leader-Post*, and it is clearly stated

in this newspaper article, I quote:

Berntson said the government was discussing compensation with contractors on the project.

Mr. Minister, do you deny, do you deny that you were discussing compensation as is reported in this article, or do you say that the writer of this article is not correct in what he's saying?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — I deny it absolutely, Mr. Speaker, and the writer is right out to lunch if he says that I said that the government was discussing compensation because I did not. I have never, and I do hope, I do hope that the proponents of the project are, because you people, the NDP, in their opposition to this project, have literally bankrupt the people that were involved in the construction of that project, Mr. Speaker.

Some Hon. Members: Hear, hear!

Concerns of Wildlife Federation

Mr. Thompson: — Thank you, Mr. Speaker. I direct my question to the Minister of Parks, Recreation and Culture. Mr. Minister, your colleague from Souris-Cannington blames the wildlife federation for your government's misfortune over your badly planned dams. Mr. Minister, do you agree with his assessment?

Some Hon. Members: Hear, hear!

Hon. Mr. Maxwell: — Mr. Speaker, there's only one outfit in this province that's responsible for the debacle we're facing today, and it's those members sitting across the floor.

Some Hon. Members: Hear, hear!

Mr. Thompson: — New question, Mr. Minister, to the same minister. Mr. Minister, is it the contention of your government that the wildlife federation hasn't the right to speak out on projects, wetlands, and wildlife habitat; that it can't step in and do the job your Minister of Environment and his federal counterparts failed to do; that is, does not have legitimate concerns about the environment.

Mr. Minister, my question to you is: are you saying that the wildlife federation has not done years of good work for this province and is little more than a mouthpiece for the NDP?

Some Hon. Members: Hear, hear!

Hon. Mr. Maxwell: — Mr. Speaker, no political party in the history of Canada has had a better working relationship with both the Saskatchewan and Canadian wildlife federations than this party sitting on this side of the House.

Some Hon. Members: Hear, hear!

Hon. Mr. Maxwell: — Mr. Speaker, I'm appalled that a

member of the NDP would get up on his hind legs and even talk about wildlife issues in this province. Mr. Speaker, we, this government, brought in The Critical Wildlife Habitat Protection Act that had been asked for years by the wildlife federation. Did they do anything? Not one thing.

We're the only the province that signed up on the North American water-fowl management plan. We're the province that's in the Prairie joint venture; we're the province that's in the Prairie pot-hole project. When it comes to habitat, when it comes to wildlife, we are the defenders of wildlife, not those hypocrites.

Some Hon. Members: Hear, hear!

The Speaker: — Order. Order. Order. I would just like to remind members that perhaps if we eliminated the name calling, the questions and answers would be much better. Order. Order. Order. I'm bringing this to the attention of both sides of the House. There isn't any point in members on either side of the House to point fingers. I believe that both sides of the House at times err, and that's the substantial point, and I bring this to your attention.

Press Releases by Joytec

Mr. Koenker: — Thank you, Mr. Speaker. My question is to the Minister of Science and Technology. The minister will know that Mr. Lawrence Nesis, president of Technigen, which is Joytec's parent company, has been summoned to appear before the British Columbia Securities Commission to answer charges that between July of '86 and December of '87 he was issuing press releases which he "... knew, or ought to have known, were misrepresentations."

Now, Mr. Minister, in July of '87 when I first questioned you about Joytec's lack of production and about the VSE (Vancouver Stock Exchange) itself halting trading in Technigen because of misrepresentations, you replied at that time that you had "... every confidence in Joytec." And you also said, "I have no doubt but what that many of these machines will be manufactured in Saskatoon in the very near future, and we have no reason to be concerned at this point."

Mr. Minister, considering how badly you were suckered, do you have reason to be concerned at this point?

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Well, Mr. Speaker, the plain and simple fact of the matter with Joytec is that it was the actions of this very member and some of his colleagues that are responsible for chasing Joytec out of the province. They sometimes ...

The Speaker: — Order, order, order. Order. Order.

Hon. Mr. Meiklejohn: — In so far as Joytec is concerned, Mr. Speaker, they like to ask questions, but they never are very interested in hearing the answers. The fact of the matter is that Joytec met all of the requirements with regard to any type of venture capital money that they received. The fact of the matter is that Joytec was another

opportunity for diversification in the province, and it's also a very well known fact now, Mr. Speaker, that the members opposite are not the least bit interested in diversification in this province because of the very fact that they are responsible for helping to chase Joytec out of the province.

Some Hon. Members: Hear, hear!

The Speaker: — Why is the member on his feet?

Hon. Mr. Hepworth: — Mr. Speaker, I wondered if I could have leave to introduce some guests that are here, please.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Hepworth: — Mr. Speaker, in the gallery opposite I would like to introduce to you, and through you to all members of the legislature, Dr. Leo Kristjanson, who is the president of the University of Saskatchewan. Dr. Kristjanson has had a long and illustrious career with the university extending back to 1959. He is in town today relative to one of his pet projects, the new College of Agriculture building. He has also announced that he will be stepping down as president later on this year. It will be all of Saskatchewan's loss. He has inspired many, many, including many of us in this House who took classes from him.

I would like all members to welcome him to the Assembly here today, Mr. Speaker.

Hon. Members: Hear, hear!

Ms. Atkinson: — Thank you very much, Mr. Speaker. I too would like to welcome Dr. Kristjanson and Jean King to the Legislative Assembly as well. I've known Dr. Kristjanson for a good many years. I've probably known him since I was a small child. And I know that he has spent a lot of time working on behalf of Saskatchewan students and Saskatchewan citizens to ensure that we have one of the finest universities in Canada, that being the University of Saskatchewan.

I know that Dr. Kristjanson is leaving the presidency at the end of June. I want to congratulate him and thank him for all of the work that he's done on behalf of Saskatchewan people, particularly young people, and wish him good health and lots of happiness in his retirement.

Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 17 — An Act to amend The Change of Name Act

Hon. Mr. McLeod: — Mr. Speaker, I move first reading of a Bill to amend The Change of Name Act.

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

TABLING OF REPORTS

The Speaker: — Before orders of the day I wish to table further information regarding the Electoral Boundaries Commission report which was tabled on March 10, 1989, as sessional paper no. 7.

Order, please. Order, please. Order.

ORDERS OF THE DAY

QUESTIONS PUT BY MEMBERS

Mr. Lingenfelter: — Mr. Speaker, on a point of order, the rules of the Assembly, at least the tradition of the Assembly, is long-standing that the government has 48 hours to give answers to written questions. I wonder why it is that . . . I think this is the fourth or fifth day that we've had an opportunity for the government to reply to this question, but they have no answer to it. And I wonder whether we're changing the rules here without any consultation with the House or the Speaker because it has been a long-standing rule of this Assembly that answers are given within 48 hours.

Hon. Mr. Berntson: — In my unending desire to accommodate all members of the legislature, Mr. Speaker, rather than stand these, I'd like to convert them to orders for return (debatable).

The Speaker: — I bring the following to the House's attention. According to rule 35(4):

If in the opinion of the Speaker a written question on the Order Paper put to a Minister of the Crown is of such a nature as to require a lengthy reply, he may, upon the request of the Government, direct the same to stand as a notice of Motion for Return (Debatable) . . .

That is the rule that applies. The length of time is not applicable.

The minister in effect asked that the motion be stood. It was not granted. Therefore I heard him stand up and clearly say that he wishes to now change it for order for return (debatable) . . . (inaudible interjection) . . . That's the decision. I've just given it. The decision is that I allow it.

Order, order. Order, order. Order. Order. Would all members please be silent.

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

Motions for Interim Supply

Hon. Mr. Lane: — As we advised the opposition, these are the straight one-twelfths, without any exceptions.

Resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1990, the sum of \$336,400,300 be granted out of the Consolidated Fund.

Mr. Tchorzewski: — Thank you, Mr. Chairman.

Before this motion that the minister has made is dealt with, I want to say a few remarks on this interim supply Bill, as I know one or two of the other of my colleagues do as well.

It's not just a routine interim supply Bill, Mr. Chairman. In the past, interim supply Bills have indeed been routine. There was a time when the minister came before this House and he asked the House for some interim money to pay the bills of the government for such things as roads and hospitals and schools and grants to municipalities and non-government organizations. That's what ministers of finance used to come to this House to ask for interim supply of money for.

Unfortunately that has changed. Now this Minister of Finance, as his predecessor, come to this House and they don't ask for money for roads and hospitals and schools until later. The first thing that this Minister of Finance does is he asks for some money to pay the interest and the charges that this government has got to pay in taxpayers' money for the debt and the deficit which they have accumulated. That is a very different kind of arrangement than we have seen in Saskatchewan in the past. And it's the result of that, Mr. Chairman, that the Minister of Finance comes into this House for an interim supply Bill, knowing that even in his whole budget he does not have the kind of priority expenditures which are so sorely needed in Saskatchewan today because of the problems that the people who live here face.

Why do we have this massive debt? Why do we have almost a \$4 billion deficit on the fiscal side, the government side of the ledger. The reason is very clear. The reason we have this debt and this deficit is because of the gross mismanagement that has been imposed on the people of Saskatchewan, the gross mismanagement of the members opposite, the Premier and his two Finance ministers, which he has had since this government was elected in 1982.

What this gross mismanagement has done, it has caused taxes to increase to record levels in Saskatchewan. Health care and education and social services have been continually underfunded, and again in this budget they're underfunded. The minister comes for interim supply money, but it's not enough to meet the need out there.

Crown corporations which brought revenue to the people of this province have been sold out, and in some cases given away, but sold out at discount prices to friends of the Conservative party and to corporate interests everywhere else in this country, except in Saskatchewan.

We have the fastest-growing deficit in all of North America, and we now are operating a deficit of \$4 billion and the Crown corporation debt of \$8 billion, for a total debt in this province that the people have to carry, and future generations will have to carry, of almost \$13 billion.

And so the Minister of Finance comes here today, first of all, for some money to pay the interest to the financial

institutions of Montreal and Toronto and New York and, indeed, in Tokyo where he has borrowed money, before he even can begin to provide money for schools and for hospitals and for other kinds of needs in Saskatchewan.

Mr. Speaker, this increase in the debt of the province is an increase of 600 per cent since 1982, from \$3 billion, which was more than manageable, and all of it income-earning debt and self-liquidating debt, to \$13 billion, most of which is no longer self-liquidating debt and which will have to be paid for by taxing the people of Saskatchewan.

What a sorry situation we're in because of that now. In seven short years — in seven short years — this government's financial mismanagement has brought economic ruin to this province.

(1445)

Let's look at the record: 1982, according to the financial report of the former minister of Finance, the member from Kindersley, a paper which he signed, this province had a surplus of \$140 million — that's when this government took office — a surplus of \$140 million. And our young people were working and our elderly were cared for and we didn't have the kind of waiting lists in the hospitals we have today, and university students weren't turned away from universities because there wasn't enough space for them.

Well, you know, that has changed, and so the Minister of Finance comes begging for more money to pay the interest on the debt, because in 1983 he started, or his predecessor started, with a deficit of \$227 million. And he said that by the time that there comes the next election, there will be a balanced budget.

Well what do we have? We have an accumulated deficit of \$3.9 billion, and that's why we can't — the minister can't — come to this House and ask for sufficient funds to provide enough money for health care and education and the farm communities out there and the farm families who are hurting and every day are being foreclosed on by the Premier as the Minister of Agriculture.

