

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Mr. Lingenfelter: — Mr. Speaker, I would like to introduce to you, and through you to the members of the Assembly, a group of 44 students, grade 7 and 8, who are, I believe, in the Speaker's gallery, from the Kitchener School. They are here today with their teachers, Fran Ethier, Rick Ast, and John Schepers, who have come to the Legislative Assembly today to watch question period and do a tour. I look forward to meeting with the students and their teachers after question period and hope they enjoy their stay here in the Assembly.

Hon. Members: Hear, hear!

Mr. Johnson: — Mr. Speaker, it's a pleasure for me, on behalf of the member for Bengough-Milestone, to introduce to you, and through you to the legislature, a class of grade 5 and 6, numbering 24. They're in the west gallery. They're from Lyndale School in Oungre, Saskatchewan. The teachers along with them today . . . or one teacher, Pat Corbin, and a chaperon by the name of Tim Corbin. And I don't have a bus driver, but I imagine they have a bus driver. I understand that I will be meeting them later on, about 2:30, for some pictures and drinks, and we'll have a little discussion on what you seen here this afternoon. So please help me welcome them to the legislature.

Hon. Members: Hear, hear!

Mr. Lyons: — Thank you very much, Mr. Speaker. Mr. Speaker, I'd like to introduce to you, and through you to other members in the Assembly, 46 students from grades 7 and 8 in St. Joan of Arc School in Regina. They are accompanied by their teachers, Christina Shuker, Jim Frolick, Merv Lang, and they've a bus driver with them named Al — and no last name for Al. We'll be meeting with the students from St. Joan of Arc School at 2:30 for pictures and for refreshments and questions in Room 255 after.

I'd ask all members to welcome the students from St. Joan of Arc School.

Hon. Members: Hear, hear!

Mr. Solomon: — Thank you, Mr. Speaker. I'd like to join with my colleague, the member from Rosemont, in welcoming the grades 7 and 8 students from St. Joan of Arc School. St. Joan of Arc is geographically located in the constituency of Rosemont, but it's on the boundary of Regina North West, and some of you do live in Regina North West constituency. And I just live down the street from the school, Mr. Speaker, and I'd like to join with my colleague to bid you good luck during the tour, and I hope that you have a safe journey home. Thank you.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Initial Environmental Evaluation of Rafferty-Alameda Project

Mr. Tchorzewski: — Mr. Speaker, I want to direct my question to the minister in charge of the Souris Basin Development Authority, and I would like to point out while I'm on my feet, Mr. Speaker, that this is Environmental Awareness Week, and keeping that in mind I direct my question to the minister in charge of this authority.

Mr. Minister, I have here the draft summary of the initial environmental evaluation of the Rafferty project. It clearly confirms that serious concerns about mercury levels, about water quality, about downstream water, and wildlife habitat, and the list goes on, were not adequately addressed by the provincial government before the licence was issued to proceed with this project. And the report further indicates that a very considerable more study needs to be required in order to answer some very important questions. In light of that, Mr. Minister, I ask you: how can you justify your appeal of the federal court decision in the face of all this evidence that has now been presented?

Some Hon. Members: Hear, hear!

Hon. Mr. Swan: — Mr. Speaker, as Minister of Environment, I thought I would like to answer that question. I want to ensure the hon. member that in the licensing of the Rafferty-Alameda project that the licence did indeed deal with most of the deficiencies that were indicated in this report, and the hon. member has had access to that information. If he would like to review it, I think he will find that the many items that were required to be met under the licensing of that project would indeed meet most of the deficiencies that this report indicates.

So I believe that Saskatchewan has indeed done a good job in its environmental impact assessment. There was no challenge of the project as far as the work that Saskatchewan's impact assessment had done, but rather the challenge was made against what the federal government should have done.

The federal government draws some conclusions. I think that they really didn't look deep enough to get their answers — the answers are available. And I would be very pleased to meet with the federal people to assist them to find the answers to a number of the questions that they've put here.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Minister, I will then ask you the question, since the minister in charge is not prepared to answer, will you address the question which I originally asked: how can you justify continuing the appeal now that all of this questions are being asked in this study? And in view of all that evidence, will you now undertake to stop this appeal which is costing the taxpayers of Saskatchewan many thousands of dollars which they ought not to have to spend?

Some Hon. Members: Hear, hear!

Hon. Mr. Swan: — The project that was . . .

The Speaker: — Order, order, order. Order. I'm having difficulty hearing the minister, and I would like to ask the House to allow the minister to make his remarks so that we can all hear.

Hon. Mr. Swan: — Thank you, Mr. Speaker. The project, when it was licensed by the province and by the federal government, had full legal authority to proceed, and it did proceed in that light. When you read the significant impacts that this report indicates — and I think that the hon. member should take some time to read the report; I hope that he has — I think if you read what this report is saying, it really does not come up with anything significant that would indicate to me that we ought not to appeal. So through the water corporation we have laid that appeal.

Let me just quote to you a couple of areas that they list here and I think are good examples of the reason that this report did not have enough study behind it. First they indicate the water-fowl production, and they don't give any recognition to the fact that we required the Souris Basin Development Authority to put in quite a few projects of duck marshes and things of that nature.

Besides that, we're looking at the Souris River that's absolutely dry at this time, and that is the case in the Souris Valley many times — that it goes dry; it's a flood river. So when we do indeed create a reservoir at Rafferty, there will be more water-fowl than there's ever been before, but that's not what the report says. And I don't believe that the people have come out and studied it deep enough.

Another area that they indicate is fish habitat . . .

The Speaker: — Order, order, order. Order. The hon. member has made a good answer.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Thank you, Mr. Speaker. I will then address my question — and it's a new question — to the minister once again. Mr. Minister, there were deficiencies in your study. You knew what those deficiencies were; the Premier knew what those deficiencies were; the minister in charge of the Souris Basin Development Authority knew, and yet you went ahead with the project.

Now you asked me to read to you a deficiency. I will do so. If you will refer to this draft summary of the initial environmental evaluation, Mr. Minister, on table 10, item 3, here is what it says, and I ask you to listen carefully:

International water quality objectives against which impacts on transboundary water quality can be assessed do not exist.

Now that's pretty clear, Mr. Minister. Now knowing full well that your environmental impact study was severely lacking in this area, how can you continue to justify

making the statements that it was a comprehensive study which left no stones unturned? And why don't you finally admit that your decision to proceed with the project was made in the knowledge that these and other concerns were not adequately addressed, and that environmental considerations took a back seat to partisan political considerations of the Premier and the minister in charge of the basin authority?

Some Hon. Members: Hear, hear!

Hon. Mr. Swan: — Well, Mr. Speaker, the hon. member gets a little excited, and I think he should not get too excited, but rather he should read the whole report and not just read one or two lines from the report.

When he makes the statement that he's making, he's talking about the flow of water going from North Dakota into Manitoba, and unfortunately we don't have the right to go into the United States and do our environmental study of their waterways. The water goes from Saskatchewan into Lake Darling and then goes through the American system and back into Manitoba. The control of that water quality is very definitely in American control, not something that we have an impact on from Saskatchewan.

And I wanted to talk to you about the fish before, but the Speaker didn't give me time. Mr. Speaker, I would like to give him a little background on the fish.

In this study that the federal government did, it indicates a loss of fish habitat, and it talks about the river habitat in Saskatchewan, and then it talks about the reservoir habitat. Well, there have been no fish in the Souris River that I have ever seen. I haven't seen a lot of people flocking down to the Souris to go fishing. Rather, they go from the Souris up north somewhere when they want to fish.

When they speak of Lake Darling and a decrease in the fish habitat, this report indicates that since 1959 we have delivered 101 per cent of the water of the Souris into Lake Darling. I believe that it's high time Saskatchewan took control of its water resource and maintained 50 per cent of it here for our use and for our future.

Some Hon. Members: Hear, hear!

Mr. Lyons: — Mr. Speaker, new question. I suppose it's going to have to be to the minister responsible for the water corporation, since the minister responsible for the project won't answer.

Mr. Minister, and may I open my remarks, my question, by saying this, that heaven help us if you are in charge of Saskatchewan's water resources. Sir, in the plan outlined by the member from Regina North East in the draft evaluation, what we find is that evaluation saying that there is no water plan available for the Rafferty-Alameda project; that you yourself didn't draw up a water plan; that you and your government didn't draw it up.

I wonder, Mr. Minister, is the fact that you didn't draw up a water management plan for the Rafferty-Alameda have to do with one of two options: (a) is that the data — and it

refers to the data in this . . .

The Speaker: — Order, order, order. The member is taking an inordinate amount of time to advance his questions, and I'd like him to get to the question. Order. Long questions will elicit long answers invariably. He's had a considerable amount of time to present his preamble, and he should be getting to the question.

Mr. Lyons: — Thank you, Mr. Speaker. Mr. Minister, the question is this: (a) is the fact that there is no water management plan due to the fact that you couldn't come up with the data that met your political objections, or is it in fact that you didn't want to expose to public scrutiny the fact that you're going to be pumping water from the aquifer and the Souris Valley and stealing water from the farmers who need it desperately, not to be evaporated south of the border. Is that the reason this is . . . (inaudible) . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Swan: — Mr. Speaker, there is a preliminary water management plan in the environmental impact assessment, and that preliminary water management plan has been in place and does the job at this stage.

In the environmental approval that was given, the licence that was given by the province of Saskatchewan for this project, it demanded that a complete water management plan be in place by January 1, 1990. That's the end of this year basically, that we're looking at for the water management plan to be finalized, the complete plan.

That process is in place now. They're working through it, and it will be ready by the end of December.

Some Hon. Members: Hear, hear!

Mr. Lyons: — Thank you, Mr. Speaker. A new question to the same minister. Mr. Minister, it's obvious that this environmental impact statement that you have presented to the people of this province has been found wanting by the federal Government of Canada because of your narrow, partisan political interests.

I ask you, sir, in the interests of developing a comprehensive water management plan for the Souris basin, will you now support an effort to have the International Joint Commission study it so that the interests of Saskatchewan, North Dakota, and Manitoba are all included in this water development project so that we can all agree that the objectives, which are laudable objectives for water conservation, can be met outside the narrow ring of partisan political debate? Will you do that now, sir?

Some Hon. Members: Hear, hear!

Hon. Mr. Swan: — Mr. Speaker, in the member making the statement that it's partisan political politics, when you hire high qualified hydrogeologists to do the study and to bring forward a water management plan, and then for a member like that to say that that's a political process, I believe that he really owes an apology to those very experienced people who are out there doing this type of

work.

I think it's high time that Saskatchewan took a hold of the water that we have going through our province and utilize that water to the best advantage. As this report indicates, we have been giving, since 1958 and '59, 101 per cent of the flow of the Souris River to the United States. With this project we will be able to control 50 per cent of that water. That's what the agreement has been between the United States and Canada, and the indications are in place now that Manitoba's in agreement with the amount of water that was agreed to let on through from Lake Darling into Manitoba.

The Speaker: — Order. Order. Order. The minister's giving a long answer as well.

Some Hon. Members: Hear, hear!

Canadian '88 Fertilizer Plants

Mr. Solomon: — Thank you, Mr. Speaker. My question is to the Minister of Trade and Investment, and it concerns your government's dealing with the Canadian '88 energy corporation proposal for fertilizer plants in Rosetown, Melfort and Yorkton.

Mr. Minister, in this House last Monday you said, and I quote:

The proposal by energy '88 . . . was that we would not participate in their project but that we would give a sizeable grant to that particular company.

As a matter of fact, Minister, on three occasions that day you talked about the company approaching you for a grant. Will you today table any correspondence between your government and this company which indicates it was looking for a government grant?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, I met with these individuals on a number of occasions, as have others, and the particular company was looking for \$10 million at 7 per cent interest. Now that translates, Mr. Speaker, into a grant, Mr. Speaker, because it costs the government, the Minister of Finance, probably around 12 per cent to borrow the money. And that's 5 per cent benefit to them, which is a grant, Mr. Speaker, and nothing but a grant.

Mr. Solomon: — Please, Mr. Speaker, a new question to the minister.

The Speaker: — Order. I've mentioned many times before that I would like to ask members not to use unparliamentary language from their seats, as well as when they're speaking, and I repeat that today.

Mr. Solomon: — Mr. Speaker, a new question to the minister. Mr. Minister, you'll be familiar with the letter sent to you last September 19 by the Calgary law firm of Cook Snowdon, which outlined the points under discussion between Canadian "88" energy corporation, yourself, and the Deputy Premier. The letter was written to confirm support of the Saskatchewan government on

their project, and it said, and I quote:

The government proposes to take steps to provide the project with a \$10 million loan carrying a fixed interest rate of 7 per cent per annum.

