

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
April 27, 1981

EVENING SESSION

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY CASH OUTFLOW

INDUSTRY AND COMMERCE

Ordinary Expenditure — Vote 19

Item 1 (continued)

MR. ROUSSEAU: — Mr. Minister, I want for the record to correct a figure that I gave out earlier this afternoon . . . (inaudible interjection) . . . I will; that's why I'm putting this on record. I checked the rest of them and the rest of them are right. Miscellaneous plastics products — I indicated there were none in Saskatchewan, and that is not correct. The correct figures for that are: 141 for British Columbia, 133 for Alberta, 71 (and I had said none) for Manitoba, and I had also said zero (so there were two errors) for Saskatchewan, and in fact there are 26. out of a total of 371, there are 26 in the province of Saskatchewan, and I think the minister will agree that it is nothing to be very proud of and it indicates the kind of job he has been doing. When you consider plastics, what better place could we be looking at for plastic industries than the province of Saskatchewan?

Mr. Minister, I have a few notes that I will be discussing in a little while. Meanwhile, I want to ask you a few questions about your report. On page 9 of your report you indicated the statistical summary as of March 31, 1980. I have some questions because I am not sure what you are including in these amounts. Are the grants and the amounts approved for the various programs included in the total project cost?

HON. MR. VICKAR: — Yes, they are.

MR. ROUSSEAU: — In other words, take for example the small industry program; you show total project cost of \$3,402,396 and total loans approved of \$674,601. Is that correct? That loan is included in the \$3,402,396?

HON. MR. VICKAR: — Yes, that is correct.

MR. ROUSSEAU: — In the Special ARDA (Agriculture and Rural Development Act) program you indicate the amount approved as being shared by industry and commerce and DREE (Department of Regional Economic Expansion) for the year 1979 and 1980. Of the \$533,019, how much was paid by I and C (Department of Industry and Commerce) and how much of the total project cost was shared between the two departments?

HON. MR. VICKAR: — We don't have the exact figure of what our share was, but it is approximately \$120,000 out of the \$533,000.

MR. ROUSSEAU: — So concerning the \$533,000 that you indicate in here, you make sure that it looks like you are taking full credit for it. Your share is only approximately

April 27, 1981

\$120,000. And how much of the total project cost is borne by the Saskatchewan government?

HON. MR. VICKAR: — Our share would be roughly 10 per cent of the \$1.117 million.

MR. ROUSSEAU: — So, in other words, about \$110,000 or \$112,000. Is that correct?

HON. MR. VICKAR: — About \$120,000.

MR. ROUSSEAU: — So your share of the project cost is about equal to the amount of grants approved, dollar for dollar. Is that what you're saying?

HON. MR. VICKAR: — That's right.

MR. ROUSSEAU: — Thank you, Mr. Minister. That particular page (and I did a little bit of calculation on it) really strikes me as being further proof of the mismanagement, I suppose, or the ineffectiveness of your department. Here's a department trying to encourage the development of industry and business in this province. You have total project costs of \$5,642,799, and I include in that all of the programs which you show on that page. Adding them up, they come to \$5.642 million. In other words, the way I read that (and if I am not correct, please stand and correct me), you have approved a total of \$2.1 million in grants to assist business in one way or another, at a cost to the taxpayers of \$5.642 million. In other words, every dollar you have loaned or granted has cost almost \$3. Now I hardly see that as making very much sense. That's the way I'm interpreting these statistics. If I am not correct, I would like to be put on the right track.

HON. MR. VICKAR: — Yes, I think the hon. member has maybe just misunderstood some of the figures. Can I just pull out one figure to give you an example? Let's use that figure of the small industry development program, where we show a total project cost of \$3,402,396. That is a figure of the actual cost of the project. In that figure, we have contributed \$674,601. The entrepreneurs, or the investors, have contributed the balance. So, if you add up all your figures and subtract from that the share that we've invested, you see that it's quite a different figure.

MR. ROUSSEAU: — Yes, it does make quite a difference; I agree. I would like to ask you, then, to spell that out a little differently on your next annual report. It's a bit misleading and (well, I shouldn't say misleading) confusing to say the least, because the way you are outlining it, you're showing that 91 applications were approved and it cost \$3,402,000 to approve them, for the sake of putting out \$674,000. So I would like to suggest to you that in your next annual report, a clarification of that amount be indicated so that it will provide less confusion.