He plays some very interesting games. To hide the incompetence of his government, he cooks the books and he does not provide the true numbers about what the deficit is really about. Somehow, even though the price of oil has been increasing and continues to increase, he is showing revenues from oil of only something like \$171 million.

Last year he showed revenues projected to be something close to \$300 million, and the oil prices were lower. What is going on? Is it because he is hiding something from the taxpayers of Saskatchewan, or is it because there are so many oil companies out there who are taking advantage of the oil royalty holiday that the minister's revenues have dried up because of that give-away?

And so when he comes to ask more money to pay for the interest charges that he has to pay because of the debt, he's finding it even more difficult to get the revenues that he needs because some sectors of this society are

favourites of this government — and they aren't the common farm families and the common working people and the poor and the students. They're not them; they haven't benefitted. But those oil companies sure have, to the tune of billions of dollars which the people of Saskatchewan will never, ever again be able to have claim to, because it's gone. The money is gone, invested somewhere else. The oil is gone; we can't have it again. And unfortunately the jobs are gone too, because they've not employed the kind of people that they did at one time.

Mismanagement, Mr. Chairman, is what's caused the problem. No, the government blames the weather. They blame the world conditions. They blame previous governments. We heard all of that in question period today. It never looks to itself for its own economic mismanagement as the cause of the problem, but it is the cause of the problem.

And what is the result? Sixteen hundred more people left this province than moved here in the month of January alone — 1,600 net out-migration. Our population is going down, and they're saying they're creating jobs. At this rate we're going to lose 20,000 people in 1989. In February alone, Mr. Chairman, this province lost 6,200 people, mostly young people, in net out-migration because this government has mismanaged the economy here, and there is no future for them here, and they have to go somewhere else to find it.

Oh, they were lofty words of the Premier back in 1982 when he said, we're going to bring the children home. That is still remembered in Saskatchewan — those great words about how we're going to unite families, the Premier said.

What happened to that promise? What's happening to our families? I can go in my constituency, I can go in any constituency in Saskatchewan — and most of us in this side of the House have been in many — and everywhere we find people and families who say that a son or a daughter or an uncle or an aunt has had to go somewhere else because there is no job for them here in Saskatchewan.

Does the Minister of Finance come with this interim supply Bill to ask for more money to create jobs? Of course not. His budget, which he presented just not too many days ago, slashed the funding for the creation of jobs for young people and students by 20 per cent. One thousand fewer jobs he's going to create in this budget than he did in the last one.

That flies in the face of all the reality. That flies in the face of the reality that people are finding by the thousands that they have to go to another province somewhere else to make a living. It's hard to understand how any government of any political stripe could be so insensitive to those kinds of statistics and those kinds of realities.

Oh, the Minister of Finance said, but there isn't any money; there just isn't any money; times are tough. Well if that's the case, Mr. Speaker, then I ask the Minister of Finance to explain: why is there money for all kinds of former Conservative cabinet ministers and members of the legislature and members of parliament who have

been defeated, but are now living off the payroll of the Government of Saskatchewan, which the taxpayer has to pay.

If there isn't enough money for our children and our students and those people who want jobs, why is there enough money to pay huge salaries in patronage payments to all of those Conservative politicians that the public in elections has rejected? What kind of priorities are those — what kind of priorities are those?

Nobody can believe the arguments opposite from the minister or the government when there is those kinds of comparisons which can be made. If there is no money, Mr. Chairman, to fund adequately schools so that six schools in the Catholic system in Regina wouldn't have to close, if there isn't enough money to help farm families who are struggling and every day some of them are having to move off the farm and rural communities are being depopulated, why is there enough money for the minister to come to the House today and ask for an interim supply to pay Dome Advertising millions of dollars to do advertising for the government, political advertising to sell things like the privatization schemes which they have which the public is saying they don't support? Why?

Why is there enough money to have a \$9 million birthday party in 1990? The Minister of Finance comes here without any credibility when those facts are there. They have wasted, they have squandered, and they have blown opportunities which Saskatchewan faced — and the latest example is what's been happening this week — the travesty, the tragedy caused by mismanagement and incompetence which we see happening at the Rafferty-Alameda dam.

There was money for that project; there was money for that project. The government claims, the Deputy Premier claims that he has spent in excess of \$30 million without first making sure that all of the legal requirements that were required for that project to proceed were met.

Oh, he will say, ah, but there was a licence. The province issued a licence. The federal government issued a licence. But the fact is that the federal government's licence was manipulated. It was manipulated by this Conservative government and by the Premier because he wanted that project in his constituency regardless of the costs. And so the federal court has ruled that that licence was issued illegally, and now this government, because it tried to railroad that project through, thinking if it went far enough nobody would dare challenge it, has now put at risk and at jeopardy, tens of millions of dollars of taxpayers' money, all because of the desire for political pork-barrel*. Money wasted, lay-offs have now happened, environment has been put at risk, and the Minister of Finance comes now to the House with his interim supply Bill to help to pay for some of those costs.

And the deputy leader complains about the jobs lost. Well where was he, where was the Minister of Finance, where was the Premier when they jointly decided that over 400 dental nurses would be fired and a profession destroyed, all because they wanted to privatize the children's dental plan? Why didn't the Minister of

Finance come to this House and ask for money to continue that program?

Where was he when 400 highway workers were fired, all for the sake of this misguided madness that they call privatization? Where was he when a hundred workers were laid off by Cameco, all in the name of privatization? Or when families of workers who used to work at Cory were losing their homes because they couldn't meet the mortgage payments, because this government caused many of them to be laid off, why didn't the Minister of Finance come and meet those needs and those requirements?

You see, Mr. Chairman, the reason that we face the kind of economic problems we face today is because of this mismanagement, because of corruption, and because of patronage. And it's so obvious. Everyone in Saskatchewan knows it, and everywhere you go people are talking about it.

And I think that the reporter who wrote in the *Leader-Post* today captured it very well when he wrote on the story of Rafferty, and the headline said, "A pointed lesson on the politics of expediency," and then went on to say:

... the political strategy for the construction of two dams in the Souris River Basin was about as subtle as onions on ice cream.

That's how subtle it was. But they thought they could get away with it. Well they are not getting away with it, Mr. Chairman. You cannot continue to get away with it without the people and the voters knowing it, and that's why all over Saskatchewan more and more and more people — and it's a majority now — are saying, it's time for a change. And they're determined to have it.

Now the Minister of Finance doesn't come to the House today to ask for interim supply money to create jobs where you can really create them, in the small-business sector. He comes because he's got to provide money for Dome Advertising, \$45 million in *Public Accounts* is recorded; \$30-some million for the fiasco in Rafferty. At one time he came for \$20-plus million for Peter Pocklington, but in his budget he has nothing for the small-business community which is struggling out there.

And did you know, Mr. Chairman, because I know that all over Saskatchewan it is known by the small-business people, and I want to quote you a statistic here from the Canadian Federation of Independent Business. It was a pre-budget submission to the Government of Saskatchewan in January of 1987 in which they said that today over 75 per cent of new jobs are coming from small business. That being the case, Mr. Chairman, why did not the minister come forward in his budget, and therefore today in his interim supply Bill, with some measures to support and assist the small-business community so that they could survive and thrive and grow and create these 75 per cent of the jobs which they do in this province of Saskatchewan.

The budget is inadequate, and therefore the minister's requests here are inadequate. All that they can think about, and they are obsessed by it even though they know

the public is rejecting it, is privatization. They want to take the power corporation and they want to get rid of it. They are ignoring all of the facts of history, all of the traditions of this province which say that the reason we have a power corporation headquartered in Saskatchewan, the reason we have electricity to farms even in isolated parts of Saskatchewan is because we had a Crown corporation that did it.

Now they want to discard all of that and give it away and give up on those traditions and let some people who will not be residents in Saskatchewan tell us how it ought to be done. And we reject that, Mr. Chairman.

(1500)

Now, Mr. Chairman, I could say an awful lot more about what is lacking in this budget and therefore what is lacking in this interim supply Bill. And the opportunity I know will present itself on many occasions in estimates and in the consideration of the minister's own estimates, but I wanted to make these points here today because I believe, and the people of Saskatchewan believe, that in many of the things that this government is so ideologically committed to, they have gone too far.

And I know that simply making speeches by myself and my colleagues, it may not stop them because they're dug in and they're blinded and they're blinkered and they're going right ahead in spite of the damage that they may cause. But hopefully, if enough people stand up in this House and in the public, it may at least slow them down till the public has an opportunity to boot them out and elect a government that cares.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — A government that cares about Saskatchewan; a government that cares about good management; a government that cares about young people and making sure that they have a future here in this province and don't have to go somewhere else; a government that cares about farmers and farm families every year, and not just in election year.

And I wanted to make those points, and I'm sure that there are other members on this side of the House which will make other points on this. And therefore at this time I will take my seat and let them speak as they wish to do.

Some Hon. Members: Hear, hear!

Mr. Thompson: — Thank you, Mr. Chairman. I want to take part today in the debate on the interim supply Bill. The minister has brought forward this Bill asking for one-twelfth of the budget, and I want to point out just where this one-twelfth of our budget is going.

It wouldn't be too bad, Mr. Chairman, if we were in here and passing a supply Bill for one-twelfth of \$4 billion if it was going for a good use, if it was going to build roads and to create jobs and things like that.

But let's just take a look at where most of this money is going, Mr. Chairman. We now have a debt in this province, an accumulated debt of \$4 billion. We have

accumulated a long-term debt that is now up to \$13 billion, and when you take a look at the amount of money that we are putting in on interest rates, you can just see where this money is going. It's not going to create jobs, and it's not going to build hospitals and schools. It's driving the province backwards.

When you take a look at the fact that we're paying over \$381 million a year, that, Mr. Chairman, is over a million dollars a day just on interest on the money that we owe in this province. Just imagine what we could do with a million dollars a day if we were to take and put 10 days of that into northern Saskatchewan where I live, and into the constituency that I represent.

An Hon. Member: — Or five days of that into university.

Mr. Thompson: — Right. We are paying over a million dollars a day in interest on the debt that has been created by the mismanagement of the Tory government.

When I take a look at the high unemployment rates in northern Saskatchewan, Mr. Chairman, some of the communities that we have, with local residents the unemployment rate is running up to 90 per cent. Now you just stop and think of that. Ninety per cent of the individuals who are unemployed up there and can't get work because of the mismanagement of the Conservative government — a Conservative government that is spending \$100 million a day just on interest.

Now if we were to take a few of those days and put that money into building roads up in Saskatchewan . . . but here's the difference between a Conservative philosophy and a philosophy that the New Democrats had. We had the Department of Highways, and they built highways and they built roads in northern Saskatchewan, and they hired individuals from all over this province. But in your wisdom, in your government's wisdom, Mr. Chairman, they decided that they were going to get rid of the Department of Highways. They were going to fire off all the workers and put them out in the private sector. Now they're starting to build a road — they call it a road — and that's going from La Loche to McMurray, and we could get lots of publicity. We have a report that's put out by the minister who is charge of northern affairs and she talks about, the member for Maple Creek, she talks about the construction of the La Loche road towards McMurray. And she goes on in other places in this document and she talks about that road.