Now I ask, Mr. Minister: is it that you, as a former Minister of Finance, don't know the difference between a loan and a grant, or is it that you attempted to mislead the House last Monday again?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, there was to be a loan — I said that — of \$10 million.

The Speaker: — Order, order. Would the members allow the minister to respond. I'd like to once more ask the members to allow the minister to answer without interrupting.

Hon. Mr. Andrew: — Mr. Speaker, the proposal was \$10 million loan at seven per cent interest. Seven per cent interest is well below, Mr. Speaker, the current rates, and therefore the government would be forced to make up the difference of 5 per cent, which would run to a significant amount of money each and every year for the five years or so of the loan. As well, the loan was non-recourse, Mr. Speaker, against other people.

So there was a loan — I indicated that — and a 7 per cent interest factor on it which is equivalent to a grant, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Mr. Speaker, a new question to the minister. We now see the minister backtracking and doing a flip and really conceding to this House that he misled the House last Monday.

Mr. Speaker, my new question pertains to a letter addressed the Minister of Public Participation, dated May 30, 1989, from Greg Noval, the president of Canadian "88" Agri-Products Ltd., and I quote:

Further to recent media reports, there appears to be some confusion as to what our company and the Government of Saskatchewan discussed in terms of generally agreed provincial government financing for phase one of our above-mentioned project.

And it goes on to say:

There were no government grants or hand-outs involved. Furthermore, our initial formal proposal to Mr. Berntson and Mr. Andrew in August of '88 involved a commitment to offer to Saskatchewan residents first equity in our project.

Mr. Minister, the letter says no grants or hand-outs are involved, only equity shares to the people of Saskatchewan. Is it not true that you offered to help this company raise the necessary \$10 million, not through government coffers but through offshore investors, and

that there was a good possibility of no government money being involved?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, I indicated to the House that this particular project wanted \$10 million at 7 per cent interest. Now obviously the government, nor anybody else, cannot borrow money at 7 per cent interest, and therefore government was going to have to make up the difference. And that's what we would see to this particular company as a grant or a benefit bestowed upon them by the government, Mr. Speaker.

And that's exactly what we said to them various times when we met with them. And we met with this particular company over a long period of time, Mr. Speaker, requesting varieties of information, details, reports, etc., before we were prepared to go forward with the project.

Mr. Solomon: — Mr. Speaker, a new question. Mr. Minister, the only other thing that the company asked of you, according to the letter of September 19 from the law firm, was support in taking advantage of existing incentive opportunities such as the Saskatchewan Stock Savings Plan, and assistance with obtaining Securities Commission approvals for a share offering to Saskatchewan residents.

If your government is committed, as you say, to have Saskatchewan people investing in Saskatchewan firms, don't you agree that this would have been the perfect vehicle for that; and if you agree, why did you double-cross these people at Canadian "88" energy?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, this particular project, they had discussed the possibility of a share offering, using the program under Finance where you would get a rebate under your venture capital stock savings program, and we encouraged them to do that, Mr. Speaker.

They had also requested support, because of the lack of water in Rosetown, that they would have to build a pipeline from the South Saskatchewan River to Rosetown. Now that was to be part and partaken by the Government of Saskatchewan. And you don't build those, as the people of Regina and Ipsco found here a few years ago, for nothing, Mr. Speaker. Now that also cost money, and so did providing a loan at 7 per cent interest over a period of time cost money.

Now we went along with these folks trying to make this project work. The reality, Mr. Speaker, is that those particular items, we were not at that point in time prepared to pony up to make the project go.

Distribution of Pamphlets to Schools

Ms. Atkinson: — Thank you, Mr. Speaker. My question's to the Minister of Human Resources and Labour. Mr. Minister, I have a fancy, full-page, 11-page document here — glossy — your department sent to all grades 7, 8, and 9 students in Saskatchewan. Considering that we don't have money in this province for a number of worthy

causes, can you tell us how much it cost to send this 11-page, glossy, eight and a half by 11 brochure to 45,000 grades 7, 8, and 9 students in our province?

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Mr. Speaker, the publication that the member opposite refers to is a publication from Human Resources, Labour and Employment, encouraging students to continue their education. And this documentation gives them good reason why they should continue their education and stay in school.

Furthermore, this documentation is prepared in an interesting manner so that it will get their attention, keep their attention, and we want it clearly to sink in for all students in Saskatchewan that there are benefits in remaining in school and continuing with their education. For example, more than three-quarters of the people on social assistance in Saskatchewan do not have a high school education.

The importance of an education is well worth the cost, and I will take notice of the cost, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Speaker: — I must remind the minister that if he is going to take a notice of a question certainly it shouldn't be preceded by some form of explanation.

Ms. Atkinson: — Another question. Mr. Minister, it has a section entitled, "Why I want to stay in school," where one fellow says:

If SIAST (Saskatchewan Institute of Applied Science and Technology) didn't offer these courses, I would still be working in a job I didn't particularly enjoy.

And another young man says:

The good jobs usually go to people who have a university or college education. That's important to remember when you're deciding whether to stay in school.

We all agree that those are laudable statements, Mr. Minister. But why didn't you mention that under your government SIAST has cut 1,100 student spaces in this province and that the University of Saskatchewan has enrolment quotas so that many, many young people aren't able to get into our schools? Why didn't you tell the people of our province that, Mr. Minister, instead of this political propaganda?

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Mr. Speaker . . .

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

Hon. Mr. Schmidt: — Mr. Speaker, let me make it clear. I took notice of how much the cost was, but I intend to answer the question of why we did it. Why we sent the

brochure out is because education is important, and I have explained that to the members opposite. And then she doesn't like it because it is accurate, it is true, and it's a good piece of work out of my department.

In addition, this government spent \$50 million extra on education this year and built the new technical school in Prince Albert for \$15 million. And they question our commitment to education. When we encourage young people to use these education facilities, it is unfair for them to criticize that.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 44 — An Act to amend The Liquor Board Superannuation Act

Hon. Mr. Taylor: — Mr. Speaker, I move first reading of a Bill to amend The Liquor Board Superannuation Act.

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

MOTIONS

Award to Saskatchewan Resident

Mr. Thompson: — Mr. Speaker, before orders of the day, I am seeking leave to move a motion.

The Speaker: — If the member reads the motion, the members can decide.

Mr. Thompson: — I have already sent a copy across to the Government House Leader and sincerely hope that all members of the Assembly will give leave for me to move this motion of congratulations to a truly distinguished resident of Saskatchewan.

I would like to take just a few brief moments, Mr. Speaker, to explain to all the members the reason and nature of my seeking leave this afternoon.

This past Sunday, June 3, Mr. Lorne Scott, a resident of Saskatchewan, was awarded the Roland Michener conservation award by the Canadian Wildlife Federation at its annual meeting in Halifax.

The Speaker: — I think if the hon. member just gave the text of his motion, the House can decide.

Mr. Thompson: — Mr. Speaker, I just wanted to explain to . . . Mr. Speaker, can I finish my statement?

The Speaker: — Would the hon. member read the motion so the House can decide if they wish to give it consideration.

Mr. Thompson: — Thank you. Thank you, Mr. Speaker. I move, seconded by the member from Regina North East:

That the Legislative Assembly of Saskatchewan congratulate Mr. Lorne Scott for having been awarded the Canadian Wildlife Federation

Roland Michener award for his distinguished career in service as a naturalist in Saskatchewan.

I so move, Mr. Speaker.

Some Hon. Members: Hear, hear!

Leave not granted.

Mr. Lautermilch: — Mr. Speaker, if I might, the motion, the resolution that we were going to be debating was resolution no. 6, and I think before I had a chance to rise to my feet, someone called stand. So I'm asking if it would be appropriate to proceed with that resolution.

The Speaker: — It's appropriate if leave is granted. Is leave granted?

Leave granted.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

MOTIONS

Resolution No. 6 — Allocation of Money from Western Diversification Fund

Mr. Lautermilch: — Thank you, Mr. Speaker. Today the motion that I intend to introduce is . . . and I'll read it, if I might:

That this Assembly communicate to the Parliament of Canada its extreme disappointment that western Canada has been allotted a smaller share of federal regional development money under the new Western Diversification Fund than under the previous department of regional and industrial expansion; and further, that this Assembly regrets the grants from the Western Diversification Fund continue to be made on the basis of political patronage, rather than in accordance with sound economic development strategies.

Mr. Speaker, as I said, clearly western Canada is being short-changed by the federal government, and clearly there is a continuance of patronage under these development funds that was in place under the old system. And, Mr. Speaker, I think it's clear to all of Saskatchewan people that it is a complete failure of this government and its federal counterpart to develop effective regional policies or plans for diversification of this western economy.

Federal plans to foster the growth of secondary industry in western Canada have always seemed to have been mounting half-hearted, hollow pledges. Ottawa has used economic development for its own political gain. This provincial government has used economic development for its own political gain. Cabinet ministers have used regional development funding to funnel millions into their own ridings — and in some cases a little closer than into their own ridings — and political motives have been determining the distribution of these funds.

If we have a look at what has happened under the Western Diversification Fund and what's happened under DRIE (department of regional and industrial expansion), it becomes clear, Mr. Speaker, that Saskatchewan has been short-changed and we haven't been receiving our fair share of federal development programs.

And I say to you that under the new Western Diversification Fund, that trend is continuing. Under the fund the West has received considerably less for regional programs on a per capita basis than our Canadian counterparts in central Canada. This from a government, Mr. Speaker, this from a government that speaks about protecting the interests of Saskatchewan. This from a government that campaigned federally on the unity, the Canadian unity, and bringing this country together. This from a government that is producing programs that are tending to split western and central Canada.

Under this new program, Mr. Speaker, Ontario and Quebec are receiving even more per capita than they did under the old scheme. The old scheme, Mr. Speaker, was bad enough in that Saskatchewan business men and women were short-changed of tax dollars, federal tax dollars, that they rightfully belonged to. They've stymied industrial expansion in our province by doing this.

And I want to say that, in terms of a commitment to western Canada, during the campaign we heard one story; now, after the re-election of the federal government, we see another. Saskatchewan and other western provinces are still being short-changed, as I believe the Maritimes are.

And I'd like to know, Mr. Speaker, where the Premier of this province has been while all of this is going on. I see headlines: Saskatchewan getting a fair share of funds from Ottawa, our Premier Devine. Well let's talk about this. Let's talk about what's happening with federal government moneys, and I would like to, if I could, just go through the facts and the figures in terms of the numbers of dollars that are coming from Ottawa to the Saskatchewan business community.

In 1988, western Canada received \$312 million from the Western Diversification Fund, and that's only 15.4 per cent of the \$2 billion in total that this federal government put out. It was just a little bit less than the 15.8 per cent that the west got under DREE in 1987. So in 1988, the federal government cuts back funding through the Western Diversification Fund, even less than we received in 1987.

Now why might that be, Mr. Speaker? Would that be because this government, once elected, forgot about the people in western Canada, many of whom elected Progressive Conservative members of parliament? Could that be the case? Or could it be that the economic conditions in western Canada have become so buoyant and our economy in western Canada has become so bright that we don't need the kind of diversification funds that we once had. Is that the reason for the cut-back?

Mr. Speaker, I suggest to you that it's nothing less than

callous politics about a federal government who doesn't care about western Canada and who cares little about the people of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — Has our agricultural economy improved to the point where we don't need the money for industrial expansion to diversify our economy, that we don't need an increase in these funds? Has that happened? And I ask every member on that side of the House if that's happened. I ask everyone in Saskatchewan if that's happened.

And I want to say, Mr. Speaker, I would doubt that you would find very few people in this province that would agree, other than the Premier of this province, who's quoted under the headline, and I'll quote again from the *Star-Phoenix* of August 6, 1988, "Saskatchewan getting fair share of funds from Ottawa — Devine."

(1445)

The Premier of this province, instead of standing up to protect Saskatchewan entrepreneurs, Saskatchewan business people, to protect us from losing a share in what is rightfully ours as part of this confederation — instead of standing up to protect this province, he condones what his federal counterpart Mulroney does. And I want to say to you, Mr. Speaker, I find that unacceptable, and I believe that the rest of the people in this province find it unacceptable.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — The point I'm making here, Mr. Speaker, is that there was no improvement in terms of the Western Diversification Fund and the share that the Saskatchewan business community got.