On that same page you are showing \$240,000 in the interest abatement program. Your explanation of that particular program (and I'm just going to go over it) reads as follows:

The purpose of this program is to stimulate small business investment in Saskatchewan by reducing the interest burden encountered by new businesses or existing businesses which are expanding or improving facilities. Most small businesses in Saskatchewan with annual sales of less than \$500,000 may be eligible for grants to reduce the effective interest rate on term loans.

My first question on that would be this: how many businesses in Saskatchewan which

are doing less than \$500,000 in annual sales would require that kind of assistance? It seems to me to be a type of program that is used strictly as political ammunition, more than as a worth-while assistance program to anyone in small business today, particularly in these days of high interest rates.

HON. MR. VICKAR: — Well, as the report reads, in 1979-80 there were 490 applications, so there must be at least 490 businesses which warrant that type of a grant. Now, as to how many more there are beyond that which could qualify, we don't have that figure here.

MR. ROUSSEAU: — You don't keep statistics of that nature? And that's in the form of a question, Mr. Minister.

HON. MR. VICKAR: — I'm told that it is fairly difficult to get statistics on the total number of businesses that would qualify for the \$500,000 volume or less, because it takes in so many different types of businesses — from a grocery store to a manufacturer — you name it. It's pretty difficult to formulate the statistics on that basis.

MR. ROUSSEAU: — Then I'll continue on the same program and ask you this question. Of the 490, how many of those businesses were located in centres under the 6,000 population, and how many in centres with over 6,000?

HON. MR. VICKAR: — About 70 per cent of that figure are located in areas 6,000 and under.

MR. ROUSSEAU: — But is the program based on percentages or is it just a straight grant of \$500 or a straight grant of \$250 if they're doing volume of that or less, or is there a calculation that you work out?

HON. MR. VICKAR: — It's a grant based on the formula of areas of 6,000 and under receiving a 4 per cent reduction on the interest rate and areas beyond the 6,000 population receiving a grant of 2 per cent reduction on the interest — based on the \$500,000 volume of business that's being done.

MR. ROUSSEAU: — Why would your program be at 4 per cent for those populations 6,000 and under and 2 per cent for over the 6,000? It costs them as much money, in fact, it probably costs them a lot more money to do business in the larger centres than it does in the small centres. Why have you got a program of 4 per cent for those small centres where you only have 2 per cent allowed for the larger centres?

HON. MR. VICKAR: — When the program was structured, we took into consideration the volume of traffic that these businesses would have, and we found that in rural Saskatchewan, the traffic volume in the door of every business is not as great as it is in areas with a population of 6,000 or over. So we took that into consideration and struck that figure.

We find that businesses in cities or centres with a population of over 6,000 have more traffic and, therefore, have access to other financing institutions which may be not at that much or a reduced rate. But with the volume of increased business that they do, the difference in the percentage of reduction of the interest would compensate for it.

MR. ROUSSEAU: — Well, you indicated that the traffic is not as great but I suggest to you that their costs are probably a lot greater, so I don't know why you would

discriminate in that respect. Perhaps the more honest answer would have been that it was probably politically wiser to do it that way than the other way. I would suggest that's probably a more accurate way of putting it.

I note from the annual report again that the numbers have dropped. The applications have dropped by 100 or almost 20 per cent and yet the amounts approved have increased by about 5 per cent. I can understand the increase being the cost of money in 1979-80 over the previous year but I find it difficult to understand the 20 per cent drop. It is because the program is so cumbersome that people are saying, "To heck with it; it's not worth while"? Perhaps you might give me an answer to that.

HON. MR. VICKAR: — Yes, it's very true that there could have been some drop in the loaning from banking institutions. That, of course, is understandable because of the higher interest rates that prevail in the country, therefore making it more difficult, even though we allow a 2 and 4 per cent reduction in interest on this particular program. The cost of money to the various entrepreneurs is fairly expensive and they probably found it a little more difficult to make that particular loan. So I would agree that the applications may have dropped on that basis.

MR. ROUSSEAU: — I heard the Minister of Finance earlier this afternoon indicate that you were expanding that program. Would you care to elaborate a bit on that and tell us how you're expanding it and what kind of a program we will be looking for this year?