Well if you look in the highway array, Mr. Chairman, you will not see anything mentioned in the highway's array that there is ever such a road that's being built. And how are they building it? Well they're not really building a highway. And if you're going to put a major artery between Alberta and Saskatchewan, especially been Fort McMurray and La Loche, then you most certainly shouldn't be building a road, you should be building a highway, and it should have a highway top and it should be paved.

Nothing in the Highway's plans, nothing in the array. But what do they do? They put some more money . . . this is why they're in here today asking for another twelfth of the budget so that can provide welfare jobs. Some of those

workers will work for seven weeks, some of them will work for 20 weeks. And what are they doing? They're cleaning brush, putting in the so-called road that the minister talks about in here.

The La Loche road — she goes on again:

The road for La Loche is under construction by the people of La Loche themselves. I will be announcing more on this project, and I guarantee that this road will benefit the people of La Loche more than another social program will.

They're proud of the fact, Mr. Chairman, the Conservatives are proud of the fact that they provide these welfare jobs. They're not up there trying to give any security to the people of northern Saskatchewan. What they are doing, they are going out . . . sure they talk about building an artery between Alberta and Saskatchewan and they're doing it on the backs of the social program with welfare recipients.

Regional development. The Premier of our province went down to Ottawa and he said, we have to recognize that there are regional differences in Canada and regional differences in our province. Well I say that is right, and northern Saskatchewan is a region that is different than the rest of this province and different than the rest of Canada. It's isolated. It's a long ways from services, and we have to treat it that way. But that's not being done by this government. They are creating the welfare jobs so that they can get enough stamps to go on UIC (Unemployment Insurance Commission). They go on UIC, back to welfare. Well what security is there in that? Absolutely nothing.

Another item I want to touch on, Mr. Minister, Mr. Chairman, and that is the gas tax that has been announced in this budget. And now you're asking for more money, and I'll tell you, you're taking a lot of money from the citizens of Saskatchewan, Mr. Minister of Finance, and you're not returning the money as you indicated it would. Some of the outlets in this province indicate that up to 90 per cent of individuals who come in for gas do not pick up their receipts.

Now you got elected on a campaign that you were going to eliminate the gas taxes in this province. Then you reintroduced the gas tax and you create this bureaucratic nightmare where you have to keep your receipts and turn them in at the end of the year and get a refund. And as I indicated, a lot of drivers in this province are not saving their receipts and are not collecting that refund. Now what you do, you add another 3 cents on, and to go even further, you add 5 cents to regular gas and only 3 cents of that is refundable. And I say to you, Mr. Chairman, and through you to the Minister of Finance, that this most certainly is another tax that is geared to individuals who drive older vehicles. That's who this tax is geared at.

And they call it a surtax, an environmental surtax. I say that it's not an environmental surtax but it's a tax on individuals who drive older vehicles in our province. That's what I say this is. And this is a real nightmare. And you go up into northern Saskatchewan where you're paying 60 cents a litre, Mr. Chairman, in many of those

communities — 58, 60 cents a litre for gasoline — that counts up. And now they've just thrown up their hands, so many of the citizens of this province. And this is another tax grab. Absolutely, that's all you can say; it's another tax grab.

And I think that this has to come to a stop. We have to put a stop to the tremendous deficit that we have in this province. Wherever I go in this province, individuals are saying, when is this going to come to an end? When are we going to see a stop to the taxes on gasoline and cigarettes, on liquor? You just name it, and those taxes are going up, and individuals are upset about this. And I just say to the people, well, we're just going to have to wait until the Conservative government decides to call an election. And every one of them says, the sooner the better.

And I say to you, Mr. Chairman, in all fairness, that when that election is called, I'll tell you, there is not going to be very many members from that side of the House that are going to come back.

Some Hon. Members: Hear, hear!

Mr. Thompson: — You might think that this gas tax that you've been putting on is not impacting on the voters out in Saskatchewan. But coupled with the deficit that we have and the way that you are taking rights away from individuals — and I could go on, especially in northern Saskatchewan, the way the minister in charge of Parks and Culture and Recreation is taking away those rights — the citizens of this province are saying that they are going to turf you guys out just as soon as they get the opportunity.

But I say in all sincerity to you, Mr. Chairman, that you've got about 23 members on that side that won't be running again in the next provincial election. And what those 23 members are doing, especially the few members in the cabinet front benches, they are the ones that are taking members like yourself, Mr. Chairman, down the garden path.

And I think that it's time for you to stand up and the member from Nipawin to stand up and the member from Redberry to stand up and put a stop to this. There has to be a stop to what's taking place, because maybe they don't have a political future in this province. And I know that and so do you. I'm not saying this about you, Mr. Deputy Chairman, but the rest of the citizens in this province, they know that there's no future for the Conservative Party.

And I say that to some of the back-benchers who are on their first term, it's time to stand up and speak out against the individuals like the Minister of Finance, who will never be running again in another election in this province. And that's a fact of life. You just watch what's going to happen. At least 21 to 23 of those front-bench members and scattered in the back will never be running again in the next election because they know full well what's going to happen.

And I say to you, Mr. Chairman, and I say to those back-benchers, and I say to the member from Thunder

Creek, in all sincerity, that it's time to stand up and to start fighting for the citizens of this province and not continue down this path of destruction as we see in the budget that we have seen this year and the way this government has operated in the province.

I have some other of my colleagues that want to speak on this Bill, Mr. Speaker, so I'll turn it over to them.

Thank you very much.

Some Hon. Members: Hear, hear!

Mr. Upshall: — Thank you, Mr. Chairman.

I thought I'd just wait for a minute to see if any of the hon. members on the other side would want to get up and defend some of the spending actions, but I see they don't, so I will take my turn.

Mr. Chairman, I just want to go through some of the things that have happened in this province, that are happening and have been happening over a period of time, just to illustrate how the funds appropriated by this government are not being used.

In the agricultural sector, during 1988 there were 1,245 notices of foreclosure filed by the Saskatchewan Farm Land Security Board — double the rate in the previous two years. And the Farm Land Security Board predicts 1,500 this year. The number of bankruptcies then, in the whole province's economy last year, was 1,236, the highest since 1971, the last year of Ross Thatcher.

And many of these bankruptcies, Mr. Chairman, were in small towns, the small towns who are so heavily dependent on the rural economy, the agricultural economy in Saskatchewan. Twenty-four rural hotels were either closed or repossessed in Saskatchewan during 1988 — 24 rural hotels. In many cases, these were hotels were the hub of activity, of the social activity in rural Saskatchewan.

(1515)

In 1988 the number of farm bankruptcies was six times that of 1981 — six times 1981.

And then we see how this converts into the holding of land in Saskatchewan. For example, the Royal Bank tripled its holdings of farm land in Saskatchewan in the 12 months prior to the end of October 1988 — tripled its holdings in 12 months. It now holds 120,000 acres in this province, and the Farm Credit Corporation admits to holding about 420,000 acres of Canadian farm land, and says it'll be getting another 200,000 by the end of March, that we've just passed.

And then there's the whole question of interest payments, which this government has not been defending in Ottawa. We recently had the eighth jump in the prime rate in less than a year. The increase amounts to almost a 4 per cent increase since the spring of 1988. And if a farmer was going out to buy a half-ton truck, that would mean an increase of about a thousand dollars on that new half-ton truck.

So the land values are declining, the institutions are taking land, the foreclosures are increasing, the bankruptcies are increasing — that is providing for a pretty depressed rural economy. And it is the fault of this government that that has happened.

The provincial economy, most dependent on agriculture, shrank by 4.3 per cent in 1988. The number of people migrating out of this province, compared to the number of people coming in, is a negative number — about 16,000 last year and, as we know, this year many thousand ... over 6,000 in the month of February alone.

So what's happening? In 1981, 23 per cent of farmers were under the age of 35. In 1986, this level had dropped. There were 67,000 farmers in Saskatchewan by 1986, and we're losing them at a rate of about a thousand a year. That's because this government is not acting like it is talking. They say they're going to defend, go to the wall for farmers, but they are not doing it.

Family farms in Saskatchewan have declined, but — this is interesting — the corporate farms have increased. Under a government who's saying, the family farm is the most important thing; we have to look after it, the number of family farms are declining, but the number of corporate farms are increasing. Isn't that an interesting phenomena for someone who says that the upstanding citizens looking after their family farm.

Since January 1985, 36 smaller rural post offices in Saskatchewan have been closed, another 22 downgraded to the retail postal outlets, and also another 46 post offices are presently under review, and we all know that they are going to be downgraded or closed as well.

And here's another interesting little fact that has taken place because of the misspending, the mismanagement, the misplaced priorities of this government. During the past five years approximately two and a half million acres of land have changed from that of ownership to rented status. That amount is two and a half times what there ever was under the land bank program. The amount of rented land has increased 2.5 million acres from a government who's big push is that we're going to have privatization and we're going to have individuals do it.

And under their scheme, despite the words they're saying, we are losing that ownership of our land. We're losing it to the institutions and the government agencies who are foreclosing, led by the Premier of this province, the biggest forecloser, to a state where we see the number of rented acres going way up. Farmers who would like to own their land are not being able to own it because of the misplaced priorities, the lack of spending, the lack of direction, the lack of communication, and the lack of effort by this government to save them.

As was being said earlier, Mr. Chairman, this budget shows that we are spending over a million dollars a day to pay the interest on the debt — over a million dollars a day. Can you feature that every family, when they sit down in the morning and when they go to their breakfast table, has to throw a dollar in the pocket of the Finance minister.

Every person has to throw a dollar into the pocket of the Finance minister every day because he's doing such a wonderful job of managing this province, such a wonderful job of keeping the economic affairs in order for the people of this province, that a million dollars a day — a dollar for every person in this province — has to be ante'd up every day of the year in order to pay for the person's mistake who they honestly elected to do a good job for them.

And you think they don't feel betrayed, Mr. Chairman? You don't think they feel betrayed by the Minister of Finance and the Premier of this province, who they in good faith put in to manage the affairs? And now every day every man, woman and child in this province — and add a few extra dollars — have to put in a dollar, 365 days of the year.

Another interesting thing. The amount of money spent on interest charges because of the deficit this province is in is equal to about twice the dollars they're spending in agriculture. They're spending twice the amount of money servicing the interest on their debt that they have accumulated through poor judgement, poor management and, I would say, personal gain in many cases. They're spending twice as much money on that as they are in the Department of Agriculture.

And we wonder why we got foreclosures; we wonder why we have bankruptcies; we wonder why we have land going from owned to rented status. Is there any question, Mr. Chairman? Because this government through mismanagement has to spend twice as much money on servicing the interest debt as they do on agriculture. An interesting phenomenon coming from a government who was going to the wall for farmers.

Mr. Chairman, between 1982 and '87 the provincial gross domestic product increased 26, between '82 and '87. But between 1977 and 1982, that same gross domestic product increased 83 per cent, or five times that of the Tory government. And they blame us for the problems they're in. Isn't that a little ironic.

Between 1977 and 1982, total personal income in Saskatchewan jumped 98 per cent. But between 1982 and '87 it went up only 35 per cent. And they say they're the management of this province, doing a great job.