Ontario and Quebec continue to receive the lion's share, the pig's portion of this \$2 billion. They got 67 per cent of these regional economic development funds, and that's up from 60 per cent from the year before under DREE. And yet this Premier, this caucus, this cabinet, continue to support, without uttering a word, without saying a word in support of the Saskatchewan business community, continue to support Ontario, Quebec, central Canada, over the needs and the aspirations of what we need here in Saskatchewan, what we desire in Saskatchewan, and what is rightfully ours.

Let's have a look at why these regional economic development funds were set up. We hear politicians in the government side in Ottawa talk about the need for diversifying in areas like Saskatchewan, diversifying our economy, getting new industries going, developing an economy that's not maybe based on agriculture solely, or in the Maritimes maybe not based solely on the fishery, or maybe not based solely on forestry.

And we hear all of these bright statements from these politicians, who, before elections, continually tell us that things will be better. And I recall a slogan in Saskatchewan: there's so much more we can be. I recall the election of 1986 where . . . or '88 where Mr. Mulroney

was running around telling us how great things were going to be and how regional expansion was part of what he wanted to deliver to the people of this country.

But what's the reality? The reality is, Mr. Speaker, is that what they say before an election and what PC governments do after an election are two totally separate, different things.

I'd like to say on behalf of the people of Saskatchewan, Mr. Speaker, that there's a great deal of disappointment out there, not only with the Premier and with his caucus — the Premier who is running around and scurrying to find purchasers for our Crown corporations, for the assets that the people of this province have built up — there's discontent with Mulroney, their federal counterpart, this Premier's federal counterpart, because he's doing the same thing in Ottawa. And there's a feeling out there that we're being forgotten.

And there's a feeling out there as well, Mr. Speaker, that the Premier of this province no longer speaks for average men and women, average small-business people. There's a feeling that he speaks only for his large, multimillionaire friends. There's a feeling that he speaks for the Guy Montpetits, the Peter Pocklington, and the Weyerhaeuser corporation, but that when it comes to delivering programs for Saskatchewan men and women, whether it be federal or whether it be provincial dollars that are spent, that this Premier has forgotten that there are small-business people out there.

I said before, Mr. Speaker, that these grants are supposed to be targeted to regional development in areas where really there is some need for some financial assistance, Saskatchewan being no different than other regions in Canada. It's not supposed to be, or we would expect it's not supposed to be set up as a slush fund for friends of the PC Party.

But that's the other part of this motion, Mr. Speaker, that I'm going to be introducing today, and seconded by my colleague the member from Sutherland. That's the other part of this motion, is that people are starting to understand that even if you happen to have a pocketful of money, if you have a good idea and if you have a concept that is needed, required, and will work, that if you aren't a friend of this PC Party, you don't count.

I talked before about Saskatchewan not getting its share of this economic pie, the fact that we get less under the Western Diversification Fund than we did under the DREE program of 1987. And in real dollars, Mr. Speaker, that can be computed to real jobs. That can be computed to dollars in the jeans in the pockets of Saskatchewan men and women, young men and women who are fleeing this province by the thousands.

And those aren't my numbers; those aren't my figures. Those are figures that are put out by both this provincial government and the federal prime minister of this province. Those are their figures, not ours.

And you don't have to go far to find a family whose sons and daughters have decided to pick up in despair and leave this province because they don't see a future under

a PC government for them — young people, young men and women that no longer believe that the diversification talk that Mulroney is talking about and that this Premier is talking about are in fact meant for them.

They see the ongoing patronage. They see the unemployment; they see the lack of the future, Mr. Speaker. And that's why these programs have to be delivered fairly and equitably throughout this country to areas that deserve them and to areas that need them.

Saskatchewan's share, as I said, has not been what it could be. And we only have 16 per cent of the western Canadian population when you break this country down regionally — 16 per cent of the population. But what do we get in funds? In terms of the money that we received in Saskatchewan, 16 per cent of the population, well what do we receive? We receive only 6 per cent of the funds — \$20 million in 1988 we received, Mr. Speaker.

Not even bad enough that we only get \$20 million — far less than what our share is in regards to our population. We get short-changed yet once again in that all people don't have access to it because somehow it happens to funnel into the hands of those who are connected with the particular political party that's governing this province for a while.

But I want to say, Mr. Speaker, not for long after the next election, because the people of this province see through you. They see through this government; they know what their motives are. They're looking for fair and honest government, and they know that this PC government is not delivering the kind of government that they want.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — Mr. Speaker, I talked about the fact that the Western Diversification Fund appears to be little more than a political slush fund. And we've had examples of that brought to the legislature in the last few days right here in Regina and right here in our province. We've had glaring examples of what patronage really means. We've had glaring examples of the fact that this government cares more about their own little circles of friends than they do about governing fairly and governing honestly for all of the people of this province.

And it's not just the opposition, Mr. Speaker, who indicate that they feel it's nothing less than a political slush fund. And I want to quote John Bulloch, the president of the Canadian Federation of Independent Business. Mr. Bulloch has stated that:

The WDF is close to becoming nothing more than a political slush fund to feather the nests of provincial governments.

And he goes on to say that:

The small-business community has had to stand by while western Canada becomes a pawn for short-term political advantage.

What an indictment! Mr. Speaker, what an indictment from a Canadian business man who has been known to

support the Conservative Party; what an indictment from a man who understands the working of the Western Diversification Fund; what an indictment of unfairness by both this government and their federal counterparts.

Mr. Speaker, nobody wants to stand in this legislature, a place that we believe good, honest, and open debate should be taking place, nobody wants to stand in this House and accuse any particular minister or any particular premier or any particular prime minister of this province of wrongdoing, of political patronage.

But in light of the comments of people like John Bulloch, is it not the responsibility of the opposition to ensure that the people of this province are treated fairly? Is it not the responsibility of opposition to bring these shortfalls of government to the attention of the people that they govern? Is it not the responsibility, Mr. Speaker, of the opposition to try and change the direction in which a government that is on the wrong track, to try and change the direction in which they're moving?

I want to say to you, Mr. Speaker, that in 1986 when I was elected by the people of Prince Albert-Duck Lake, I felt it was my responsibility to share their concerns with members on the government side. And I came here in the spirit of fairness and, I believed, understanding what this legislature was about, the tradition of the legislature, the tradition of the British parliamentary system, to try and make things better.

And I believed, as I think all politicians on this side of the House believe, that the people that they represent have the right to be heard in the legislature and that they have the right to have their views shared with members of the government side. And I believe that they also feel it's the responsibility of members on the government side of the legislature to pay heed to what members of the opposition are sharing with them on their behalf.

But you know, Mr. Speaker, I want to say that I've been disappointed, as have the people of my riding, many ridings throughout this province, ridings not only on the opposition side, but people who are represented by members that sit on the government side. They're disappointed, Mr. Speaker, because they feel that nobody is listening to them any more.

When I look at this resolution and I look at the content and I talk . . . the resolution talks, the motion talks about political patronage. It talks about Saskatchewan not getting a fair share from the federal government. This Premier in this province says nothing. He's not speaking for those folks, those 1 million people in this province. He's not telling the Prime Minister that we want our fair share, we deserve our fair share, and that, by golly, we're going to have our fair share.

Ten out of 14 ridings in this province in this last federal election rejected Brian Mulroney and his kind of government — 10 out of 14 ridings.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — And why did that happen? Mr. Speaker, I want to tell you that I believe that happened for

a combination of reasons, but one primary reason — that reason being that here in Saskatchewan people want an open and an honest government, and they want their fair share of that pie. They want nothing more, but they'll accept nothing less.

And when something goes awry, they want their Premier to stand up and tell the Prime Minister, if that's in the forum that the negotiation takes place, that things have to be corrected, that things aren't right, and that because we're citizens of this country — not because we vote New Democrat, but because we in this province are citizens of this country — we deserve everything that your friends in Ontario and Quebec get.

But is this Prime Minister listening? When I look at the numbers and the fact that we get 6 per cent of that \$2 billion with 16 per cent of the population, it tells me that that Prime Minister in Ottawa is listening no more to the people of Saskatchewan than this Premier is listening to the people of Saskatchewan when they mounted a vicious attack on his move to privatize SaskEnergy.

(1500)

What I'm saying, Mr. Speaker, is that you've got two levels of government that are no longer listening to the people. And it's time they sat back and reassessed what's happening to this economy because those people are no longer listening, because the federal government and because the provincial government are no longer paying attention to the people of Saskatchewan.

Unemployment is mounting, yet we lose our share of this Western Diversification Fund. Our population is dropping, yet we lose a share of this Western Diversification Fund. One in four children in this province are deemed to be living below the poverty line, yet we see a cut-back, a shortfall in terms of '87 funding to '88 funding for regional economic development.

Why doesn't this government understand, Mr. Speaker? You know, members on this side of the House and, I would say, the majority of the people in this province, at least the polls are telling us that the majority of the people in this province are pondering that same question. They're asking themselves why this Premier no longer listens to them. They're asking themselves why the Prime Minister of this country seems to be forgetting them. They're asking themselves why we have to put up with another PC government in this province, and federally, until the next election comes, because that's how long they're going to last, Mr. Speaker.

I would suggest to you, if the people were given the opportunity to make the decision as to whether these governments, both provincially and federally, stay or go, it would be a resounding and overwhelming defeat for a PC government here in Regina and a PC government in Ottawa as well.

I want to talk a little bit about the way this program is being delivered. You know, I recall in '86, or in '82 I guess it was, one of the big numbers with this government was that, or the PC opposition at that time, was that they were going to cut all this bureaucratic red tape, and that the

good folks out there, the business community, were going to know where they're going. No more red tape; easy to understand; figure it out for you; going to save you all that time in terms of going after these federal government and provincial government programs. We're going to do all that for you — and there's so much more we can be.

Well you ask the average business person what the Western Diversification Fund is all about, or ask the average business person how to access that money, and do you want to know something, Mr. Speaker — they don't know. The rules aren't defined. The literature that they've been putting out is vague. It means nothing.

As an example, I just would want to say . . . it refers to the efforts to address the long-term structural challenges facing the western economy, making it less vulnerable to international economic developments and fluctuating commodity prices, and yet at the same time, it talks of building on the great strength of the traditional resource industries.

Well now, what does that mean to the Saskatchewan business people? What does that mean to the Saskatchewan business community? On one hand they talk about diversification, but then on the other hand they talk about relying on the resource industries, the non-renewable resources that we have in our province.

Well which way is it? We don't know. We don't know what direction this federal government wants to take us in terms of that. It's confusing, it's vague, and it's unfair.

But I would want to say, Mr. Speaker, one of the reasons that it's unfair is because that's how this government wants it. They don't want the business community to understand how to access these funds. They don't want the business community to understand how to get this money, and in what particular sector it may be more acceptable, what area of development.

They want to confuse the people, because if you confuse them, that means you can pull scams like the Northern Lights game farm, where you've got a minister from the provincial government who phones his federal counterpart in order to access a half a million dollars. That's why the rules are vague, and that's why I want to say, Mr. Speaker, you have people like Bulloch, who are talking about this being nothing but a political slush fund, and that's what this Western Diversification Fund has turned into, Mr. Speaker, and the people of this province know it.

I talked a little earlier about patronage and about this being a political slush fund, and I want to elaborate on that, Mr. Speaker. The Premier says Saskatchewan's getting its fair share of funds from Ottawa. Well, fair share of funds for whom? Who gets these funds? Who accesses these funds? Is it the small-business community? Is it small-business men in my home town or in one of the towns in my riding of Duck Lake, or is it the small-business community and small-business men and women in Smeaton or in Shellbrook or in Quill Lake? Do they have access to these funds, Mr. Speaker? Not on your life. Not on your life. But the Premier says we're getting a fair share.

Well let me tell you where I believe this fair share is going to and where the people of this province believes that this money is going to. And I want to quote from a newspaper article out of the Regina *Leader-Post* on Wednesday, May 17. Mr. Speaker, I said before that none of us want to stand in here and have to bring these things to the attention of the people of Saskatchewan, but they've got a right to know where their tax dollars go. They've got a right to know who benefits by the federal and provincial programs that are set up by PC politicians both here in Regina and in Ottawa, and they've got a right to know whether their government's being fair with them.

So let me quote from that, Mr. Speaker, and I quote; it says:

As for the diversification grant, Taylor said he made a phone call to Bill McKnight (just a phone call), federal minister responsible for the diversification fund at the time, to inform him a Northern Lights official in Vancouver wanted a hearing.