HON. MR. VICKAR: — Yes. We're looking at advertising the program possibly a little heavier, making it a little more known — although we have done that to all the various banking institutions and credit unions across the province. But we're going to make it known to the public at large. We're going to put on a more extensive advertising campaign to tell the people that the program is available. I might say that we are looking maybe down the road at increasing, if possible, the interest rates. We'll see what happens down the road.

MR. ROUSSEAU: — You're talking about increasing the subsidy from four to something more and from two to something more. Would you care to elaborate a bit on that?

HON. MR. VICKAR: — No. I can't elaborate any more on that at this time. We're looking at various ways to improve the program.

MR. ROUSSEAU: — Well, you know, Mr. Minister, it's all very well for any number of ministers on that side to get up and brag and spout off about the wonderful programs this government has until it comes time to try to determine what they are. Then you back right down and you don't have an answer. Now, you know, I want to listen to the Minister of Finance tell me about these programs and let the press pick it up so it can tell the people of Saskatchewan that this is going to be expanded, that it's going to be a much greater program and all the rest of it. I come along to you and I say, "All right, what is the program; what are you going to do; are you going to go from 4 to 6 or 10 per cent subsidy; are you going to double your number of applications; how are you going to do that?"

I notice from the estimates, again this year, the same amount of money for the small business interest abatement program — \$456,000, which is what you estimated last year. It's the same amount again this year. I don't know how much you spent, but according to this it was only . . . Just a minute now — this is as of the end of March of

1980, so that doesn't coincide with the estimates at all. Perhaps you might even like to enlighten us and tell us how much was spent last year, at the end of March of this year, I should say, so that we can update some of our figures?

Mr. Minister, I do not like to be told by a minister of the Crown that you're going to be doing such wonderful things and then we come along and find out that you don't know what these wonderful things are going to be. I'd like a little bit of explanation. If you're going to throw out these expectations to the people of Saskatchewan, at least tell them what they can expect.

HON. MR. VICKAR: — Mr. Chairman, there's no way that I can give the hon. member any prediction of what figure we're going to be using. I can assure the hon. member when the time comes that we establish a figure (if and when we do) . . . Maybe we're satisfied with the figure that's in the book now and we won't touch it. I'm just saying we're looking at it' we're studying it and if and when the time comes we will properly announce it, so that the hon. member will know.

MR. ROUSSEAU: — Well, I can't accept that. The Minister of Finance this afternoon stood up and said that you are going to do it. Now obviously if he knows something that you don't know, then you don't know what's going on in your department. If he can turn around and say that you're going to expand this particular program, you're going to make it a lot better, and you're going to make more money available to these people then he must have got that information from somebody, or else he decided what it's going to be and hasn't told you yet. So if you're not going to be doing anything, say so. If the Minister of Finance doesn't know what your programs are, tell us, so that the people of Saskatchewan will not be misinformed about where you're going. I can sit here and listen to him talk about these wonderful new programs and how great this economy is until we find out that it isn't so great, and that's a good indication of exactly what I am talking about. I asked you also how much money was spent in the year ending March 31, 1981. Do you have that figure handy?

HON. MR. VICKAR: — I think the question the hon. member raised, if I remember correctly, was this: how many dollars have we committed in this fiscal year, to March 31 of this year?

MR. ROUSSEAU: — Past.

HON. MR. VICKAR: — This year — 1981. Okay, the figure to this year, which is not on the report of course, since it's not the end of the year, is already \$207,000. That's what was reported. I might also add that one of the reasons the program possibly has not gotten off or been accepted to that degree is that the banking institutions have not advertised it properly. We're trying to implement a program to advertise it, as I said earlier, so that the entrepreneurs are aware that program is available in every bank and credit union in the province.

MR. ROUSSEAU: — Well, that's typical again — blaming it on somebody else. The failings of your department can be passed on to the banks or somebody else who is not doing his job.

Do I hear you correctly when you say that this year you spent \$207,000? That's a considerable drop from last year. It was \$240,000 last year to the end of 1980. So now you are saying that to the end of 1981 it's \$207,000. How many applications are there out of that \$207,000?

April 27, 1981

HON. MR. VICKAR: — I might tell the hon. member first that this is only an 11 month figure that I am giving you now. We don't have any more figures up to this point. This \$207,000 is for 11 months.

MR. ROUSSEAU: — Well, why don't you know what it is going to be to the end of March? This is April 27. Is it that difficult to get that question out?