Between 1977, Mr. Chairman, and 1982, Saskatchewan's exports rose 95 per cent; our Saskatchewan exports between '77 and '82 rose 95 per cent. In 1987 Saskatchewan's exports were only 3 per cent greater than 1982. In the five years previous they rose 98 per cent, 95 per cent, and a year later at '87 they were only 3 per cent. This comes from a government who is saying that they were open for business; they're going to make things thrive in this province because of the way they manage the economy, because of the way they spend their money.

In the previous five years before 1982, Mr. Chairman, the gross domestic product for agriculture at a factor cost rose from 1.3 billion to 2.2 billion. Between '82 and '87 the level of manufacturing increased. The previous five-year interval, when we were government, the level of

manufacturing increased even greater.

We talk about who can manage. From 1977 to '82 investment income rose 244 per cent, Mr. Chairman — in the five years previous to '82. But between 1982 and 1987 investment income increased only 17 per cent. So in the five years previous, when we were government, 244 per cent increase in investment; and between '82 and '87 when the Tories were in government, a 17 per cent increase. These are the guys who were going to open us up for business.

In 1982 there were 2,800 unemployed people in Saskatchewan, and by 1987 it had risen to 3,600. For 1988 Saskatchewan's employment level is down 2,000 from the previous year. That's the people who are actually working.

In employment opportunities there has been a decrease in the rural areas. In the rural areas that these people are supposedly representing, there has been a decrease in employment. Between 1986 and 1988 the number of new business incorporations declined. The number of new business registrations decreased. At the same time, the number of bankruptcies rose to 453. And according to the report from the National Council on Welfare, Saskatchewan had the second-highest poverty rate among the provinces, the second-highest poverty rate in Saskatchewan.

The family poverty rate for Saskatchewan was 16.4 per cent. This was exceeded only by Newfoundland at 21.2 per cent. For individuals, Saskatchewan's poverty level was 19.8 per cent. This was exceeded only by Newfoundland at 22.8 per cent. So, Mr. Chairman, I have pointed out some of the numbers as a comparison between . . . before 1982 and after 1982.

And the reason that this government, one of the reasons they say they got elected was because they were going to manage the economy in such a way that we'd benefit, the people of this province benefit. And we see all the negative impact that has resulted from that. And I say they deceived, they betrayed, they did not tell the truth to the people of this province.

And they have the audacity, after all this is said and done, to turn around and spend \$9 million on a birthday party.

An Hon. Member: — A farewell party.

Mr. Upshall: — A farewell party. I wish it was, and I'm sure it will be.

And just today, earlier today, the government was blaming our side of the House, the NDP, for everything that ever happened. But the only thing that I will take the blame for is defeating this Tory government, because that is what has to happen in order that that Minister of Finance and that Premier of this province are stopped in their tracks with their unwillingness or incapability to manage the affairs of this province in such a way that the people prosper.

They're hidebound on privatization, which will take more money out of the coffers, from the corporations that

put money into the treasury of this province in order that we can keep the taxes down. They're going to get rid of those, especially the profitable ones. So the people are going to lose again.

So, Mr. Chairman, I think that this appropriations Bill has to be used in order to turn around the economy in ways that benefit the people. Not in ways that benefit the Tory party. Not in ways that benefit the Premier and his riding of Estevan. Not a way that benefits the Deputy Premier in his riding. But that's what they're doing, the self-preservation tactics, and let everyone else go.

So, Mr. Speaker, I will close by saying, on behalf of the people of this province, I would challenge this government to try to turn around its arrogance, try to turn around its incompetence, try to turn around its mismanagement. It's a tough thing to do to say I was wrong; I made a mistake. But on behalf of the people of this province, I would ask you to say yes, we were wrong and we will change some of those things.

Thank you, Mr. Chairman.

Some Hon. Members: Hear, hear!

(1530)

Mr. Brockelbank: — Mr. Chairman, I had not intended in taking part in this debate on interim supply, and as a matter of fact, Mr. Chairman, I held my seat, I held my seat as long as possible to allow a member from the government side to rise and defend the record of this government.

The Minister of Finance introduced these resolutions with brief cursory remarks, only the remarks necessary to get the resolutions before us. No defence of his position. Since that time two or three members on this side of the House have spoken on the interim supply resolutions that are before the House. Not one member, not one member on the government side has risen to defend this deplorable record of this government, which culminates in this budget for which the Minister of Finance is asking for interim supply at this time.

This government over the years has been wrong, wrong, wrong. And further, they're masochistic. Every time interim supply comes in, this government has to take a beating, because they deserve a beating on how they've handled the finances of this province.

There is a time-honoured tradition in the British parliamentary system which we follow — hundreds of years old. This tradition is called "grievance before supply." In days gone by when the monarch wanted more money to conduct the affairs of state, he called the commoners together, and the commoners had such strength that they made their monarch listen to their grievances before they would supply the monarch with more taxation by which the monarch would fight the wars and spend in whatever way he saw fit.

This is the stage we're in now with this minister. He has demanded more money; he's demanded money to run the affairs of the province of Saskatchewan. It is our

opportunity to bring forward any grievances we might have before we supply that minister with money. Obviously, if we're going to supply the minister with money, we should have reason to supply him with further funds, or we should state the reasons why we can't supply him with further funds, and that's what we're doing now.

First, let me deal with the broken promises of this government. This government said, we will remove the sales tax; we will remove the sales tax in the province of Saskatchewan. Now they've had seven years to do that, Mr. Chairman, and they haven't done it. As a matter of fact, they've increased the sales tax by two percentage points — two percentage points — which bears on all the families of Saskatchewan, all the municipalities of Saskatchewan, all the people of Saskatchewan.

They said they would remove the sales tax. The revenue that they're raising is an extra \$27 million this year in sales tax. They said they'd remove it. It's reached a high in this budget of \$503 million — this is just the sales tax, Mr. Chairman. An increase of 27 million to a high of \$503 million this year — a broken promise.

This government said solemnly to the people of Saskatchewan, we will lower income tax by 10 per cent. Have they carried out their promise? The answer is, clearly, no.

They have added a new flat tax. Now one of the members on the other side wants to get into the debate. He's had four opportunities to get into the debate, but he's debating from his seat. He's debating from his seat, Mr. Chairman, because that's the only place this government dare debate from on this issue, is when they're sitting on their seats in the legislature where they can't be recorded. We want to hear these members get up and defend themselves, defend this Minister of Finance and this Premier against this budget. They dare not rise; they dare not rise.

What this government has done, rather than lower income tax by 10 per cent, has added a brand-new flat tax — the brand-new flat tax. Sales tax and individual income tax have risen since 1982. Understand, Mr. Chairman, this is by a government that has said it would lower income tax. Sales tax and individual income tax since 1982 has risen \$560 million — \$560 million. At the same time, corporations in Saskatchewan on January 1 of this year had their corporation tax lowered from 17 per cent to 15 per cent. Gives a clear indication of where the priorities of this government lie in Saskatchewan.

The greatest promise this government made is that they will never put on a gasoline tax in the province of Saskatchewan. Well clearly, Mr. Chairman, they have. They try to fudge the issue. They say, oh, no, no, we're not putting on a gasoline tax, you know, it's all refundable — it's all refundable. Well they've put on the gasoline tax, and of this gasoline tax which they said they would never put on — never put on — this budget plans to take in \$204 million on a tax that they would never put on.

Since they said they would never put this tax on, by their very own devices they have taken in an aggregate amount of \$390 million on a gasoline tax which they said they

would never put on.

How does this gasoline tax, Mr. Chairman, affect the people of Saskatchewan? Well it affects them in many ways. Take the city of Saskatoon, which I have the honour to represent in this Chamber, the price of fuel will cost Saskatoon an additional, unaccounted-for \$170,000 in its 1989 operating budget — \$170,000 more shifted from this government on to the people of Saskatoon because this government would never bring in a gasoline tax. Never do that; they solemnly promised that.

In addition to that, the amount that the city initially expected from the provincial budget is down by about 300,000. It's down \$120,000 in a smaller grant from the revenue for the revenue-sharing pool than was expected. So this government has managed to give the city of Saskatoon the triple financial whammy in this budget. And I would admit openly that the city of Saskatoon is probably in pretty good economic state, and at least, compared to this Government of Saskatchewan, it certainly is. It's one of the bulwarks of the province of Saskatchewan, the city of Saskatoon.

Well another anomaly in this budget is that the gasoline tax shows a \$56 million increase this year in revenue, in a tax they said they would never put on — a \$56 million increase in revenue. But the Department of Highways budget is only increased 13.5 million. They're taking in \$56 million, but they're only putting out 13.5 into the Department of Highways. And Heaven knows, the people know what condition the highways of Saskatchewan are in. You only need to travel between Saskatoon and Regina to find that out in spades.

City of Saskatoon, as a consequence of this triple whammy budget from the province of Saskatchewan, is just going about setting their mill rate, and the city of Saskatoon is going to present their ratepayers with about a \$60 package increase on taxes. Public school: \$32, I understand, is the figure just announced the other day. And an official of the city of Saskatoon, when asked, why is this increase here? he said, it's due to the budget.

And the consequences of this is that the public school board will hire less teachers than it planned to hire. So you see here how the economic mismanagement of this government is cutting into the education system of the city of Saskatoon and, I suspect, education systems all over the province of Saskatchewan.

The city of Saskatoon will slow walk repairs and maintenance that are warranted and justified; they'll just slow down on them. So every ratepayer in Saskatoon, on average, will get an increase of \$60 in their taxes due to this government's economic mismanagement of the province of Saskatchewan.

The consequences of the economic mismanagement of this government show itself in other areas as well. The unemployment rate is climbing in the province of Saskatchewan. Unemployment is probably the number one issue on the minds of people of Saskatchewan. I think if you go out and ask the people, by and large the first thing they mention will be unemployment.

And this is not foreign to the city of Saskatoon, although their statistics are reasonably good, but the city of Saskatoon jobless rate is again crested at over 10.9 per cent. This is the . . . I'm reading from a news release of April 11:

Saskatoon's unemployment rate rose to 10.9 per cent in March, up one percentage point from the February rate of 9.8, according to the latest figures from Stats Canada.

So the unemployment . . . Saskatoon has to cope with the higher unemployment rate due to the economic mismanagement and missed opportunities by this Government of Saskatchewan.

The overall effect of the economic mismanagement of this government in the labour scene is that Saskatchewan's labour force has decreased by 6,000. This is 10,000 lower, this is in February 1989, and this is 10,000 lower than in February 1988.

The number of persons employed in the province of Saskatchewan is 12,000 less than the number employed in February 1988, just one year ago. The number of persons employed is down by 12,000.

There were 43,000 people unemployed in Saskatchewan in February 1988-1989 — 43,000 unemployed. That is 2,000 higher than the number unemployed in February of '88. So the number of persons unemployed has gone up by 2,000 people under this economic mismanagement of this government.

This is a sorry state of affairs for which this government in due course will have to answer to the people of Saskatchewan. For the time being, there is little that we can do except offer our grievance to the government before they are supplied with the finances to carry on the necessary commitments of the province of Saskatchewan.

I am concerned because some of the fall-out from this kind of economic mismanagement will have a serious social effect in the province of Saskatchewan. I'm referring now to, "A dramatic drop in housing starts forecast in city," and this is an article from the Saskatoon *Star-Phoenix*:

Residential construction starts in Saskatoon will fall 29 per cent this year, compared with 1988, says Canada Mortgage and Housing Corporation. Starts are forecast to decline to 1,050 units, says the spring report.