Well now I want to explain just what that's all about, Mr. Speaker, because as I said, I think the people of this province have a right to know. This minister, the minister of privatization, phones the federal minister of the Western Diversification Fund on behalf of a constituent of his and on behalf of a corporation that that constituent is involved in. He indicates that a Vancouver business man wanted a hearing. Well, it just so happens, Mr. Speaker, that this Vancouver business man is a partner of his son's.

Well, now I can bring that around to the full circle so we understand exactly what's going on. Now what are these people all about? They're getting into game ranching, so minister of privatization gets on the telephone, phones the federal minister, sets up a hearing for his son's partner — to do what? Is it because perhaps this man wouldn't have had access to the minister? Is it because maybe he didn't know which minister to get a hold of? Or did this minister phone the federal minister because he wanted to influence a decision, a decision to get some money into the hands of that corporation setting up the game farm — the game farm his son is involved with. Any thinking person would understand that that's an improper move, and it smacks of patronage, and that it's unfair.

So let's talk about the result of this phone call. What came about from this phone call? Clearly what happened, Mr. Speaker, is the federal minister understood what was happening. Clearly a meeting took place with directors of that corporation and this Vancouver business man, and by the minister's own admission, a \$466,000 bill, a \$466,000 cheque came out of the federal government to benefit a family member of one of our MLAs.

Mr. Speaker, that's why the people of this province are losing faith in this government and in their federal counterparts in Ottawa. That's why this government has been dropping consistently in the polls over the last months. That's why, Mr. Speaker, people are asking me when I walk down the street: when does this government have to call an election? When can we get a chance to tell this government that enough is enough, and that we no

longer believe they should be governing this province?

That's why, Mr. Speaker, just this morning I had a phone call from a hotelier who has been in business in this province, and I want to tell you he's been in business in Saskatchewan for over 20 years in the hotel industry — never known to be a New Democrat supporter; a supporter of this PC administration. But he understands what kind of government is being delivered. He understands patronage now more than ever before.

This particular business man, Saskatchewan business man, understands what corruption and incompetence and patronage has meant to his business. And I want to tell you, Mr. Speaker, that this particular business man in Saskatchewan told me this morning that he's waiting for a chance to vote against his MLA who represents him now, and he indicates to me that he's not happy with the representation that he's getting.

This government will stand up and deny any conflict, even though a minister will indicate he's acted on behalf of a corporation his son is involved with. Blind, blind, no understanding, Mr. Speaker. No understanding of fairness in government. They don't understand that they're dealing with public funds. They don't understand that these are taxpayers' dollars that they're shelling out.

It's not like a private corporation. You're dealing with government. It's a different concept. We talk about running a business-like government, and that's fair, and that's acceptable, and that's what people want. But you can't run a government like a business. When you're an elected official, be it a back-bencher or be it a cabinet minister or be it the Premier, you've got a responsibility because you're dealing with public funds to be totally exclusive from any appearance of a conflict of interest, or any conflict of interest. You've got to be open and above-board and honest.

And I tell you, you can't cover up one story with another story. You've got to be open and above-board, and you've got to never put yourself in a position where people will suspect your motives. But this happens time after time after time, with PC governments both here and in Ottawa.

Never in the history of this country have we seen cabinet minister after cabinet minister resign in disgrace. Never in the history of this country have we seen MPs have to resign from their post because they've misused the trust that people have placed in them.

And I tell you that the political slush fund they've set up in terms of the Western Diversification Fund is still going to cause heads to roll in the political scene in this country, because you can't hide from the truth for ever, Mr. Speaker. Eventually people will find out where you're coming from, when you're in political life, and where you're heading to.

You can't hide the kinds of things that these two governments have been doing, Mr. Speaker. But I'm afraid that's what's been happening in this legislature in the last two, three weeks especially. Day after day after day we see cabinet ministers, front-benchers, the inner

circle of this government, stand up and refuse to answer legitimate questions that are posed by members on this side of the House — refuse to answer questions that are posed by the press outside of this Chamber. And why?

Mr. Speaker, if this government had nothing to hide, the answers would be forthcoming. We wouldn't have to be badgering and questioning, and questioning these people with the same question day after day after day, if only they would be honest and straightforward in terms of questions that the people of this province have a right to know.

Mr. Speaker, I don't want to be diverting from this motion, but in order to explain why I think the people have lost trust in this government and why this motion referring to the Western Diversification Fund as a slush fund is so relevant.

(1515)

When the auditor tables his report and indicates to the Provincial Auditor, the man who is the watch-dog over the public purse, and indicates to this province, the people of this province, that he can no longer do his job because information isn't forthcoming from this government, why would you suppose that would be? Why would a government want to withhold answers from the opposition in question period? Why would they want to withhold the expenditures and the record of expenditures of their government — withhold 50 per cent of them? Why should this be, Mr. Speaker?

I want to tell you why. I think it's because there is something to hide. There is mismanagement that abounds, and a lot of it is clear, but a lot of it isn't. There is corruption, there is patronage, and there is a government run amok.

Mr. Speaker, any thinking person, I would suggest, who would want to take a place in this legislature as a representative of the people of Saskatchewan, would want to ensure that when they leave office it would be a record of service to the people of this province, and that record would involve honesty, a high level of morality, and most of all, Mr. Speaker, fairness. And in terms of this Western Diversification Fund and the record that they're leaving behind, that this government and the federal counterparts are leaving behind, I don't believe they can say that.

I don't believe that they can say they've treated one business person in the same fashion as they've treated another. And it's not only me that doesn't believe that. As I've indicated, the head of the Canadian independent business federation feels similarly, feels that some business people are being unjustly treated and unfairly treated. And why should that be? If an elected official would want to leave government with a record that their children and their children's children could be proud of, why would those kind of statements come to the public through the media?

I want to say, Mr. Speaker, that I'm very disappointed that in fact that's the case, and I think the people of this province are disappointed. No, not only disappointed. I

want to say, Mr. Speaker, that the people of this province are becoming angry; the people of Canada are becoming angry. They're overwhelmed with the daily repetition of stories of misappropriation of government dollars, of ministers' involvement in corporations that family members are involved in. They're disappointed and they're disgusted and they're angry with a government that, because of these kinds of misappropriation of government dollars, are selling off Crown assets, assets that we've used to deliver programs — health care, dental care.

They're angry with those things, and they're waiting for an opportunity to make things right. And what I mean, sir, by making things right is that they're . . . I believe there's a fervour out there to replace this government with a government that cares, and a government that's going to deliver some decent, honest government.

I used as an example of patronage the Northern Lights game farm here in Saskatchewan. And last week, Mr. Speaker, we were dealing with another firm, GigaText, a firm that was run by a French-Canadian business person whose mandate was to translate the laws of this province, the statutes of this province, into French, as the federal courts have ruled is necessary.

And these people are tied in, this Mr. Guy Montpetit is tied in with a fellow from Winnipeg by the name of Young, who also had his hand in the Western Diversification Fund cookie pot, or its predecessor, the ERDA (economic and regional development agreement) — another \$500,000, without the 4 to \$5 million that we've been talking about that's been frittered away in this province.

These are the things that have people upset, Mr. Speaker. This is what's creating the anger in Saskatchewan, and this is what's creating a situation where this government will be very short-lived if it doesn't turn its mind to governing in a fair and an honest fashion, Mr. Speaker, I think a sad commentary on this government. I think it's unfair; the people of this province feel that it's unfair.

And I want to talk about this \$500,000 that went to this associate of Mr. Montpetit's in the GigaText affair. I want to talk about a quote out of one of the newspapers, the *Montreal Gazette*, that indicates there's something amiss here. Federal experts indicate that the technology isn't going to work. But on the same hand, there's federal government money going into it. And I'll just quote:

The source said that Young programmed his computer to translate perfectly a document which Young himself selected.

And I think we're going to see a replay of that in Saskatchewan.

But when expert evaluators inserted their own documents, the system "just coughed, sputtered and died."

And the source went on, saying that:

No one came away thinking the evaluation had

worked. We said, "Don't fund this . . ."

But he goes on to say:

But the decision was politics, not science. They needed to have some ERDA programs going and they were compelled to spend money for (good) political reasons.

Not for good economic reasons, not for good business reasons, Mr. Speaker — for good political reasons. What an indictment. What a commentary. And a commentary, Mr. Speaker, as well, on a government that would hook themselves and give a blank cheque to Montpetit to spend \$4 million-plus of provincial taxpayers' money — for what?

There hasn't been a single syllable or statute translated in this province, and they still stand up and defend their incompetence. They still stand up and defend the corruption and the smell that surrounds this GigaText operation.

And the parallel I'm drawing, Mr. Speaker, is that there is no difference between the Mulroney government in Ottawa and this administration in Saskatchewan. They're both wrong; they're both corrupt; they both don't deserve to be around this House.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — We have never seen a provincial government or a federal government that has been so closely tied with the smell of unfairness and with the smell of incompetence and with the stench of corruption. That has never before happened in this province. The people of this province are not used to that kind of government, Mr. Speaker.

And I want to say to every member on that side that's part of it and that sits back without saying a word, that lets this little group in the front here — the Premier and the Deputy Premier and the Justice minister and the Finance minister — that lets this little group that's controlling this province continue to squander taxpayers' money . . .

The Speaker: — Order. I'm looking at the motion, and the motion deals with the Western Diversification Fund. The hon. member at this point is making general statements, but he's not relating it to the motion. And if he's going to continue in that vein, he'll have to relate what he's saying to the motion, which is about the Western Diversification Fund.

Mr. Lautermilch: — Mr. Speaker, I accept your ruling, and certainly I'm going to try and keep as close to the topic as I can. And if you'll allow me what I was trying to do — and I'm not contradicting your ruling — what I am trying to do is draw a parallel between the Western Diversification Fund, federally controlled, and the way this administration, that is condoning that expenditure, handles provincial money, because I think it is closely connected, and I think it's important that the people of the province understand what the connections are between this federal and this provincial government.

I indicated earlier that the Premier of this province feels that we're getting our fair share. Well what I'm trying to say, Mr. Speaker, is that there are certain few that are getting their fair share — friends of this government — but that that's not available to every small-business man in Saskatchewan and business woman in Saskatchewan.

Mr. Speaker, I want to quote again from the *Montreal Gazette*, and this is dated May 31, 1989. It says:

The federal government gave a Winnipeg company \$500,000 to develop technology to translate text by machine, despite having a research report which said the technology does not work . . .

Those are from government scientists.

In 1987, the government awarded a \$500,000 grant to Douglas Young, a former University of Manitoba professor, and his new company, Norlus Inc.

The grant was provided under the federal Economic and Regional Development Agreement with Manitoba. ERDA was set up to promote the application and marketing of new technologies.

An Hon. Member: — Has that anything to do with the Western Diversification Fund? Is that what it is?

Mr. Lautermilch: — Well of course. Of course it is. My colleague asks if that has anything to do with the Western Diversification Fund. Well most clearly it is.

And the other part, I would suspect, Mr. Speaker, that would raise people's ears is the fact that it was done during an election campaign . . . (inaudible interjection) . . . That's right, my colleague says they built an airport at Luseland.

The same thing, half a million dollars — all during a federal election campaign. And who wouldn't believe that it's a political slush fund. The people of the area didn't want it, but the federal operation in their wisdom decided that that was what was politically best for the PC Party, so the announcement was made.

And I want to say, Mr. Speaker, that people are dissatisfied with that kind of deliverance of programs. They're fed up with that kind of a government that would use its own political fortunes before it would use sound economic reasoning to make a decision in terms of expenditure of federal government money and taxpayers' dollars. But not this group.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — And who is this all benefitting? We talked about the share of money that was coming to Saskatchewan, the 6 per cent with 16 per cent of the population. We talked about that.

And who does this support? This supports people like Guy Montpetit, living in central Canada, who come out here and scam a Deputy Premier who isn't even playing in the

same league. He tries to deal with Mr. Montpetit and finds that within six months, almost \$5 million of taxpayers' money gone, frittered away.

But do they speak on behalf of the Saskatchewan business men and women? Oh no. Oh no. And Saskatchewan people know who their friends are.

I want to say that members opposite are living in a very, very small world. Saskatchewan is a small community, and you don't get away with the kind of government you deliver. You don't get away with the kind of patronage that the Western Diversification Fund time after time after time displays.

People are looking for decent, honest government. Regional economic development that makes sense for our province — that's what they're looking for, and they're asking to be involved. They're asking that this western diversification money be available to them as well.

And I want to say, Mr. Deputy Speaker, that there is going to come a time when in this province there will be a government that will deliver these programs in a fair fashion, and not just for the political gain and to fill the pockets of a few of their close-knit friends. That's not what this province was built on, Mr. Speaker, and that's not how it will continue under another administration.