HON. MR. VICKAR: — No, the only difficult part is that we don't have the up-to-date figure; we only have the year under review here. This figure that we have is one that the boys just picked up.

MR. ROUSSEAU: — How many applications were there in those 11 months?

HON. MR. VICKAR: — 388.

MR. ROUSSEAU: — Well, even taking a pro rata on those figures you are still going to be down. Isn't that right, or is there going to be an influx of them in the last month of the year? Is that usually what happens or is it spread out equally throughout the year?

HON. MR. VICKAR: — We have found that the applications are fairly consistent until possibly the spring part of the year, when you get an additional influx of applications. If we use that figure of \$207,000, divide it over a period of 11 months and add the 12th month, I would forecast that our expenditures in this year would equal those of last year, if not exceed that amount.

MR. ROUSSEAU: — Well, get yourself a calculator and you'll find out that you are wrong. If you divide \$240,000 by 12, it is roughly \$20,000 a month — all right? If you divide \$207,000 by 11, then multiply it by 12, you will find that it is going to be less than \$240,000 — not by much, but less. Then take again the 388 versus the 490, and that is a 102 difference — so there is 20 per cent. Taking one month to be equalling 8.5 per cent, you are still going to be way down below the number of applications — which is consistent with what has been happening. You had 590 the year before. You went down to 490. You are now down to 388. Add to that one more month, which could be another 30 or 35 applications, and you are still going to be down considerably from what you were. Again, this is further evidence, Mr. Minister, of the inefficiency and ineffectiveness of the programs of your department. How do you account for \$456,000 being in the estimate, if all you are spending consistently is less than a quarter of a million dollars? Why are you estimating \$456,000 two years in a row — the same amount of money? Where is the rest of it going?

HON. MR. VICKAR: — Mr. Chairman, realizing the high interest rates which exist, looking at statistics and at the applications which are being received, and realizing that maybe the applications are down slightly from what they were, we are reviewing the program and we are going to put on an extensive advertising campaign to encourage the entrepreneurs to use the program. That is why we asked treasury board to allow us to put that figure back into our program for this year. Hopefully, we could possibly use up that amount of money.

MR. ROUSSEAU: — What was your excuse last year? That is what you put in for 1980-81. You just told me the results of that year. If you knew that to be the case at that time, how is it that you waited this long, which is well over a year, to take action? You still haven't done so, but you request from treasury the same amount of money. And you

demanded or requested last year over \$200,000 more than you needed. Let me ask you this question: were you planning on spending \$200,000 to advertise? that is how much more you requested. If you were planning on spending that much money, that is \$1 in advertising for every \$1 you were giving out.

HON. MR. VICKAR: — No, the advertising program which we have is not included in that figure. The advertising dollars will come out of our advertising budget. But I might also say to the hon. member that maybe he doesn't realize that the dollar figures which we see here are pretty well based a year behind schedule because the application may be made today, but the dollar is not paid out until a year from today. So you have a whole year lapse there, and the dollar figure does not apply at the same rate. The reason, as I said before, is that we have had difficulty, possibly, in educating the financial institutions to promote the program to the entrepreneur. We have tried that. Because we didn't utilize all our allotment last year, we have already talked to the financial institutions to promote it.

MR. ROUSSEAU: — How much money were you spending on advertising before you made that decision, and how much are you planning on spending now that you have made the decision?

HON. MR. VICKAR: — The estimated dollar value on a one-shot advertising program, which includes the media and direct mail to entrepreneurs, amounts to between \$10,000 and \$15,000 on this very program.

MR. ROUSSEAU: — And you think you'll be effective with that? Well, I wonder what will happen next year when we come back to the same question again. A program of that nature, being as fruitless as it is, is in my opinion a real failure to say the least.

I look at the estimates of your department, Mr. Minister, and I see almost \$12 million being appropriated for the Department of Industry and Commerce. I look at the statistical summary and your participation in that, and including the total project costs (even if we add those in), it has to be an indication of your ineffectiveness and inability to direct that program and increase the industries in this province. I just find it disgraceful that you do so little when you have so much money allocated to your department.

In the estimates are the employment and development programs under number 8 included in the statistical summary, or is there something which is not included here? It says employment and development programs: \$4,005,000. Is that part of this or is that something different?