The record of this government overall has been very spotty in the area of housing. The highest housing starts in Saskatchewan under this government occurred in 1983, and I dare say that it will never reach that peak again under this government. In 1983 there were 7,269 housing starts. Now this doesn't compare favourably with pretty well any year you pick under a New Democratic government which preceded this one. You know, the housing starts in 1974 were 7,684; in '75 they were 10,505; in '76 they were 13,143; in '77 they were 12,825 — all higher than the highest this government has had

which has been 7,269.

There's another year there, the housing starts were over 9,000; another year over 11,000, another year over 6,000.

But this government has gone steadily down, which is a key indicator, a key indicator of how the economy is going in Saskatchewan. It dropped from 7,200 to 5,000 — 5,000, 5,000, 4,800 — 3,902 in 1988, which is a preliminary figure, and the housing industry is predicting it's going to be a bad year. Interest rates tell us it's going to be a bad year. This government's performance tells us it's going to be a bad year.

You can measure how well Saskatchewan was doing by the kind of equalization money they get from the federal government. It took a CCF and New Democratic government many years to pull this government out of the financial mismanagement hole that a Liberal government got it in. We finally got into the position, through careful and prudent management of the taxpayers' dollar, where we were out of the hole. We were not a have-not province; we weren't receiving equalization transfers, but in fact we were contributing to the equalization pot.

Those were good days in Saskatchewan. The people of Saskatchewan held their head up high. They were proud to be part of Saskatchewan. But here we have this government, in the last three years, what are the equalization payments from the federal government? Well this year, 440 million; last year 360 million. That's an increase from last year to this year of about \$85 million, indicating that we're on Canada welfare. This government has us on Canada welfare. The year before that it was 303 million.

So this government, through its actions, its mismanagement and direction, and the economy and the direction of it in Saskatchewan, has put us in the position that we are now beggars to Ottawa. We are now beggars to Ottawa.

It caused me some concern today, and it must have taken a lot of courage from the member opposite to rise in this Chamber and introduce president Leo Kristjanson from the University of Saskatchewan. I've known Mr. Kristjanson for many years, and perhaps all of us have — a person who struggled through difficult times with this government in its budgeting to attempt to keep this university, the University of Saskatchewan, as a first-rate university in Saskatchewan, in Canada. It's been difficult. And it was a sorry day when president Kristjanson visited this Chamber the day when interim supply is being granted, when we're discussing the estimates of this government.

It's interesting to note what president Kristjanson's feelings are about this government. Quoting from the *Star-Phoenix*, April 1, '89, "U of S woes said ignored in budget." This is a headline.

Thursday's provincial budget did little to ease the University of Saskatchewan's funding crisis, says Leo Kristjanson.

"Even with the maximum funding suggested by the budget, we continue to face significant shortages of resources," Kristjanson, U of S president, said in a press release Friday.

"Moreover, we will not be able to undertake any new programs or to respond to the needs of the students denied admission because of enrolment quotas."

Another indication of how this government is running the province of Saskatchewan.

Under a New Democratic government, the people . . . the families of Saskatchewan could send their sons and daughters to the university, if they were qualified, and that's always been the case. If they are qualified, they could go to the University of Saskatchewan, or the University of Regina in later days. That's not the case these days.

The people . . . the school systems in Saskatchewan — and it's probably even worse in rural parts of Saskatchewan than it is in urban Saskatchewan, cities like Saskatoon — the education system is under the thumb of the Minister of Education and the Minister of Finance as regards financing.

The quality of education must be suffering in rural Saskatchewan as it is in urban Saskatchewan. And when they've completed their education up to grade 12, they have to look at the possibilities of going to the University of Saskatchewan and the University of Regina. The chances are, the chances are that they're less likely to be attending either of those universities because of the direct actions of this government — starving the education system, starving the University of Saskatchewan and the University of Regina.

And the president of the university says it right here. Another article that appeared back in March: "U of S woefully underfunded." That's a statement from the faculty of the university. And it reiterates some of the comments that were made in the previous article. But it says quite clearly what this government has not done for the universities of Saskatchewan.

What about the University of Regina? Well an article appeared April 7 in the *Leader-Post*: "University of Regina's cupboard is bare, president warns in his report."

"We're spending money we haven't got," Lloyd Barber said this week.

No more testimony is necessary, Mr. Chairman. And to top it all off, to top it all off, this government has reduced the funds for student employment.

Because of their mismanagement of the economy of this province, their inability to change, their inability to cope with what's here, they have to cut back on programs such as student employment.

Provincial money available for summer student job creation has been cut by almost \$1 million this year, according to figures released by the

government.

And these are government statistics I'm quoting, these are not something that I dreamed up to present in this debate. They're government statistics. I quoted statistics prior to this which were directly . . . and this is on unemployment and the labour force, this is directly from Stats Saskatchewan, the government's own statistics gathering branch, bureau of statistics. It's their own figures. They stand condemned by the public. They stand condemned by their own figures.

The member for Humboldt in his comments mentioned about rural Saskatchewan, as he should, and a good indicator of what's happening in rural Saskatchewan is what's happening to small hotels. Well the member mentioned there were 23 or 24 hotels either closed or repossessed in rural Saskatchewan.

In Saskatchewan the headlines blare out at this government, but they continue on with their special plans for Saskatchewan which don't include a lot of the people of Saskatchewan.

One of the headlines that sings out to the government, but they fail to acknowledge, is this one here, April 3, '89: "Economic exiles fleeing province." Economic exiles fleeing province:

When salesman Jim Walden received an offer to transfer to Calgary from Saskatoon late last year, he and his wife Valerie jumped at the chance.

"There just weren't the opportunities any more for a senior salesman like myself in Saskatoon," said Walden, who works for an electrical manufacturing firm.

If a farmer . . .

And Mr. Walden understands this situation, as this government doesn't, because they're not doing anything about getting these farmers of Saskatchewan their drought payments. They're not doing a thing about that. Their federal Tory cousins in Ottawa promised drought payments early in the new year, or just right up to seeding time — no indication of what's going to happen.

Mr. Walden's figured it out. He's ahead of this government and he's heading for Calgary; he's heading for Calgary. I quote him:

"If the farmer is not making a buck, he's not going to invest. Then I can't sell electrical products to an engineering firm or a contractor because they haven't got any work.

And if the potash industry can't sell fertilizer, then I can't sell products to the potash mines. I couldn't see any change in the next year or year and a half."

The Waldens are not alone — almost 33,000 Saskatchewan residents opted to leave (the province) last year in pursuit of better job, schooling and retirement opportunities in other provinces, according to (statistics compiled by

the) bureau in British Columbia.

Saskatchewan suffered a net loss of more than 16,000 residents to other provinces last year — the largest loss in the country and the equivalent to losing a city larger than Swift Current.

I don't want to read any more of this article because it's very depressing. This government is not affected by depression. It's not affected by the mental depression of the people of Saskatchewan, because it is not responding to the people of Saskatchewan.

If you take the business bankruptcies — and the source is the Government of Canada Consumer and Corporate Affairs — if you take the business bankruptcies from '87 to '88, they increase from 361 to 456. Consumer bankruptcies increased from 633 to 780. The total bankruptcies in Saskatchewan increased from 944 to 1,236. The writing's on the wall; this government is mismanaging the economy of Saskatchewan.

The headline that caught my eye, and it's caught a lot of people's eye. It's like the headline in the *Star-Phoenix* about hunger. The *Star-Phoenix*, a year or so ago, did a special feature on hunger in Saskatchewan. This government hasn't caught on to that issue yet. Maybe they'll catch on to this one: "Province's fastest-growing export: its people."

Its people. That's the fastest-growing export in this province. There's some local growth industries like food banks and liquidations. They're all growth industries in Saskatchewan, and that's unfortunate for the people of Saskatchewan.

Mr. Chairman, a former premier of this province — and I sat here and listened to him — in his first term of office, Mr. Ross Thatcher, premier of this province, stood in this House and stood on platforms all around Saskatchewan, and he said, the acid test is population — the acid test. He took great delight in saying that. And the reason he did was that in that first term of office he was riding the crest of the economy, the buoyant economy of Saskatchewan, and we rose up very close to a million people. In his second term of office, that became the millstone around his neck. Acid test is population.

This government, in its first term of office, rode the crest, rode the buoyant economic crest of this province. The population was rising and hit a million. Yes, but that same test is going to be a millstone around this government's neck because the population of Saskatchewan has now dropped below a million people, below a million people.

(1600)

I am concerned, when I give this government money, for a variety of reasons which I've already expressed, but I have one that concerns me more than any others, and it's this, Mr. Chairman: that this government is overtaxing the people of Saskatchewan to build up a kitty for the next election. You need only look, you need only look in the blue book — you know the book, Mr. Chairman.

Take Highways and Transportation, for example. I

looked, and I couldn't believe my arithmetic. Payments to Saskatchewan Property Management Corporation in the Department of Highways. This is what we pay for rent of buildings around the province, and equipment. You know, they're not doing much on highways — and I'll deal with that when we get to the Highways budget — but the rise in payments to the property management corporation, '88-89 to '89-90, which is the current year we're in, was an increase of \$582,100 — over a half a million dollar increase in the rent.

Now I thought to myself, well maybe they've been suppressing the rent and it hadn't gone up before and they were . . . this is catch-up. So I went back one year, checked the figures again, and between last year and the previous year, do you know, Mr. Chairman, what the increase was in payments to the property management corporation? This would astound the Minister of Finance, if he was listening — the increase was \$787,000.

An Hon. Member: — One point two million in two years.

Mr. Brockelbank: — You're right, \$1.369 million increase in payments to the property management corporation in two years.

An Hon. Member: — Sounds like somebody's building a slush fund.

Mr. Brockelbank: — Yes, that's what it is. This is where they're hiding the money for the next election campaign. It's not only the birthday party that's costing the people — the taxpayers of Saskatchewan — \$9 million, it's these slush funds. The birthday party is just to take our attention off the budget, hoping that we'll concentrate on the birthday party.

But we intend to dig into these slush funds that this government's building up in the Saskatchewan Property Management Corporation. How are they hiding it? It's quite simple. They changed the department of supply and services into a Crown corporation, which they abhor. They abhor Crown corporations. They said they wouldn't create any more, but they're creating them all the time.

They changed it into a Crown corporation so that we can't examine the estimates of that department here. You don't get to examine the estimates of a Crown corporation. You don't get to question the minister. You don't get figures like this.

But each department has to pay its dues to the Saskatchewan Property Management Corporation. Those dues, I suggest to you, Mr. Chairman, will go into a . . . a good portion of them will go into a slush fund which will help to try and get this government elected.

There will be other . . . There are other slush funds too. Any government that pays \$46.6 million to two advertising firms in four years is building a private slush fund. It's clear, that's exactly what they're doing. That is an exorbitant amount of cash to pay for advertising in a four-year period — \$46.6 million in four years to two advertising firms.

That's why I cannot support this Minister of Finance and

this Premier. They don't deserve my support. I'm not here to award Brownie points to this government. I'm here to grieve before supply. And I hope I've put my grievances before you today, Mr. Chairman, because I can't support this Minister of Finance.

Some Hon. Members: Hear, hear!