You can look at editorials from newspapers that are not normally known to be supporters of the opposition of this legislature. And what do they have to say about the Western Diversification Fund? They call it a slush fund. Are they happy that Saskatchewan is getting their share . . . or do they feel is getting their share? No, and I just want to quote out of the *Star-Phoenix*, March 10, '88:

(1530)

Concentrating the bulk of funding in central Canada will not lessen the regional disparities which exist in Canada. In fact, such a policy will likely encourage even more.

Mr. Deputy Speaker, they understand who's supporting who. They understand that this Premier isn't speaking on behalf of Saskatchewan business men and women, and they understand that their regional economic development, or as this government likes to howl on and on about, about economic diversification and how we're building and how we're growing.

I want to spend a little bit of time, Mr. Deputy Speaker, talking about how we're building and how we're growing in Saskatchewan, and I want to share some facts and some figures with the members on the other side of this legislature, because I think it's important that they hear them. And if they haven't heard them before, I'll share them with them today.

It's important that they know what are happening to the business men and women in their province. It's important for them to know how many of their friends and their neighbours are going bankrupt. It's important to know how many of their neighbours' children are leaving this

province. It's important to know that under their administration that they are blindly supporting at this present time, that they're blindly supporting an administration that's ripping the guts out of this province. And it's an unfair situation, and it's going to be corrected when the people of this province have a chance to vote and to tell these people that enough is enough.

They've built and heaped a debt upon the people of this province in general revenue for \$4 billion — \$4 billion. Mr. Deputy Speaker, that's a crime, it's a shame, and it's an indictment of PC incompetence. And it's going to be corrected. The total provincial debt has risen to almost \$14 billion.

Can you imagine? Can you imagine a government so incompetent, so wasteful, so patronage-ridden, so corrupt that it would destroy the economic base of a province? Can you imagine a government that's been privatizing, selling off assets, and at the same time increasing the provincial debt?

The people of this province are starting to understand just how corrupt and incompetent this government is. And the move now, Mr. Speaker, to privatizing yet more, shows that what's happening with the Western Diversification Fund is only a small part, a small parcel, of why we're having the large debt in this province and why there are only a few that have access to that Western Diversification Fund money.

They understand very clearly the number of bankruptcies that the lack of regional economic development funds have caused in part, the fact that in '88, business bankruptcies are at 460. And you can look from 1972 up — in '82, it takes a jump and it just never quits. It almost appears as there's no room for small business in this province.

They know that they can't have access to the Western Diversification Fund — that they know. But if they haven't got access to some of that federal government money, and if they can't as well have access to some of the provincial government money through SEDCO, at least allow a decent economic climate so that they can function on their own without government involvement. But that too is being taken away from them.

The fact that this government has allowed business after business to go bankrupt with no help, the fact that the western diversification fund money is being polarized into the hands of a small few friends of this Tory government doesn't sit well with business people. And it shouldn't.

Not only with business people, Mr. Deputy Speaker, but anyone with an ounce of fairness, with an ounce of morality and decency would understand that a government has the responsibility to create an environment and an atmosphere where business can develop on its own without government involvement. And they also understand that, while you do get involved with some businesses, you create a competition against others — an unfair competition. And that, Mr. Deputy Speaker, is an indecent government that would allow that to happen.

In terms of economic growth, this program is to help develop regional expansion, regional development. And what's happened? Because of the political polarization of these dollars, you find a province like Saskatchewan lagging far behind any other province in Canada, perhaps with the exception of Newfoundland. And what government would allow that to happen? What government wouldn't change direction, reassess what it's doing, except for this PC government in Saskatchewan?

I want to say, Mr. Deputy Speaker, that any member on that side of the House that will sit idly by and be part and parcel, no matter how decent a person, no matter how decent a person they were when they came to this legislature, I would suggest has either got the blinkers on, the ears closed and the mouth closed, or doesn't spend enough time around here to understand just how corrupt this government is.

Mr. Deputy Speaker, in 1989 Saskatchewan had an economic growth in terms of gross domestic product, an increase of 2.4 per cent. It's almost inconceivable to believe. It's almost like you put the brakes on in this province and said, whoa, we're not going to grow any more.

But it's not the story. The real facts are a different story than what you hear out of the mouth of the front-benchers on the other side. And the reason I say the front-benchers on the other side, Mr. Deputy Speaker, is because the back-benchers don't say much, with the exception of course of the member from Lloydminster who's always got something to say — it's rarely relevant or never researched as well.

But I want to say, Mr. Deputy Speaker, that the people of this province see through this PC government and their federal counterparts. They've had a number of years now to analyse and assess where they're going and where they want to take this province and this country.

They're having a firsthand look at the results of free trade. And I'd want to say to you, Mr. Deputy Speaker, that one of the results of free trade are the cut-backs to DREE, the cut-backs to Saskatchewan in terms of the Western Diversification Fund, because that's part and parcel of that free trade agreement. Part and parcel of that free trade agreement is that you can't fund, and won't fund, regional disparities in different areas of the nation.

It's the free-market-place system. It's the open-for-business structure. It's the rich get richer, Mr. Deputy Speaker, and the poor get poorer, and that's what that's all about.

And I sometimes smile when I see this open-for-business government, this free enterprise at all costs government, when they happen to get involved in a joint proposition. And I have to smile at them sometimes. They'll invest with a large multinational corporation, invest taxpayers' dollars, and then at the same time, just on the other side of their mouth, they'll tell us that they're going to be divesting themselves of the shares.

Well that only means to me, sir, one thing. That means

lost revenue, that means lost dollars, that means an increase in the provincial deficit. It's consistent with what they've been doing. But you'd think after they'd been tarred and feathered by the people in Saskatchewan as they travel around the province and talk to people who used to support them and who no longer do, that they might reassess where they're at. But oh no, not this group. These guys have got one agenda, Mr. Deputy Speaker, and that's an agenda to destroy this province economically, and that's exactly where it's going. And by not fighting with their federal counterparts to get our fair share of that Western Diversification Fund, that's exactly what they're doing.

As I said before, we hold 16 per cent of the western Canadian population and we get 6 per cent of the fund. Does that seem fair? I want to suggest to you that it's not fair, Mr. Deputy Speaker, it's not fair at all, and I would hope that the Premier will perhaps reassess his friendship with the prime minister of this province and go down there with both barrels blazing and tell him that we're a little fed up and that the reason they lost 10 out of the 14 seats in Saskatchewan is because of the neglect that they've displayed over the years that they've been government.

That's what really needs doing, Mr. Deputy Speaker, and that's what this Premier should be doing. He can go to the Orient and try and sell 25 per cent of one of our Crown corporations in five different countries — and I mean that's fair and fine — but I think what he should be doing is looking after business here at home. He should be looking into the reasons that we're losing 12,000 people out of this province in a very short period of time. He should be talking with neighbours of his colleagues in the back benches, and he should be talking, as a matter of fact, with them because I don't believe that that's happening.

And I tell you that there are stories that are funnelling back from that side in terms of discontent from some of the back-benchers — and I'm not pointing any names, and I wouldn't do that — but some of them who understand that their electoral future is pretty dim if this government continues on this course. They're understanding that this isn't part of their upbringing and the kind of government that these four or five cowboys are delivering isn't the kind of government that their parents taught them to respect and that their church leaders taught them to respect and that decent people in their community know that they should have a right to respect.

They're not getting that kind of leadership. They're not getting that kind of leadership when this Premier goes to Ottawa to speak for Saskatchewan, because that doesn't happen. They're not getting that kind of leadership when legislation is introduced that clearly, clearly, clearly is opposed by eight out of 10 Saskatchewan people. They're not getting that kind of a feeling that they can be part and parcel and comfortable with the front-benchers when they're being misled in terms of the GigaText scam.

Those are things, I would suggest, that are creating dissension within that caucus, and that should create dissension within any caucus if in fact there are a few decent people there.

But the motion, Mr. Speaker, deals specifically with the Western Diversification Fund and the fact that this government is not delivering it properly. I see a half a million dollars out of this fund into a game ranch, and I mean that's fair and fine. And I see \$4 million that go into a GigaText scam, and that may be fair and fine.

But I ask, Mr. Deputy Speaker, what could be done with, say, let's pick a figure of \$4 million. Let's just use the figure from the Western Diversification Fund of \$4 million. And let's take a half a dozen ridings in your own riding . . . half a dozen towns in your own riding, Mr. Deputy Speaker.

Just to use six towns in your riding, medium size, spread that money in terms of grants at a reasonable interest rate. Maybe spread it to your hoteliers who are having a very difficult time to keep their head above water. Maybe you would want to look at a reasonable interest rate on a loan to an implement dealer in your community. You might want to look at a reasonable loan to the hardware store, or to a small . . . or say to a young couple that want to establish a new business in one of your communities. Or you might want to build, as a matter of fact, a fertilizer plant in Rosetown. I mean, that may be a little novel idea that would escape the members on that side of the House, but it might be something to think about. And maybe rather than dumping \$175 million at Cargill, you'd want to pay off some of the debt, rather than increasing it.

(1545)

I mean, these are not all novel ideas, Mr. Deputy Speaker. They're common sense ideas that are shared with people, business people, throughout this province when I talk to them about the direction this government's going in. And they say to me, gee, you know, the high interest rate policy that's caused by the diversification money that's put into central Canada — that's increasing interest rates, is really creating a hardship out here for me in Saskatchewan.

Like, my banker is starting to put the squeeze to me. He's telling me that there's no operating capital, there's none for me. Here in Saskatchewan you're a bad business risk because of the environment that this government's created, and the money dries up.

So instead of throwing, say, \$4 million at a Guy Montpetit, wouldn't we be wiser to put that money into our communities and have young family businesses stave off bankruptcy? I mean, wouldn't that be a novel idea?

Wouldn't it be an incredible idea to look at a small grocer in a small town that's really finding the squeeze because of extended store hours in the cities now; I mean, wouldn't it be novel to perhaps help him out with a little operating loan, to stock his store where people would want to come in and purchase in that small store?

I mean, wouldn't it be novel if we were using the Western Diversification Fund in order to do those kinds of things? And I'll tell you what would be novel — it would be novel for this government to recognize that there are small businesses that are hurting in this province, that there are small businesses that deserve help and that require help

but that are not getting it from this government. Now that would be novel.

This government is losing it, Mr. Deputy Speaker, in terms of understanding what these small communities want. They don't want any more of your glitz and your multi-megaproject hype. That's not what they're looking for. They're looking for just a little help, a little stability.

And I mean, it's not a big thing. We're not talking small-business people in one community that want 10 or \$20 million like your friend, Peter Pocklington. I mean, that's not what they're asking for.

They're just asking for fairness. They're asking for this government to speak with their federal counterparts in terms of the Western Diversification Fund and talk to the people at SEDCO in terms of what they could be doing for small Saskatchewan businesses. And I mean, they might even be willing to overlook a half a million dollars that goes to one of our cabinet minister's sons. They might be willing to overlook that, as long as there was a semblance of decency and honesty in terms of sharing the rest of that pie for themselves.

You know, Saskatchewan business people are an independent lot. And I want to say, Mr. Deputy Speaker, that they always have been as long as I've been involved in business in this province, that they've always prided themselves on that independence and their ability to work things out if they're given a fair shake. That's the spirit of the Saskatchewan business community.

But I want to say, as well, that that spirit is becoming bent, and it's becoming broken, because they see at every turn this government unwilling to help where they can, and willing to destroy when they can. They see utility rates increasing at an alarming rate, taxes increasing because of revenue-sharing changes to the municipal governments, increased local taxes . . .

An Hon. Member: — Point of order, Mr. Speaker.

The Speaker: — Member from Regina South.

Hon. Mr. Klein: — Mr. Speaker, I've been listening attentively to the member opposite, and we are here debating resolution no. 6 that speaks on Western Diversification Fund and economic development. Now I am prepared to speak . . . I am prepared, Mr. Deputy Speaker, to speak on their motion, resolution no. 13, as it relates to small business. That's what I believe that the member opposite has been doing for the last five or 10 minutes.

Now if they want to combine the two resolutions and allow me the privilege of speaking for one or two hours on what this government has done for small business, I am prepared to do that. But I believe until then, you should advise the member that he should speak on what the resolution is. Otherwise, I think that in fairness to other members of this Assembly that want to speak on a relative topic, we don't get that opportunity, Mr. Deputy Speaker.