HON. MR. VICKAR: — Yes, that figure includes all of the employment opportunities program on the report on page 9, and it includes the Special ARDA program. It also includes the employment opportunities support program, which was not in our department last year but was handed to us by social services as of April 1, 1980, plus all the Special ARDA program for southern Saskatchewan.

MR. ROUSSEAU: — Mr. Minister, I have a number of other questions in the scrutinizing of this report and on some of the comments that you have made; however, my colleague from Arm River has indicated he would like to join in at this time. He has another area that he wishes to cover. So I'm going to yield the floor to him for a few moments, and let him carry on.

MR. MUIRHEAD: — Mr. Minister, I just want to ask you a few questions about these feasibility studies you and industry and commerce do in the areas of manufacturing and developing in the town. Could you tell me the procedure for this? It isn't happening in the small towns, but in towns like Outlook, of about 3,000 people . . . And they're starting to look at that in Davidson. Could you give me an idea of what your program is here?

HON. MR. VICKAR: — Most of our feasibility studies are done in conjunction with the client. We cost share them with the client who is prepared to establish, or who is looking at establishing, some business or some industry or what have you. On odd occasions we do our own feasibility study in preparation for a possible venture of some sort that we feel might have possibilities in certain areas. In that area, we go it alone. But we do primarily cost share with the private entrepreneur.

MR. MUIRHEAD: — Well, Mr. Minister, what about if, say, the town of Outlook or Davidson makes this request for industry and commerce to come in. Would you do a complete feasibility study?

HON. MR. VICKAR: — It depends on what the town is looking for. We will do a study for a manufacturing establishment in a particular area if the town would want to cost share with us on that particular project. But just to come in and make a survey for whatever purpose — we really don't get involved in anything else.

MR. MUIRHEAD: — So it would more or less have to be a town that's maybe moving into industry or something that made the request. Then maybe you would . . . Is that the way?

HON. MR. VICKAR: — Yes, we would undertake to do some studies of that nature, providing the town initiates the program and wants to deal with a specific area. We would be glad to go in and help. As I said earlier, we have already done some speculative studies in that field.

MR. MUIRHEAD: — If you do a study, what would be the cost-sharing arrangement?

HON. MR. VICKAR: — When we're doing a study for private individuals, we generally cost share on a 50-50 basis. When we would do a study for a group that you're talking about — something for an urban centre — it would be negotiable. It would depend on the project. But we would have to negotiate with the community.

MR. MUIRHEAD: — Did you ever do a study of this nature in Kamsack?

HON. MR. VICKAR: — Yes, we did one for Kamsack.

MR. MUIRHEAD: — Did you do this on your own in the town, or were you requested by some group in the town to do it? . . . (inaudible interjection) . . . I said Kamsack and you know I said Kamsack. It's the topic of conversation today.

HON. MR. VICKAR: — Yes, the study we had done in Kamsack was one we were requested to do by a committee of industrial development people in the town of Kamsack. And that was done as a result of the closing of the asphalt plant. If you remember, there was an asphalt mixing plant in Kamsack. When that plant closed, the

development committee for Kamsack asked us to come in and make a study on the possibilities of other industries in the area.

MR. MUIRHEAD: — Can you tell us the costs of these reports — to everyone — the government and the people who were involved.

HON. MR. VICKAR: — No, we don't have any of those figures with us. That was done about five or six years ago. It goes back quite a number of years. We don't have it here at all.

MR. MUIRHEAD: — I don't think it was that many years ago. Will you get those cost estimates and table them?

HON. MR. VICKAR: — Well, Mr. Chairman, we would have to go back five or six years. I'm sure there would be no problem in giving the hon. member the report when we find it. We'd have to go back into our records to dig it up.

MR. MUIRHEAD: — Who received these reports after you were through with them in Kamsack?

HON. MR. VICKAR: — Mr. Chairman, I'm sure that the committee which made the initial request received the reports.

MR. MUIRHEAD: — Okay, now you're answering questions really well, Mr. Minister. But you are just starting to sly off a little bit. And I don't like this business of slying off, because I can tell you, Mr. Minister, that we've been in this session for quite a bit of time and you're getting to me. We're getting close to the end of this session, I hope, and the result is not the way I like it. It's been a session of no information. The public is not going to stand for a lack of information about public funds and how they are spent. We'll just give you a few words before we continue, and maybe you'll answer questions right, exactly the way I ask them.