Mr. Pringle: — Thank you very much, Mr. Deputy Speaker. I'm pleased to take part in this interim supply debate. And my major concern, as expressed by my colleagues, Mr. Deputy Speaker, is that much of this money is going to pay the interest on the debt that we know now is the third-largest expenditure in this budget. This is hard to believe that we're in such a financial mess after just seven years. It's hard to comprehend, and the people of Saskatchewan are quite upset about this.

I guess the first thing that must be noted about this budget is that it's a sorry attempt to make us believe that the government has understood what it means to be a responsible manager of public funds, Mr. Deputy Speaker. As I said, in just seven years, and over eight budgets, this government has incurred over a \$12 billion debt. It has been a case of mistaken priorities, physical incompetence, and falsehoods wreaking havoc on the well-being of Saskatchewan.

Now, in 1989, we have the unique situation where a government, which claims to be pursuing a policy of partnership with the people, is telling them that this is the third-largest expenditure in the fiscal year, with interest on this debt. No new money for health care, basically, after inflation is taken into account. No new money for education. The president of the University of Regina says that the cupboard is bare in education. No new money to assist farmers. No new money for our universities. This is not new money to assist small businesses. As we know, we've got a record number of small business bankruptcies in 1988 and little hope for the future.

I just did a survey in Saskatoon Eastview recently and found out that 85 per cent of the small businesses there did less business volume in 1988 than they did in 1987. Furthermore, less than 10 per cent of them anticipate hiring any new staff this year. So this is clearly not a budget designed to deal with the problems of small business.

Mr. Speaker, the deficit is soaring, the taxes are sky-rocketing, unemployment is up, government services are cut back, children are going to school hungry, out-migration at record numbers, farms and small businesses are going under with increasing frequency. And I might add that this government is involved in initiating over some 3,000 farm foreclosures. This is a sorry record, Mr. Deputy Speaker, and a sad commentary on the priorities of this government which completely failed to respond to the dreams and the needs of Saskatchewan people.

In the short time available to me I would like to talk a little bit about how this budget impacts on families. I agree, Mr. Speaker, with members opposite when they say that a supportive family life-style is important to the well-being of Saskatchewan citizens; however, when I examine the

policies and actions of this government, I am overwhelmed by the insensitivities and the empty rhetoric.

Mr. Speaker, if supportive family life-style is manifested by family members being supportive to one another and accepting the differing needs and the capabilities of each family member, and in addition, Mr. Speaker, it is a question of equality within the family unit — all of these things are things we strive for and desire within our own family units, and within our entire provincial family, I might add. This is precisely where a government can help. They help the family by ensuring that there are adequate support structures and opportunities within the society that can be accessed equally by all families and all family members.

But what did we find in this budget, Mr. Deputy Speaker? This is a government that's taking away the access to essential family services. They are creating an economic climate that is destroying the employment opportunities of our young people — some 6,000 job losses for young people in the last three years, over 1,000 in this budget alone. They are making it more difficult for those who need the services the most to access them and be treated fairly and with sensitivity.

Let me give you a couple of examples, Mr. Deputy Speaker. Not long ago this government cut back on grants to third parties. This action placed in serious jeopardy the work being carried out by a number of family community groups providing assistance to, and shelter to, women and children in abusive relationships.

So they cut back on supports to agencies that help families. Then what do they do? They realize that families in the province are in crisis so they decide to study the problem by announcing a symposium. Now I'm not opposed to a family symposium where we look at the challenges facing families in the 1990s. But, Mr. Deputy Speaker, it's the height of hypocrisy in the face to have a symposium, to show-case the symposium when this government has cut back, for example, on the native family support programs across the province, to family counselling agencies with waiting lists, when it cut back on needed dental services, and people can't get in the hospitals.

So they erode the supports to families. Their failed economic policies are putting more families in crisis. And then they decided they were going to study the problem by having a symposium. I think that's the height of hypocrisy, Mr. Deputy Speaker.

My second point I'd like to raise is again about the school dental program. And I raise it because it gives an indication of the kind of logic that is demonstrated by our Premier. Not long ago he was asked by the *Globe and Mail* why he cancelled this important service for Saskatchewan children. And our Premier responded by saying that he didn't believe that the government should ignore moral issues, whatever that means in terms of responding to this question.

And what kind of morality, Mr. Deputy Speaker, would dictate a decision to cancel the children's school-based

dental program with a 92 per cent utilization rate? What kind of morality promotes profit-centred day care? What kind of morality promotes private adoption services? What kind of morality would suggest that people on social assistance cannot be trusted? What kind of morality allows children to go to school hungry? What kind of morality continues to eliminate summer employment opportunities for our young people, particularly at a time when the need is greatest?

I'll tell you one thing, Mr. Deputy Speaker. This is not a morality shared by the people of Saskatchewan. The people of this province believe in fairness, in justice, in co-operation, and in equality. They know that they can no longer expect these attributes from this PC government.

One of the most significant needs of all families, no matter what their size, location, make-up, and circumstances, is economic security. This need is a source of growing concern to all families in Saskatchewan. And it is the economic security of families that is put at risk by this government; put at risk by an increasing tax burden; put at risk by a failure to deal with the farm debt crisis throughout this province; put at risk by a blind, misplaced faith in 19th century concept of the open market system; put at risk by a deficit that threatens the economic future of our province; put at risk by a policy of privatization that removes the engines of economic growth and opportunity from control of the people of Saskatchewan.

That's exactly what privatization has meant to this point in the province of Saskatchewan by this government; that's exactly what privatization would mean for the future. However, this is a battle that is going to be won on behalf of the people of Saskatchewan, and we're going to ensure that.

It's sad indeed, Mr. Deputy Speaker, to hear young families say to me that they are moving out of the province because there is nothing here for them any more. And as youth critic for the official opposition, I get many of these calls from all over the province. It's discouraging, Mr. Deputy Speaker, to receive phone calls from students wanting to know how they are supposed to be able to continue their education and make a contribution to the province when they can't get a summer job, can't get into the university because of the quotas, and simply can't afford the increased tuition fees and the burden that's being shifted to the students.

It is also sad, Mr. Speaker, to attend meetings in communities — which we have done because the government certainly has not taken the time to listen to people in terms of the issues of poverty — but to attend these meetings across the province and hear of children going to school hungry. Surely, Mr. Deputy Speaker, any responsible government that submits a budget for the next year and fails to recognize that thousands and thousands of children are going to school hungry every day should be condemned.

(1615)

When governments provide assistance . . . When this government provides assistance to individuals, families,

or single parents in legitimate need, it is called welfare, and the recipients are labelled as lazy, dishonest, and poor parents. I was amazed yesterday to hear that the Minister of Social Services welcomes the new UIC changes so we can jump on the abusers of UIC just like he jumped on the poor people on the welfare reform measures. I was amazed to see that the Minister of Social Services, who's charged with the responsibility to help reduce and eliminate poverty in this province, would support another attack on poor people — attacking poor people who are poor and who are unemployed because of the failed economic policies of this government.

Mr. Speaker, on this side of the House we believe that assistance to people should be an incentive and supportive to family life, ensuring fairness, honesty, dignity, and equality. We believe that assistance to farmers should be there to ensure that the Saskatchewan farm family can continue to be vibrant, sound, and in effect a producer of food for the world.

We believe that assistance to industry should be there to ensure employment, create new employment opportunities, and that all businesses in Saskatchewan, not just big corporate friends, that all businesses in Saskatchewan should contribute to our economic wealth, our economic health, and our economic security.

These, Mr. Deputy Speaker, are the priorities not contained in the budget that has been presented by this Minister of Finance, this eighth consecutive deficit budget, Mr. Deputy Speaker. So we see no money for youth; we see no money for families; no money for education; no money for farmers; no money, no hope for small businesses. But we see money for big friends; we see money for a birthday party that nobody wants.

Mr. Deputy Speaker, this is a failed strategy on the part of this government. It's a strategy based on a desperate government. And I urge the Minister of Finance to get his act together so that we can turn around the situation that we find ourselves in.

And I just simply . . . Obviously we need money to operate; third parties need money so they can provide supports to families; small-business people need money; municipalities need money. But I simply find myself having difficulty supporting this kind of request where the majority of money is going to pay interest charges on a debt of this government's own making, and much of it going to large friends like Dome Advertising.

Thank you very much, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Mr. Kowalsky: — Thank you, Mr. Chairman. I have a few questions I'd like to ask of the minister, and I direct him to page 10 of the little blue book here for '89-90. And in that book it summarizes the budgetary revenue that is stating where the government is going to get its money from. And on that page it indicates here . . . there's a new item that indicates that there's going to be a receipt of some \$200 million in the Crown investments corporation of Saskatchewan.

I wonder if the minister could advise us — and I think it would be of considerable help to the people in the province of Saskatchewan if they got an understanding — is this money as a result of sales, of sell-offs of Crowns; is it money that has been borrowed; or is it money that's as a result of profits? I wonder if you could clarify that.

Hon. Mr. Lane: — The moneys are not from sales or privatizations; two, the moneys are not borrowed; and three, they are moneys from incomes earned from the Crown corporations.

Mr. Kowalsky: — If they're moneys that are earned from the Crowns, could you indicate to me for what year, what Crown years it was earned from? Is it money earned in the '89 year, the current year, or the previous year '88?

Hon. Mr. Lane: — Well I don't have that information, but I can tell the hon. member that it is income earned from the Crown corporations. What year it may be paid out from time to time is a matter of the operations of the Crown corporations, but dividends from the Crowns being paid to the Consolidated Fund is not new.

Mr. Kowalsky: — Would it be correct to say that you expect that to be paid in sometime between now and the end of the next . . . the end of the time you bring in the next budget? Is that when it's going to be paid in?

I have one more question, and in view of the fact that you've indicated that it's money coming from profits, from Crowns, how do you square that with the indication on page 55 from your budget address here which indicates the capital financing program and the estimations that are going to . . . the estimates that are going to be needed to borrow. And here it says that the Crown investments corporation of Saskatchewan will be borrowing \$176 million.

Hon. Mr. Lane: — Well, like any other company, it is standard practice. You can earn income in a year; you may decide to borrow for your long-term capital projects, amortize them over a longer period of time. That is traditionally the way, I think, that most companies operate, and certainly the way the Crown corporations.

For example, historically SaskTel has paid a dividend to the Crown Management Board, Crown investments corporation, at the same time it would be borrowing for things like their capital projects — new switching equipment. And that has been the long-standing practice and a normal business corporate practice.

Mr. Chairman: — Order. I'd like to bring it to the attention of the member that these are really main estimates questions, and the question before the committee is the motion for interim supply, and these questions should be addressed to the minister in the main estimates.

Mr. Kowalsky: — I would thank the minister very much for the information that he provided, and thank you, Mr. Chairman.

Motion agreed to.

Hon. Mr. Lane: —

Resolved that a sum not exceeding \$336,400,300 be granted to Her Majesty on account for the 12 months ending March 31, 1990.

Motion agreed to.

Hon. Mr. Lane: —

Resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1990, the sum of \$53,675,000 be granted out of the Saskatchewan Heritage Fund.

Motion agreed to.

Hon. Mr. Lane: —

Resolved that a sum not exceeding \$53,675,000 be granted to Her Majesty on account for the 12 months ending March 31, 1990.

Motion agreed to.

The committee reported progress.