Mr. Shillington: — First of all, let me say I regret that the member from Regina South was brought to life by a gibe

that we hadn't heard from him for some time. It should be noted, although this is not germane to the point of order, that the member could not have heard most of what the member from Prince Albert had to say.

Mr. Speaker, the resolution is fairly broad in its terms. The resolution urges that this Assembly communicate to the Parliament of Canada the fact that western Canada, and Saskatchewan in particular, is not getting its share of the Western Development Fund and that that money which is being spent is being spent in a fashion based on patronage rather than sound economic development. That is a fairly broad topic.

I think it's fair to say that the member from Prince Albert-Duck Lake, his comments were within that broad topic. He was talking about the use that the funds were put to and the misuse that the funds were put to, and that's all part of the topic. He was, as well, discussing the political patronage which has been involved in the discussion of . . .

The Deputy Speaker: — Order. I believe the member is entering into debate, and we're just discussing a point of order.

Well I've listened both to the member from Regina South and the member from Regina Centre, and I believe the member from Regina South has an appropriate point to make with regard to relevance and the . . .

Are the members . . . Order. Order, order. I would ask the members just to allow me to make my comments.

I've been listening to the member from Prince Albert-Duck Lake. The Speaker earlier had asked the member to make his points relevant to the motion before us. And I've listened to both points of order, and I would ask that the member continue to . . .

Member from Moose Jaw North, I believe the members are required to be quiet while the Speaker is on his feet, and I would just ask that privilege.

I would ask the member from Prince Albert-Duck Lake, as he continues his remarks, to make his remarks fairly relevant to the motion that he has moved in this House this afternoon.

Mr. Lautermilch: — Well, Mr. Deputy Speaker, I can understand the member from Regina South's sensitivity in terms of anybody talking about the business community and their feelings toward his government, because I think it's becoming much clearer to him as he travels the province and talks with business people in terms of their acceptance of his government's administration. I can understand that sensitivity, Mr. Minister.

As I was saying before I was interrupted by the member from Regina South, I'm trying to explain, and I will continue on this vein if I might. I'll be a little more specific as it relates to the motion, sir.

And we were talking about the Western Diversification Fund and how it's being allocated throughout the Saskatchewan business community and how it is perhaps

misdirected in terms of not being available to small businesses, to mom and dad businesses. And if that is relevant to the motion, which I feel it is, I would like to share a few of the thoughts that people have asked me to share with the members on this side of the House and on that side of the House as well.

And as I was saying, Mr. Deputy Speaker, I find it a little disappointing that the allocation of these dollars is not directed towards the small business sector, as I believe it should. And the provincial government is clearly a party to the direction of that money. And it never stood up. As I said before, the Premier indicates that we've got our share. The Premier indicates that things are going well, but that's not what the business community out there tell me.

I would ask, Mr. Deputy Speaker, that this government reassess its position in terms of supporting the patronage that the Western Diversification Fund has been exhibiting; that they assess what putting those dollars into the hands of small business in Saskatchewan could do for this economy.

I mean, even the minister from Regina South would understand that the biggest job creation tool that we have in Saskatchewan is not the big megaprojects that he so proudly boasts about, it's the mom and dad businesses, the small businesses with 20 or fewer employees, or 30 employees. Those are the people that generate jobs in this province. And I want to say, because the Western Diversification Fund has forgotten about them, we have an out-migration of young people from this province like has never happened before.

Now if the minister wants to stand up and argue against his government's own figures in terms of out-migration from this province, in terms of unemployment in this province, in terms of the number of people on social assistance, well that's his business. And I'd welcome hearing those arguments because I tell you frankly, I believe it's impossible to defend the undefendable, and those figures that his government has put out, in my mind and in minds of the small-business community of Saskatchewan, are clearly undefendable.

And as I said, the business community isn't asking for much. They're not asking for megadollars from the Western Diversification Fund or from SEDCO. They're asking for a small piece of that pie, but they're being denied that because we've got a callous, incompetent, patronage-ridden government, both in Ottawa and Regina. That's why this is happening, and that's why, Mr. Deputy Speaker, this motion is before the House.

If he really believed; if that minister really believed in the lines he uses when he addresses this legislature when referring to small business; if he really believed that there was a place for Saskatchewan business . . . for the Saskatchewan business community in the scheme of things in this province, if he really believed that small-business operators were worthy of existence, then he would be changing the direction of this government in terms of its allocation of funds, and he would be lobbying his federal counterpart to change their allocation of funds in terms of the Western Diversification Fund. That's what

he'd be doing.

The business community in this province doesn't want rhetoric or hype any longer. They want performance. They want performance out of western diversification money. They want performance out of SEDCO money. They want decency from their elected officials. They want honest, open answers in this House as to how those dollars are spent, and they want access to them.

And you failed, Mr. Minister, to speak on behalf of the business community in Saskatchewan on every count — on every count. The Premier has failed to act, the Deputy Premier has failed to act, the Finance Minister has failed to act, and the Justice Minister has failed to act.

And I understand that you're not of the inner cabinet, Mr. Minister, and that you don't have maybe direct access to how these funds are looped out. I understand that maybe you don't have any more involvement than one of the lowliest back-benchers on the other side do, and that may be the case; and you may be a little bitter about that and you may be a little upset about it. But some advice for you, sir, would be to sit down with those people and tell them what your small-business colleagues are actually saying about them; what they're actually saying about the western diversification slush fund that goes to friends of the PC Party and is not available or accessible by Saskatchewan small business.

You've got a responsibility. Sir, your responsibility is to speak for your small-business colleagues, and you aren't doing that. You've had opportunity in this legislature hundreds and dozens of times. You've been part of government since 1982, and I want to tell you, you have changed nothing. The patronage hasn't stopped, continues on; apparently you condone it. The western diversification funds that are allocated are not accessible to small business, and you know that — only friends of your political party. And that's why, Mr. Minister, and that's why, Mr. Speaker, this motion is before this Assembly.

I said before that it's not something that one wants to do, to stand in this legislature and roar at a government and chastise a government for incompetence, for corruption. No one wants to have to do that. And I guess maybe it's only a special instance when one does, and that's when you've got a PC government led by four little soldiers sitting in the middle of the front benches, like this one does, who cares little for the people of this province, who cares little for the future of the children of our province, that it's time someone did.

(1600)

And I want to suggest to you that members on this side of the House are going to continue as long as these guys are hell-bent toward destruction and driving this province into destruction as they are.

I talked before about western diversification money being put into the hands of a corporation that a son of a minister is involved with, and that isn't acceptable. And I think that all members on that side of the House understand that. I think even the back-benchers, who may not be as closely

involved with the happenings of that, understand that.

And I think that they would wish they could go back to the small towns in their ridings and say, by golly, you know, I think the federal government and the provincial government have sat down and worked out a deal where there's going to be some funding available for you; I mean even you, who haven't carried a PC membership card or who aren't related to a member of the government side; even you, lowly Saskatchewan business person who's maybe been operating in this province for 20 or 30 years and who's employed people consistently, even you might have access to these funds. Wouldn't that be a novel idea?

And wouldn't that be a positive move if members on that side of the House would take that approach to the Western Diversification Fund, and would take that approach when they're in caucus talking to the inner cabinet? What a novel approach.

And you know what, Mr. Speaker? I think that they may find that there would be some respect for them when they got back to their ridings, because that business community is waiting for someone to speak on their behalf. They're waiting for members of this legislature to stand up and tell the inner cabinet that those funds have to be allocated in a different fashion, that they have to be shared more equitably, and that all taxpayers of this province have a right to access to them. I mean, what a novel idea — fairness and decency . . . (inaudible interjection) . . . My colleague from Regina North says, in light of this government's actions it would be unique, and I can't help but agree with him.

And I want to say, Mr. Speaker, that this motion is not one that should be before the legislature because we've got other pressing matters to deal with.

An Hon. Member: — You're right. You're right

Mr. Lautermilch: — And the member from Kinistino says I'm right, and I know I'm right. And we've been waiting for legislation to deal with agriculture and unemployment and health care, and you haven't delivered one piece before this House that you're willing to debate.

We've been willing to talk about the Western Diversification Fund and what it might want to do. We've been willing to talk about interest rates. We've been willing to talk about unemployment. We've been willing to talk about all of these things.

But what kind of . . . (inaudible interjection) . . . Where's the legislation that you're holding back? You bring in the legislation, and we've given you commitments in writing that we'll debate it tomorrow. As a matter of fact, I would suggest to you, Mr. Finance Minister, we'd be willing to go tonight if you had the guts to bring any legislation before this House.

We've been here for 50-some days, or however many days it is. You people haven't brought in one substantive piece . . .

The Speaker: — Order, order. Order.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — Pardon me, Mr. Speaker. I was taken a little off topic by the Finance minister, but it's so easy to do. He so rarely speaks in this legislature.

An Hon. Member: — Only from his seat.

Mr. Lautermilch: — And only from his seat when he does. So it was actually a rare treat to hear his voice again.

Mr. Speaker, the Finance minister talked earlier about getting on with the business of this House, and I want to say, in terms of this motion, there are other things that I would rather be doing, rather than to be speaking about the Western Diversification Fund and the government's lack of moving on making that fund function.

We'd rather be speaking about unemployment in this province, or we'd rather be speaking about programs for small business, or we'd rather be speaking about how to stop the bleeding of young people out of this province. Those are all things we want to speak about. We spent 50 days or so in this House, and the people of Saskatchewan are waiting for this government to govern — not one piece of legislation dealing with any of those topics.

Private members' day, the opposition day, we have an opportunity to debate what we feel is relevant. And clearly the plight of small business is relevant because there are a number of them going bankruptcies, and this motion deals with that. But there are other issues. There are farmers going bankrupt; legislation that we're waiting to have debated in this House; record unemployment in this province.

But what do they bring before us? The bell-ringing motion day after day after day.

The people of this province know what they're about. The people understand what this government's motives are. They understand that they're afraid to let this legislature work.

The Speaker: — Order. Order, order, order. I believe the hon. member will agree that he's wandering off the topic. He's wandering off the topic, and I ask him to come back to the motion in a more direct manner.

Mr. Lautermilch: — Thank you very much, Mr. Speaker. My enthusiasm may have taken me off topic a little. I will apologize for that if that were the case.

Mr. Speaker, my colleague from Saskatoon Sutherland has indicated that he would like to second this motion, and would as well like to say a few words on the topic. And I plan on entering my closing remarks to the legislature so that that may happen.

But in closing I just want to say, Mr. Speaker, that I share the disappointment of the business community in Saskatchewan, the disappointment that they don't have access to federal government funding through the Western Diversification Fund; that it has become nothing but a slush fund for the PC supporters, and that's been evidenced in this legislature in the last couple of weeks.

The minister of SEDCO understands that clearly.

The people of this province are disappointed and understand that that money has been used during election campaigns to buy votes, not only in Saskatchewan but in other jurisdictions; as an example, Manitoba, through the Norlous scam. They understand that millions and millions of dollars of diversification fund money has been pumped into Quebec and southern Ontario to create an artificial economy that has created an inflationary jump, that has caused interest rates to be raised out here and yet compound the problems in Saskatchewan. They're disappointed in all of that. They know it's unnecessary and they feel it's unacceptable.

But they also know, Mr. Speaker, what the root cause of those happenings are. They understand that it's a PC government, both federally and provincially, that cares more about its own little group of Tory supporters, that cares more about its own little political agenda and its own political future than it does about the rest of the people of Saskatchewan and of Canada. It disappoints them.

They also know that that's why we've got a massive debt in Saskatchewan . . .

An Hon. Member: — And in Ottawa.

Mr. Lautermilch: — And in Ottawa, as well, my colleague from Quill Lakes says. These are all things that they understand clearly. They also understand that a federal minister and a federal prime minister will stand up and say one thing one day and turn around and say the opposite the next day.

They're disappointed, and they understand that this Premier will do the same thing here in our province. They understand that cabinet ministers will stand up in question period in this forum day after day after day and ignore facts that are placed before them and refuse to answer.

All of this is tied into what's happening with the Western Diversification Fund, Mr. Speaker. All of this is part and parcel of why this Tory government in Saskatchewan will have a quick death come next election. I would suggest to you a severe and a massive hemorrhage of Tory blood will flow throughout the streets of this province. And if there are two or three that come back to this legislature after the next election, I would suggest to you that the people of this province will be in shock. Thank you very much.

I move:

That this Assembly communicate to the Parliament of Canada its extreme disappointment that western Canada has been allotted a smaller share of federal regional development money under the new Western Diversification Fund than under the previous department of regional and industrial expansion; and further, that this Assembly regrets that grants from the Western Diversification Fund continue to be made on the basis of political patronage rather than in

accordance with sound economic development strategies.

This motion is seconded by the member from Saskatoon Sutherland.

Some Hon. Members: Hear, hear!

Mr. Koenker: — Thank you, Mr. Speaker. This is actually quite an important motion that we're discussing this afternoon inasmuch as it deals with an issue that many western people feel the federal government in Ottawa is really not fully aware of, and that issue is the nature of western economic development.

And this motion, as you've just indicated, consists of two principal parts: one, indicating that there is extreme disappointment in western Canada that a smaller share of federal western regional development money has been given to the West than to the rest of the country under the Western Diversification Fund; and secondly, expresses regrets that grants from this Western Diversification Fund continue to be made on a patronage basis.

And it's for this reason then, Mr. Speaker, that many people here in Saskatchewan feel that these concerns need to be brought to the attention of the federal government. They need to hear from this Legislative Assembly the concerns of Saskatchewan business people that they simply don't have access, fair reasonable access, to federal funding through the Western Diversification Fund, and neither do they have an equal opportunity because of some of the patronage associated with this fund.

Now the people of Saskatchewan, for the most part, know that the Western Diversification Fund was announced with much fanfare and promise in the months preceding the most recent federal election last year. People had a lot of hope, a lot of optimism that this might be the fund that would make a difference for western Canada, that this might be the fund which would actually see Saskatchewan firms beginning to compete with companies in Ontario and Quebec for federal contracts and for other business contracts as a real means of diversifying the western economy.

Federal plans were to foster secondary industry throughout the western provinces. And what we've seen in the last year and a half is that these federal plans have basically not materialized. And I intend to document that in the next minutes, with some degree of specificity.

Really what it amounts to is a political plan and not an economic development plan. We've seen federal cabinet ministers like Bill McKnight, the minister responsible for the western diversification plan, putting hundreds of millions of dollars into his own constituency.

We've seen \$1.7 million worth of western diversification money, for example, going into airports in western Saskatchewan, in Mr. McKnight's constituency. And that's just unacceptable. People smell patronage, people smell corruption when they see western diversification funds being used in that kind of fashion at the same time that Saskatchewan business people, small-business

people in particular, simply can't have access to those same funds.

And I want to demonstrate this afternoon how those grants to the airports violate the expressed criteria of the Western Diversification Fund itself.

(1615)

Another example of the disappointment that this fund, or this initiative, has fostered across the province of Saskatchewan, is the well-known scandal associated with the Northern Lights game farm. People are really disheartened and saddened when they learn that half a million dollars can be granted to the son of the minister of the privatization here in this province simply by virtue of a phone call to the federal minister's office responsible for this program. And that is patently unacceptable, as is some of the unparliamentary language that we've just heard.

When a half a million dollars can be sprung at the snap of a phone call from a provincial minister here to the federal minister in Ottawa, something is rotten in Canada and Saskatchewan. And people know that that rot has infected the Western Diversification Fund.

Now I want to talk a little bit this afternoon about some of the spending, the global spending as well, of this Western Diversification Fund. The West, as a whole, and Saskatchewan in particular, have never received their fair share in disbursements from this federal program. The very program that was to equalize regional disparities and to contribute to western growth and diversification, both on the global level of the four western provinces and on the level of this particular province, has not received proportionate funding.

Under this fund, the West has continued to receive substantially less for regional programs on a per capita basis, and Ontario and Quebec, as we might suspect, have received proportionately more than their fair share, more in fact than they did under the old department of regional and industrial expansion programs. In terms then of total government funding, Saskatchewan and the four western provinces as a whole are still to this day, in spite of this fund, being short-changed by the federal government in Ottawa.

In 1988, for example, western Canada received \$312 million from the Western Diversification Fund — \$312 million. That was 15.4 per cent of the total disbursements of this \$2 billion total. This was less than the 15.5 per cent the West had received under the old DREE program a year earlier — not much less, but the point is, it was still less under a program whose expressed intention was to diversify and open up new opportunities for small-business people in western Canada. And that's precisely why western Canadians are disappointed with this program.

The point is that no improvement has been made in the share of development grants coming into the West, or coming into this province, and people can't understand why.

And then when they see the money going for patronage purposes, they totally fail to understand what is going on with the program that is supposed to be serving their interest. Ontario and Quebec, for example, received 67 per cent of the regional development funds under this new initiative, up from 60 per cent under the old DREE funding a year earlier — 7 per cent more for the East; less for the West. And these are the very grants that are supposed to lessen regional disparity.

And this has meant then that Saskatchewan's own share — and I want to talk very particularly now, not just about the West in general, but about Saskatchewan's share — that Saskatchewan, with 16 per cent of the western Canadian population, has received only 6 per cent of the total funding coming to the West under this program. With 16 per cent of the population, Saskatchewan gets 6 per cent of the money.

And I think you'd have to admit yourself, Mr. Speaker, that that isn't exactly the picture of fairness or proportionality that we might hope for or expect under a diversification program. What it is actually doing, those figures reveal, is perpetuating the inequalities, the inequities of previous programs that we've experienced from the federal government.

An Hon. Member: — What a disgrace.

Mr. Koenker: — And as my colleague says, it's a disgrace. It really is.

To this date, according to the western diversification office in Saskatoon, their own figures, Saskatchewan in fact — and this is not just a disgrace, but this is actually scandalous — Saskatchewan has received the lowest amount of funding of any western province, the lowest amount of any western province, from the Western Diversification Fund.

And people ask themselves, how can this be? How can this possibly be when the Premier of the province who prides himself on being such a close associate of Brian Mulroney, goes to Ottawa regularly and can't defend Saskatchewan interests with a program whose expressed intention is to meet those interests in a new and a fair way.

People ask, how can this be? What's going on? From the Premier who's an apologist for the Prime Minister, and he can't even get a fair shake for his own people here in Saskatchewan from this program.

British Columbia receives \$77 million; Alberta receives \$71 million; Manitoba receives \$44 million; and Saskatchewan receives \$39 million. Still next year country, still the lowest amount of funding from the diversification program.

And what is troubling as well, Mr. Speaker, is the fact that no annual reports have yet been tabled in the House of Commons in Ottawa from this Western Diversification Fund. There's been no accounting to this point for the expenditures made under this fund, although the fund will have been in existence for two years now — two years in existence, but no accounting for the funds.

And we see echoes of that here in Saskatchewan when *Public Accounts* are tabled late and auditors have trouble getting access to information to table their own reports.

The early projections when the Western Diversification Fund was announced indicated that each of the western provinces would be receiving approximately \$60 million per year. Those were the early projections. Now we know that Saskatchewan doesn't get its fair share when it gets \$39 million — far short of its own appropriation.

It's interesting to know in this regard, to put this into some kind of context, that in the four-year period '83 to '87, the federal government, while spending \$100 million on biotechnology, spent \$60 million of that for the biotech institute in Montreal — \$60 million for the biotech institute in Montreal, when Saskatchewan can't get its \$60 million allotment from the Western Diversification Fund. It can't even get \$25 million from the Western Diversification Fund for the plant biotech institute here in Saskatoon, and that's a disappointment as well.

When this kind of funding, a \$25 million funding request for a centre of excellence in biotechnology is dangled as a political carrot before the federal election in '88, and people to this day still can't see any tangible proof of that money coming to this province for a biotech institute, that's a disappointment.

Well not only that, not only is the funding inequitable, but the actual performance of the Western Diversification Fund is cause for concern, great cause for public concern. Because what the Western Diversification Fund has really done is taken a sort of shotgun approach to western diversification that has characterized many of the federal plans in the past — a shotgun approach in that political considerations are allowed to override economic considerations in the making of the grants.

Grants are made for political purposes rather than in accordance with sound economic principles with an economic development strategy which will help to build the infrastructure of this province and the other western provinces.

Indeed this is so much the case that John Bulloch, the president of the Canadian Federation of Independent Business, has stated:

The Western Diversification Fund is close to becoming nothing more than a political slush fund to feather the nests of provincial governments.

And he goes on to express the dissatisfaction of the small-business community that has had to stand by while western Canada becomes a pawn in the political ambitions of the federal Progressive Conservative government.

And I can speak from personal experience, Mr. Speaker, in terms of my own constituency, going door to door, running into a fellow who was into the business of steel fabrication and wanted information on the Western Diversification Fund and how he might qualify. I shared some of that information with him, gave him the contacts such that he could forward his proposal for consideration,

and nothing has come of it — nothing has come of it.

Because what it really amounts to is that the high rollers in the provincial economy are given preferential access to this Western Diversification Fund. Or those firms who have political connections are able to access western diversification funds, but other smaller firms are not able to implement their own plans for diversification and make their contribution to the provincial economy. Hopes were high, but this fellow didn't get anything from the Western Diversification Fund.

I have a printer in my constituency who was also quite excited about the prospects of securing some funding under the Western Diversification Fund when it was announced, and I supplied him with information too on the particulars of the program and how he might make contacts and access the program with his application. And again nothing came of it. He was told that he didn't qualify, that they weren't in the business of assisting existing businesses to implement their existing business plans, but that the criteria had to add to the larger diversification and innovation in the province.

And this in itself has caused a lot of disgruntlement with Saskatchewan small-business people when they go to access the fund and find that they can't crack into the fund, in fact that they aren't even considered when they bring their application to bear.

Indeed I think that it's fair to say that the primary criticism of the Western Diversification Fund is not a political criticism; the primary criticism has come from the business community itself — those people who have tried to access the fund and found that they simply can't do it.

Business people feel that they haven't been given a fair shake, or they're convinced that when they bring their applications forward, that the guide-lines for funding are prejudicial and unfair, poorly considered, and not really shared with them in any full fashion. And so in fact there is a grudge almost, that they end up wasting their time filling out applications for western diversification program and finding that they don't even qualify in the first place.

(1630)

And this feeling is entrenched when they open the newspaper, as they did this fall before the federal election. And I have in front of me here a clipping from the September 26, 1988 *Star-Phoenix*, that is titled, "Helping Saskatchewan industry":

The western economic diversification is listening to your ideas for new products, new technology, new export markets, import replacements, industry-wide productivity improvements . . .

And it goes on to give three little pictures of individuals who have benefitted from this program and how they have benefitted from western diversification funding. And so the carrot is there; all the encouragement is there; the come-on, the hucksterism is there in the public relations effort.

But when people go to access the program and find that

they can't access it because they don't meet the criteria, then the disappointment sets in, then the bitterness sets in, then people begin to wonder and ask questions as to what the program is really all about and what sort of credibility it has.

And I think, for example, very specifically, of a small business in the Sutherland constituency that approached me this spring regarding the possibility of funding from the Western Diversification Fund. This business is called Baba's Home Style Perogies. And the people that . . . this is a family-run operation, small business, newly established in the Sutherland constituency on Central Avenue.

And the people came to me wanting to know if there might be a possibility of provincial funding or assistance to help them diversify from the making of perogies into the making of cabbage rolls. And the long and the short of the story is that there was no provincial money available for them.

In fact, when I couldn't secure anything myself for them, I contacted the offices of the minister responsible for small business and asked that she might talk with them. And in checking with them today, they still have not had contact from the minister. And this is at least two months if not three or four months ago that this overture was made to the minister's office to contact these people.

But the point is there was nothing provincially. We knew that. We tried it; it didn't materialize. So they wondered about the possibility of western diversification funding. Well that simply didn't exist either. It simply didn't exist because it wasn't a new technology or one of the contours of the program again. It wasn't a new product, it wasn't a new technology, it wasn't a new export market, it wasn't an import replacement, it wasn't an industry-wide productivity improvement, so they didn't qualify.

But meanwhile the Saskatoon Fresh Pack Potato people, who also make perogies and are diversified into cabbage rolls and other foods, received \$188,000 from the department of regional industrial expansion.

I say this to illustrate the way in which the door is closed to small family-run operations under this program. Much ballyhoo about how it benefits the province and how it'll diversify the economy, but it doesn't serve the needs of Saskatchewan small-business people.

And I want to go on now to talk about some of the other projects that have been funded or have not been funded, in particular, by this western diversification program.

And as we look at the funding that's taken place to date, Mr. Speaker, it's simply impossible to do so without consideration of the political contours of this fund. And in fact that's why the motion before us this afternoon talks about the grants from the Western Diversification Fund continuing to be made on the basis of political patronage rather than in accordance with sound economic development strategies.