FIRST AND SECOND READING OF RESOLUTIONS

Hon. Mr. Lane: — I move the resolutions be now read the first and second time, Mr. Speaker.

Motion agreed to and, by leave of the Assembly, the resolutions read a first and second time.

APPROPRIATION BILL

Hon. Mr. Lane: — Mr. Speaker, by leave of the Assembly, I move:

That Bill No. 18, An Act Granting to Her Majesty certain sums of Money for the Public Service for the Fiscal year Ending Respectively on March 31, 1990, be now introduced and read the first time.

Motion agreed to and, by leave of the Assembly, the Bill read a first time.

Hon. Mr. Lane: — By leave of the Assembly and under rule 48(2), I move that the Bill be now read a second and third time.

Motion agreed to and, by leave of the Assembly, the Bill read a second and third time and passed under its title.

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Saskatchewan Housing Corporation Ordinary Expenditure — Vote 51

Item 1

Mr. Chairman: — I would ask the minister to introduce

his guests, please.

Hon. Mr. Klein: — Thank you, Mr. Chairman. To my right, Mr. Little, the president; behind him, Ron Styles, vice-president of program operations; behind me, Larry Boys, the vice-president of financial and administrative services; and Ron Sotski, the executive director of property management and field services.

Mr. Chairman, I'm pleased to enter this discussion on the estimates of Sask Housing Corporation. As everybody knows, we are presently in the midst of one of the most popular programs ever devised by any government in the history of our province, and that is the home program. It's a program that we are all familiar with, because I'm sure that all members on both sides of the House have enjoyed being in partnership with the government as they improve our most important investment, that is our home.

(1630)

The program, of course, on the grant side is designed to match dollar for dollar, up to \$3,000, any improvements that are put into the home. It's a big, big improvement on what used to exist in the olden days in another department, the property improvement grant. That was strictly a cash grant to the people, and little was done for economic value. With this one, Mr. Chairman, there is no question that the economic value is there. It creates all kinds of jobs, and the economy, at least the sector of the housing renovation industry, is flourishing. It's almost triple what the normal renovation industry is doing in business, and it's rapidly approaching \$1 billion. Having said that, it'll be interesting to see what my critic has to ask.

Ms. Smart: — Thank you, Mr. Deputy Speaker. Mr. Minister, in your comments to the throne speech, you referred to your very effective working relationship that you have with all sectors of the business community in our province, but certainly with all of the home builders, not only in Regina, but in Saskatchewan. And you also made reference to the fact that you are in favour of reduced taxes and that you criticized the New Democrats for having a program of perhaps more taxes on industry than you say you support.

Given those comments, Mr. Minister, I would like to first of all take this opportunity to question you and to ask you about something that's coming up in the very near future, and that's the federal government's budget and the proposal federally for a national sales tax.

You will know, Mr. Minister, that the Saskatchewan Home Builders' Association has made representation . . . Mr. Speaker, it's difficult for me to address the minister when he is not attending to my remarks because I'm talking about an issue that's serious to the people of Saskatchewan, Mr. Minister, if it's not serious to you. And that's the question of the national sales tax, Mr. Minister.

You will have received representation from the Saskatchewan Home Builders' Association regarding their concern about the national sales tax as it will affect the building of new homes in the province of Saskatchewan. The home builders in Saskatchewan, the

new home builders, are already suffering from a decreased number of new homes being built in the province. The number has decreased over the last two years, and we are, as we all recognize, in a depressed economy.

Home building creates jobs in the province of Saskatchewan as well as creating assets for the people and the opportunity for many people in the province to own their own homes, and that is still a very important value for the people in this province, Mr. Minister.

The Minister of Finance has recently come back from a discussion with the federal government, and I'm really surprised to see that he is still not able to tell us anything specific about what your government has said to the federal government regarding the national sales tax, particularly as it affects home builders.

And for people who are listening to this discussion, Mr. Minister, I want to just share with them some of the information that you've received already from the home builders' association regarding this issue, because it's one that I'm very interested in seeing what you will say in response to it.

The home builders were asking the Minister of Finance, and you as the minister in charge of housing in this province will certainly be involved in this because you were asked to address the home builders' association at their meeting, they were asking that the government represent them, the provincial government represent them in these national sales tax discussions, and to make a point of letting people know how much a national sales tax on the building . . . on the home construction industry is going to hurt the province of Saskatchewan.

Under the proposed reforms the uniform sales tax rate would be applied to the purchase price of new housing, but the sale of existing housing and rents would be exempt from taxation. So there's already a discrimination there.

The impacts of the proposed sales tax and the reform of the new housing sector according to the Canadian figures, the proposed tax on the purchase price of housing would be extremely detrimental to the new housing sector, as I've already said, both to the producers and the consumers. It would immediately increase the average purchase price of a new home by approximately \$10,000, Mr. Minister. It would reduce the accessibility of new home ownership housing for about 60,000 potential first-time home buyers.

Now that's the figures for all of Canada. But that represents a decrease of about a quarter of the people who have been able to buy new housing in this country. And I'm assuming those figures are somewhat comparable here in Saskatchewan because the home builders would not be sending you this brief if it did not apply here as well.

To maintain the mortgage payment to income ratio for an average priced new home at its pre-tax reform level, annual household increases would have to rise by an estimated \$4,700, Mr. Minister.

Now we have here in this province many people already forced out of work. And one of my concerns in the constituency of Saskatoon . . . the minister is laughing at my comments when I am trying to tell him that one of my concerns in the constituency of Saskatoon Centre are the people who are losing their jobs, Mr. Minister. The people in the canning industry, for example; the people in the mining industry, for example; the people in SED Systems, for example; those people your government is prescribing retraining programs for, for jobs that will not exist because your budget did not create any job programs — simply a prescription that people retrain. People will be retrained for jobs where they get lower incomes. And yet here, with this national sales tax, the cost of a new home for a first-time home buyer will be going up by a . . . and people will have to have an income increase of around \$4,700.

This national sales tax that's proposed on the housing industry would reduce the accessibility of new rental housing for about 200,000 renters. It would result in a sharp decline in new housing construction. It would produce a sizeable windfall gain to existing home owners. The exemption of the sale of existing residential properties from the proposed sales tax would shift demand to existing housing and away from new housing. With the supply of existing housing fixed, this would cause their values to rise. The eventual increase in existing home prices could amount to several thousand dollars for an average home.

This rise in existing house prices would affect the affordability of home ownership for first-time buyers in the same way as the rise in new house prices, and it could reduce the market penetration of energy efficient new homes, Mr. Minister. And that's a concept that's easy to understand, if there's a national sales tax on the products that people need to add to their homes to make them energy efficient.

By taxing the purchase price of new housing, this brief said to you, the tax is largely a tax on future shelter services rather than current consumption.

In response to our questions already about the positions taken regarding the national sales tax in Ottawa to the federal Tory government, the Minister of Finance has said, well these taxes aren't going to come into place until 1991. We don't know any of the details of this tax, and yet you're going forward discussing the national sales tax with your PC cohorts in Ottawa without any understanding or any discussion or any of the details about how this national sales tax is going to be applied.

And the Home Builders' Association is concerned as you know, because they've questioned you about this and written to you about this increase in the sales tax. What we're looking at, if you add the national sales tax to the provincial sales tax, is an increase of some 16 per cent for the people of Saskatchewan. And obviously it's going to have an impact on the new home buyers, Mr. Minister.

So I particularly want to know what you have said to the home builders' association in response to their concerns. You have indicated in the throne speech that you've been talking to people. I wonder if you could let me know what

your response has been publicly to this concern of the home builders' association.

Hon. Mr. Klein: — Well, Mr. Chairman, that's a very interesting question and I thank her for it. Unfortunately, it's about eight or nine months too late. But none the less, I'll take the time to explain it to her again.

I represented the interests of the Saskatchewan home builders very well at our national housing ministers' conference, and they know that and they appreciate that because it was this minister that brought that very issue to the table. Interestingly enough, it was this minister that also met with the Canadian home builders during this same conference, and I believe that I was the only housing minister from the country that took the opportunity to do that while I was there.

But in any event, Mr. Chairman, I responded February 6, I believe was the date that we were in Crown corporations with Sask Housing Corporation, and I responded for about 45 minutes to various members of my critic's caucus on this very same question, the issue of national sales tax.

And it was interesting, and I went along with the questions in the Crown corporation hearings for that length of time for one very reason. Mr. Chairman, interestingly enough, it was the day before, the day before the Crown corporation hearings that it was reported in the press — matter of fact on the front page of the *Regina Leader-Post*; I don't know what page it might have been on in the Saskatoon paper — that the federal Minister of Finance had agreed to not allow the national sales tax to affect affordable housing.

That is the position that I understand is still in place at this very moment. I have not read nor heard any other press releases to the contrary. The press release that was issued by the Minister of Finance and the reports prior to you people asking me this question two months ago, I find it difficult to believe that you still don't have that in your possession, or that the home builders, if you're so close to them, haven't indeed told you that, because it's not even a concern of theirs any longer. It's finished until the actual tax is announced. And unless if it contains a surprise, we are under the impression, we, all of us, that affordable housing will not be affected.

Ms. Smart: — Mr. Minister, I'm sure the arrogance of your patronizing style of responding to me is not going to be lost on the people who are watching this program, even though it may be lost on the members of your government opposite.

Mr. Minister, I want you to define then what you mean by affordable housing, and give me the specifics of what your reply has been to the home builders' association in regard to their concern about the national sales tax affecting the cost of housing in Saskatchewan — the definition of affordable housing. And do you agree with their estimate that the cost of housing, if the national sales tax does go through, the cost of housing will go up by \$10,000?

Hon. Mr. Klein: — Well, Mr. Chairman, I obviously can't

do that. You know, the definition of affordable housing that the federal minister indicated, I can't tell you that. Whether he has made a deal with the Canadian home builders, I can't tell you that either, because I'm not privy to what they talked about.

I can tell you that the Saskatchewan home builders don't appear that it's a problem. So if they're not concerned and the federal government isn't concerned, why do you raise this issue now?

Ms. Smart: — I raise it because I'm concerned and because the people of Saskatchewan are concerned, Mr. Minister, about the cost of affordable housing in this province. And if you stand there and say that you can't define affordable housing and that you have no details about this plan and this sales tax, that's exactly my point.

You don't know what you're talking about; you don't have any details. You're under the impression that you have somehow reassured the home builders' association that nothing's going to happen with this sales tax, and it's going to come in in 1991 so you're not prepared to work on it at this point in time anyway, which you should be doing. Because you need to have a planned approach to this issue and you should be opposing sales tax on essentials like housing.

Housing is an essential need in this province for people, and many people in Saskatchewan, many young people want to be first-time home buyers in this province. They want to have access to their own homes. Have you opposed the national sales tax then on the housing? Have you told the federal government and did the Minister of Finance, on your behalf, lobby the federal Progressive Conservative government about this sales tax?

And will you answer my question also, Mr. Minister, as to whether, if the sales tax goes through, you agree that the cost of housing will go up?

(1645)

Hon. Mr. Klein: — Mr. Chairman, I don't think that I could be any more clear. Certainly we have opposed it. Certainly we have lobbied Ottawa. We like to believe that in the event housing is excluded, as Mr. Wilson, the federal minister, has announced and has assured the Canadian home builders that in some small measure our government, along with . . . working in conjunction with the home builders, as we always do, working together with the private sector, which is something that we're totally familiar with doing, have indeed won a battle on behalf of all of the people of this province to keep housing affordable.

Now, having said that, you've asked, have we . . . or were you working on a plan for this tax? What tax? There is no tax. So how can you work on a plan? I mean, that's an impossible situation.

I can tell you, however, that the home builders and I have had several discussions that in the event that this tax would be applied, that there would be some alternate method of whatever that we would have to look at. We recognize that. And once the tax is announced, indeed if

there is a problem, discussions have already been under way.

I don't believe there will be a problem, the home builders don't believe that there will be a problem, and I don't believe that the people of Saskatchewan have to believe that there is any problem. And you don't have to unnecessarily try to scare and threaten them, because you would probably be the last person in the world to give the federal government any credit in the event that that tax was not on.

So I don't know why you're wasting this Assembly's time by talking about something that is non-existent, and something that has already been addressed by this government, and something that there is no problem on between this government and the home builders, and something that the people of this province have no need to fear.

Ms. Smart: — Mr. Minister, you have already told me that you have no definition of affordable housing. You have already told me that you have made very little lobbying to the federal government regarding this issue, because if you had a plan where you were lobbying — and I'm not saying a plan in terms of the tax coming in, but a systematic understanding of what this tax means — and having communicated to the federal government very specifically the concerns here in Saskatchewan, you would be able to submit that in writing, if you have that communication, or you would be able to tell me in detail what you're talking about.

I don't trust you when you talk about the federal government exempting affordable housing and you saying you have no idea what affordable housing is in Saskatchewan. That is something that you, as the minister responsible for the housing corporation, should have at your fingertips, what your definition of affordable housing is, and it should be related to the income that people have here in the province.

I don't trust you to define affordable housing, Mr. Minister, because I think that you have a very inflated idea of what Saskatchewan people can bear in terms of costs, Mr. Minister, because your government has been piling and piling on top of the people of Saskatchewan, increases in utility rates, increases in costs of goods and services, increases in gas taxes, increases in all sorts of taxes that are on the people of Saskatchewan that really hurt the ordinary people of this province, the people on low incomes and the people on middle incomes.

And not only have you been supporting increases in their cost of living here in this province, but you've also contributed very much to the unemployment in this province, and to the fact that many people are falling below the poverty line in terms of their income. And those are serious issues, Mr. Minister, and I will have some more to talk about in terms of the kind of housing that your corporation has been providing to the people of Saskatchewan.

But I want to pin you down, please, Mr. Minister, to your understanding of the term "affordable housing," which you say the federal minister has exempted from the

national sales tax, and what your assurance is that this is actually going to happen.

Hon. Mr. Klein: — You know, Mr. Chairman, let's get something straight. I have said from the outset I can't give you the federal Minister of Finance's definition of affordable housing. How can I? Now you're asking for the impossible.

An Hon. Member: — Why not?

Hon. Mr. Klein: — Well I'll tell you why not if you can't figure it out. What's an affordable house in Toronto versus an affordable house in Saskatoon versus an affordable house in northern Saskatchewan. Come on, get with it. I was just talking to my young son who lives in Toronto. His definition of affordable housing is different than mine, right off the snuff.

So how can you expect the federal Minister of Finance to give you a definition of affordable housing when you're talking about a tax that is non-existent, that he says isn't going to apply. You're asking a bunch of meaningless, simple questions.

Ms. Smart: — I am asking an essential question, Mr. Minister, and I want you to answer it as the minister responsible for the housing corporation in Saskatchewan. You can pass the buck if you want to; you can say that you don't know what the minister's definition, federally, is of affordable housing. But what is your definition in Saskatchewan? What have you presented to the minister, the federal minister, in terms of the level of affordable housing here in this province? What have you done to define that term and to put pressure on the federal government regarding that?

Hon. Mr. Klein: — I think, Mr. Chairman, after I've been talking to my officials, it's fair to say that there is probably no definition of affordable housing . . . (inaudible interjection) . . . well the opposition House Leader says oh, come on. If you're so smart, why didn't you define it, because you never did define it either. We've got partners in this business, and they're called Canada Mortgage and Housing Corporation.

And affordable housing, particularly when you're relating to market value, there's a big variance of earning power amongst all the people in this country because of the divergence and the size of our country. So that what we do have is one standard that we live by, if you want to get into that — but it really doesn't apply into market — the market price of housing, as the tax would. And that's where it's related to public housing.

Now in public housing it's 25 per cent of your income and it's subsidized on that basis. Now that's a standard that goes across Canada. So obviously even there, surely you must recognize, as a result of that, what I'm trying to explain to you, because what does a person earn in Toronto versus a person in La Ronge, and it's 25 per cent of what they earn. Obviously somebody in La Ronge, Canada, is not going to have the same earning power as somebody in Toronto, Canada.

Therefore their definition of affordable housing is going to

be totally different. And people, as they listen to my argument on this, are going to accept that, because what's affordable to one segment of the country is certainly different from that portion of another one. And you're still trying to relate this to a tax that doesn't apply to anything. So this whole area of questioning makes no sense at all, Mr. Chairman.

Ms. Smart: — Well just because you can't answer my questions doesn't mean to say it doesn't make sense, Mr. Minister. The Saskatchewan Home Builders' Association have made representation to you regarding the implications of the national sales tax. You're saying that you still don't know whether the national sales tax is coming in or not, but that you haven't said very much to the federal government regarding it except that you accept the PC government federally saying that they will not tax affordable housing. But you have no idea what that cost means in Saskatchewan; you have no definition of affordable housing for Saskatchewan.

I understand perfectly clearly the cost of housing is higher in Toronto than it is in La Ronge, Mr. Minister, but that is not acceptable to the people of Saskatchewan in terms of what you think affordable housing . . . If you say to the home builders in Saskatchewan that affordable housing will not be subjected to the national sales tax, and you have no definition of affordable housing, that's just another example of the kind of smoke and mirrors that your government is presenting to the people of Saskatchewan. And that is unacceptable. In fact, behind that is a lot of deceit, Mr. Minister, because you won't level with us, and you won't level with the home builders exactly what your intentions are regarding this national sales tax and the impact that it's going to have on the new home construction in this province.

New home construction creates jobs and it's important to the consumers of Saskatchewan, and yet you have not even bothered to come up with a definition of affordable housing for the province of Saskatchewan, taking into account the income levels across this province and the concerns of the home builders' association and the concerns of the consumers who I want to represent in questioning you, because of housing being an essential need for the people in this province.

And given that that's an essential need, Mr. Minister, and given that you've already mentioned the housing in La Ronge and you're prepared to talk about housing in northern Saskatchewan, I would like to ask my colleague, the member from Athabasca, to give you some questions regarding the home builders' program in northern Saskatchewan and the cost of housing there.

Hon. Mr. Klein: — Mr. Chairman, before we continue with northern housing, you know, I'm going to try to put my critic at ease so that she can understand.

I meet regularly with the home builders. If they had a problem defining affordable housing, they would tell me. What if we put a definition on affordable housing now — and the member for Moose Jaw says, ah — only to find out that that definition is wrong when Ottawa puts a different definition on it?

And we may not even need a definition for it, because there is no tax. If the tax is put on, if affordable is included — if, if, if — we will define it in conjunction with the home builders at that time.

This kind of reminds me of my kids asking me questions. They say, “Daddy, how high is up?”

Mr. Thompson: — Thank you, Mr. Chairman. Mr. Minister, I want to ask you a few questions about northern housing. I wonder if you could indicate, Mr. Minister, how many of the old DNS (department of northern Saskatchewan) houses or Saskatchewan Housing Corporation houses that have been vacated in the northern area in 1988. Would you have those figures, Mr. Minister?

Mr. Chairman, while the minister is looking up those figures, I wonder if he could also have his officials indicate to him if there has been a study carried out into northern housing. I mean, all aspects of northern housing, in northern Saskatchewan also.

Hon. Mr. Klein: — Mr. Chairman, we manage somewhere between 1400 and 1,500 units in northern Saskatchewan, and I suppose that at any given time there’s . . . my officials advise me that there’s between 90 to 120 vacant on a rotating business . . . or on a rotating basis.

Regarding the study, there is a major study under way now. I have been meeting with the northern communities about this study. We have pressed our federal partner, CMHC (Canada Mortgage and Housing Corporation), into the matter. They are conducting a very, very extensive study. They were originally going to have quite a long, lengthy time frame that was not satisfactory to us. We have been able to push that ahead and, in consultation with most of the northern communities, they’re pleased with the progress that we’re making on it.

Mr. Thompson: — Yes, thank you, Mr. Minister. When you consider the fact that you have 120 vacancies in northern Saskatchewan at any given time, that indicates to me, and I’m sure that would indicate to you and your officials, that there is a serious problem in northern Saskatchewan. And I suggest to you, Mr. Minister, that the study that is taking place right now should be completed very quickly to alleviate the type of problems that we have with northern housing.

As you’re aware, many of the individuals who have moved out of these houses, it’s just got to a point where they could not afford, they could not afford to stay in the houses. The rents just got too high. And this is why I’ve always said that the policy was unfair in northern Saskatchewan. You charge 25 per cent of their income, and when you take a look at the houses that you provide for civil servants — and I give you an example of an RCMP officer who lives in northern Saskatchewan, or I can give you an example — and they are cost-shared between the federal and provincial, so I’ll use that. They get those houses and they don’t have to do . . . There’s no upkeep to the house, no cost for upkeep. They don’t have to look after the lawns — that’s all put in. Fences are put up. That’s not done with public housing in northern

Saskatchewan.

(1700)

And I say to you, Mr. Minister, that this is why we have a large amount of vacancies up there. Individuals just cannot afford these payments. And you have the double standard, because you take the individual who is working for the government, not only is he getting free housing up North — he pays a certain amount, but he doesn’t pay . . . he or she does not pay 25 per cent of their income. This just doesn’t take place.

But as you have it now in northern Saskatchewan, individuals have to pay 25 per cent of their income. And there are some individuals who in the last few years, who have had these homes, have moved into a good position, wherever they’re working — up at Cluff Lake or at Key Lake or whatever it may be — they have good jobs. Then all of a sudden you tag them with 25 per cent of their income and they just can’t afford those payments. Some of them are running . . . you’re asking them for 8, \$900 a month, living in northern Saskatchewan where everything costs more, and you know that, because they’re a long way from services.

But that doesn’t apply to the civil servant. It applies to the individuals who are living in the North. Added to that, those civil servants also are getting northern allowances over and above that for living in the North.

And what you are doing with the policy, and I say to you, Mr. Minister, that that has to be changed and you have to take a realistic look at it and consider the fact that those residents living in northern Saskatchewan, it costs them a lot more to live than it does anybody in the South or your civil servants who are living in the North.

And, Mr. Minister, I urge you to bring out that report as soon as possible and take into consideration the fact that those houses are in northern Saskatchewan and those payments are just too high.

Some Hon. Members: Hear, hear!

Hon. Mr. Klein: — Mr. Chairman, it’s interesting to note that it sounds to me like the NDP is favouring that our northern employees pay a much higher rent than they do, and I’ll carry that message back to all of the staff in the North.

The committee reported progress.

The Assembly adjourned at 5:04 p.m.