For that reason, it's no accident, Mr. Speaker, that again this past fall as we were approaching the federal election,

on Monday, September 19, the Saskatoon *Star-Phoenix*, on the third page, the top of the third page, has an article entitled: McKnight focuses on province in pre-election spending spree.

An Hon. Member: — Trying to buy votes.

Mr. Koenker: — And that's shorthand, as my colleague from Regina Victoria says, for McKnight trying to buy votes for the federal PC Party.

And I'll just take the opportunity to read the introductory two sentences to this article:

With the federal election in the offing, Ottawa is spending money in Saskatchewan like a man on a mission, and more often than not the man fulfilling the mission is Bill McKnight, minister responsible for western diversification.

And it goes on, Mr. Speaker, to talk about some of the highlights of this madman McKnight's spending spree. A Lloydminster upgrader at \$401 million — western diversification money. But that's for private enterprise. And put that beside, Mr. Speaker, put that beside Baba's who wanted money to make cabbage rolls in my Sutherland constituency — a glaring inequity. And no wonder people resent this program and feel bitter about it, Mr. Speaker.

An upgrader, incidentally, in the federal minister responsible's own constituency. It just happens to be a coincidence, but people know that it's more than a coincidence; it's political patronage. And that is precisely what this motion today is talking about when we talk about the Western Diversification Fund, and therein is the need for this Assembly to communicate to the Parliament of Canada itself its disappointment in this fund and its patronage dimensions.

Some Hon. Members: Hear, hear!

Mr. Koenker: — Another expenditure from this Western Diversification Fund made by the man on a mission, the madman McKnight on a mission, before the federal election last year, was the announcement of 25 million for the national agriculture biotechnology initiative. That's money that we still haven't seen, incidentally. It's money that's been talked about for two or three years with much ado, and we've seen nothing. But it was talked about. That didn't stop Mr. McKnight from talking about it in September, just before the federal election was going to be called.

And the western diversification office also had \$5 million to give to the Potash & Phosphate Institute of Canada in Saskatoon. And here we see another dimension of this Western Diversification Fund that rubs people the wrong way. And that, Mr. Speaker, is the fact that money from the Western Diversification Fund tends to go, not just to the big players like the Lloydminster upgrader or a biotechnology institute, if and when that money will ever be spent, the money tends also to go to industry-wide organizations or associations.

And that is precisely so that the minister responsible, Mr.

McKnight, and the program itself won't be criticized for funding various projects or businesses in one community and not another. Because when push comes to shove, if you stop to think about it, it's only logical to draw the conclusion that there is only so much new diversification and so many new initiatives that any government can take. There are only so many businesses in the world. You can only be so innovative. You can only be so diversified.

And so faced with that fact, when you begin to pick and choose between individual companies, small-business people, you run the risk, in giving the grant to one, of alienating the others.

So what does the western diversification program tend to do? It tends to give money, big money, to industry-wide associations or organizations. And I have a number of examples of these kinds of associations.

One of them, Mr. Speaker, as I indicated, is the Potash & Phosphate Institute of Canada, headquartered in Saskatoon. And it's very interesting that initiatives in this regard for the potash and phosphate industries were first announced here in Saskatchewan, by my reckoning at least, in the Speech from the Throne, which you probably might recall, on December 3, 1986. This was just after the provincial election of 1986.

And I quote from that Speech from the Throne of December 3, 1986:

Aware of the importance of the information and management skills in today's information-based economy, my Government intends to harness the competitive excellence and international reputation that are the hallmark of the Saskatchewan grains, biotechnology, potash and uranium industries to pursue the establishment of research institutes associated with these industries in Saskatchewan. This action will strengthen Saskatchewan's position in these significant world industries where policy, management, and information decisions too frequently lie offshore.

Well, Mr. Speaker, I don't know how often the management of potash and the Saskatchewan potash industry has laid offshore as the Speech from the Throne would have us believe. We do know that the Premier of this province would have it that way; would take the management and the ownership, in fact, of the potash corporation offshore to Asia, to India, to Hong Kong, to China and Japan, and other places. And he's tried in fact to peddle the potash corporation there. But this is an initiative announced in the Speech from the Throne, December 3, '86, respecting the establishment of a potash institute. And for the longest time, Mr. Speaker, it was well over a year, well over a year after this announcement was made, we didn't see the establishment of a potash institute in Saskatchewan.

And do you know, when it was established, what form it took? It was an industry-run association, an industry-run association, not government established, as is indicated by the Speech from the Throne, but industry initiated. And we haven't really heard very much about this institute since then.

But we do know one thing about the recently established potash and phosphate institute that was established down the road, from the Speech from the Throne. We do know one thing, that it already gets now \$725,000 from the Canadian International Development Agency — that's three-quarters of a million dollars from CIDA; that the institute companies themselves contribute about \$3.75 million annually to this institute; and that in return, in return for this \$3.75 million contribution, they get back \$1.75 million in tax breaks from the Government of Saskatchewan.

So yes, there was a plan in the Speech from the Throne to give tax breaks to the industry-run potash and phosphate association. So that's the picture there.

And then what happens with the Western Diversification Fund? How does that enter in? The Western Diversification Fund and Mr. McKnight waltz in and give \$5 million to the Potash & Phosphate Institute of Canada. Now isn't that cozy? And how do you suppose the folks at Baba's, with their perogies and their cabbage roll ambitions, view this sort of initiative? Five million dollars to them that's got, and nothing for their family-run operation. Not very kindly, Mr. Speaker, not very kindly at all.

(1645)

I will say, parenthetically, that funding for research institutes is very important, and that's been a fundamental flaw in much of the federal and provincial government's policy with respect to science and technology. But one has to wonder whether the use of the Western Diversification Fund in making this kind of overture or initiative or gifting to the potash and phosphate institute is quite the kind of expectation that Saskatchewan people had about the fund when it was initially announced, or last fall when it was propagandized in Saskatoon papers.

Now it isn't just the potash and phosphate institute that has received funding from the diversification fund. The fund has funded quite a number, quite a number of other associations or organizations in contrast to individual family-run, small-business operations.

And I think, for example, of the \$79 million which was given from the Western Diversification Fund for the South Moresby National Park reserve in British Columbia. That's an initiative that I fully support, Mr. Speaker. I think it's very important to have the South Moresby islands preserved for future generations, but I have to question whether the Western Diversification Fund is in fact the vehicle to fund that kind of initiative.

In fact, Mr. Speaker, I would go back to the advertisement in the *Star-Phoenix* propagandizing this, that talks about the Western Diversification Fund as being for new products, new technology, new export markets, import replacement, or industry-wide productivity improvements. And I would ask myself what \$79 million for the South Moresby has to do with western diversification. It seems more a vehicle to buy the federal government out of political problems that it's having with respect to the South Moresby issue in B.C.

It's about as far west as you can get. Maybe that's the criteria that caused it to qualify for its \$79 million worth of funding. Or maybe there again could it be, Mr. Speaker, could it possibly be that that money was given to bail out the Vander Zalm government in B.C.? People wonder. People have to wonder about the appropriateness of that kind of expenditure for western diversification when it violates the self-proclaimed criteria of the program.

The salmon enhancement program in British Columbia got \$53 million. This was basically another industry-wide organizational enhancement program rather than a program for any one particular business. And while that's important work to be done, to enhance the salmon fishery, people have to wonder how it is that expenditures from the Western Diversification Fund are made in that regard. They question it, and rightly so.

The province of Alberta got 7.75 million for an engineering research facility under the western diversification initiatives. And get this, Mr. Speaker, this is quite something in terms of western diversification: the western provinces, over the next three years, will receive \$45 million — \$45 million for the western provinces in the next three years from the Western Diversification Fund — for what? Soil conservation. Soil conservation programs.

Now I don't know that that really is such a new product or a new technology or a new export market or an import replacement or an industry-wide productivity improvement. Perhaps that's the criteria under which it qualified. Again, I say soil conservation is very important, and there haven't been enough measures in that regard. We've lost more than half of our topsoil here in Saskatchewan since the province was opened to cultivation. So it clearly is the case that soil conservation is by all means appropriate and necessary, but whether it should be funded from a western economic diversification fund, people have to wonder. And they do wonder about this fund and about its funding criteria and about the fairness of access to the fund. And that again is what this motion is talking about in terms of our overtures or initiatives here in Saskatchewan to the federal government in conveying our concerns.

All of these industry-wide or association kinds of funding are worthwhile, Mr. Speaker. I don't question their value for one moment. What I do question is the appropriateness, in some cases, of the Western Diversification Fund funding these initiatives. I wonder, and the people of Saskatchewan wonder, when they see these kinds of expenditures, whether they really are moving Saskatchewan and the other western provinces away from their dependence on familiar, staple, basic western industries.

And I could go back to the soil conservation initiative or the salmon fishery initiative. Those are key industries for the western provinces, but it's nothing new, and one has to wonder, then, how is it that they qualify for funding under a program whose intention is to diversify the economy? And people then wonder whether they have been misled by the federal and provincial governments with the ballyhoo that surrounded the propagandizing of

these programs. Hundreds of small-business people . . . I think the figure is in the neighbourhood of 85,000 small-business people have applied for funding under the Western Diversification Fund — 85,000 small-business people. And what do they see from the fund? Precious little, precious little in terms of jobs created for their firms.

And as a result they're frustrated by the lack of action regarding their applications. They're frustrated by what they perceive to be the unfairness of the western diversification program, the duplicity in the program, and as I said before, the patronage element in the program, when the minister of privatization's son can secure half a million dollars on the basis of a simple phone call from the minister to the federal minister.

And so many Saskatchewan small-business applications sit hanging or rejected while the high-flyers of the economy get bankrolled, while industry-wide associations get bankrolled, lest we offend any one particular company or small business in making a grant to them.

Now, Mr. Speaker, I should also call your attention to some of the other programs that Mr. McKnight funded out of this Western Diversification Fund just prior to the federal election last autumn. Would you believe that Mr. McKnight had \$56 million for French-language training and the translation of statutes. Hah! The translation of statutes — \$56 million. Yes, isn't that interesting that that kind of money is available out of the Western Diversification Fund.

Well we've heard a lot about GigaText lately and how \$4 million of provincial money was squandered, and then the Western Diversification Fund has \$56 million for French-language training and the translations of statutes. And to this day we don't have statutes translated here in Saskatchewan, either by the Western Diversification Fund or GigaText.

And people say, this is absurd; this is ridiculous. And it's more than that. People begin to draw the conclusion that some of the funding under this program, Mr. Speaker, is out and out scandalous. And that's why this resolution talks about the fact that:

. . . grants from the Western Diversification Fund continue to be made on the basis of political patronage, rather than in accordance with sound economic development strategies.

Well another expenditure by Mr. McKnight, as he was blazing trails across Saskatchewan attempting to secure his re-election and the re-election of his comrades, was 4.7 million for the Saskatchewan Indian Federated College. And again I say, Mr. Speaker, I applaud the work of the Saskatchewan Indian Federated College, but one has to wonder about the appropriateness of a \$4.7 million expenditure to the college from the western economic diversification fund.

Does that meet the self-professed criteria of a new product, a new technology, a new export market, an import replacement, or an industry-wide productivity improvement? We don't know for sure, but people sure

want to wonder. They sure want to know the facts about some of these expenditures.

And here is the corker, Mr. Speaker. This is perhaps one of the most gross expenditures made by Mr. McKnight as he went on his pre-election spending spree across Saskatchewan last September before the federal election. Financial assistance for small rural airports totalling \$1.7 million — \$1.7 million to assist small rural airports within a four-month period — as much, Mr. Speaker, in fact, as was spent in the entire previous fiscal year under the same program for airports in rural Saskatchewan.

And would you believe, Mr. Speaker — this is quite interesting — that four out of the five airport improvements — \$1.7 million expended — four out of the five projects were in Conservative ridings, with three of them in Mr. McKnight's own riding.

Now again I say, this is why Saskatchewan people wonder whether there isn't an element of political patronage built into this Western Diversification Fund; not incidental to it, but built right into it, when three of the five projects are in the minister's own constituency. And they spell scandal.

It's similar to the Prime Minister building a penitentiary in his own constituency, federally. And people don't like it. They're used to Conservatives doing that kind of thing, but when they see it repeated again and again, blatantly, they have trouble with that kind of expenditure.

Now I have many, many more things to say, Mr. Speaker, about this fund, and we could talk about the new defence initiatives . . . Mr. Speaker, I think that at this point I'd like to just say that I support the motion, and I'm sure that all other members will join. Thank you very much.

Some Hon. Members: Hear, hear!

The Assembly adjourned at 5 p.m.