On the hotline this morning, Mr. Minister, the leader of the Greenpeace Foundation, Mr. Moore, charged the Premier with covering up information regarding uranium development in Saskatchewan. Now, I'm not a lover of Mr. Moore, and his associates (I don't know much about them), but I do agree with him when he talks about a coverup, because you people are in a government of coverup. I just think that there are many coverups and small Watergates. Maybe they are not so small, right over there, and I'm charging many of the ministers with Watergates. When I say Watergate, Mr. Minister, I'm referring specifically to Kamsack and the coverup which the Minister of Industry, Trade and Commerce is guilty of . . . (inaudible interjection) . . . And I don't want anyone to "Oh, Gerry" me.

AN HON. MEMBER: — Guilty as charged.

MR. MUIRHEAD: — You just wait until the next election; you will be automatically resigned. But, Mr. Minister, if what I say is not true, then answer the following questions so the people in Kamsack will know what is going on in their own back yard. And if you don't know, I can assure you that the member for Pelly does know. The people of Pelly would be pleased to know that if you won't lay your information on the table, and clear up this cloud over the town of Kamsack, the member for Pelly will. If you can't answer the question, then we'll have to get him to do it, because he knows. If there is no wrongdoing in the affairs of your department and among the persons in the Kamsack

April 27, 1981

area, then you should, as one of the keepers of the public purse, lay all the information on the table and not use the overworked excuse that it is privileged information and you can't disclose it because it may affect your clients. I suggest to you, Mr. Minister, that all the people of Saskatchewan are your clients and most of them don't live in Kamsack or Melfort. We, the people, want to know.

Industry and commerce reports were used by town councillors and their business partners for their own benefits; that's quite a statement, but this is what it was used for. But other people who were in business or potential developers were denied access to this information — this information I hold in my hand here. I'm the only one that has it . . . (inaudible interjection) . . . Oh, I'll table on your head if you don't keep quiet over there.

There were four reports done by industry and commerce. Just to bring it to the members of the House, I think I'll read a letter, Mr. Chairman, signed by Norm Vickar, the Minister of Industry and Commerce. This is a letter to a Mr. W. T. Sasyniuk of Kamsack, Saskatchewan.

In response to your letter of February 5, 1979, Norm Lusney has forwarded your request for information to this department. The studies done in the Kamsack area were in response to both local and government concern for the effects of possible closure of the refinery. Our further objective was to encourage development in the Kamsack area. The initial work done by the department was in response to a request from the Kamsack town council and was cost shared 50-50 with the department.

Further studies relevant to the refinery situation, industry profiles and a shopping mall proposal were all funded by the department. I would suggest that you contact your local town council to obtain any further detailed information contained in these studies. The department's involvement has been directly with the town council or their appointed development committee.

Now maybe you aren't aware of it, Mr. Minister, and this is what I am bringing to you and that's why I said you are fully involved here. You are guilty of the coverup until you prove yourself innocent, as far as I am concerned. To prove you innocent, all I need is answers. I would like to know why, when this report was finalized, they didn't send it to the town. They sent it to the agricultural representative, one Mr. Larry Koturbash — 14 copies. I want you to tell me and I want you to inform the people in Kamsack why the 14 copies have been hidden for two years. It's up to you, as Minister, to inform the people of Kamsack why they were hidden for two years. There was a reason for this, Mr. Minister. When people start cheating and hiding and doing things that are improper, what's the reason for it, Mr. Minister? It's to make money on somebody else's money; that's the reason.

There's a very good reason why Mr. Larry Koturbash wanted to have the only copies (the 14 copies) and not have them sent to the town. You just finished saying they would go to the town but they didn't; they just went to him — he's a councillor. He wanted control of the town and he got control of the town, because every piece of property that came up for sale — you go check the register of companies as I did, and Mr. Larry Koturbash's name is on almost every one of those pieces of property. Mr. Cas. Broda, Mr. Zabinsky — they are all there and they are also on council. Don't anyone laugh! I don't want to

hear one person laugh, because this is no joke!

The Minister of Finance, Mr. Chairman, says this whole thing is a joke. I will tell you that I'm not charging anyone in this House; I'm not charging anyone in Saskatchewan; I'm not charging anyone with false doings in Kamsack. All I am saying is I want the facts to clear everyone's name, including you people over there. You just happen to be the only one who can yap over there, Mr. Minister of Finance, because you are the only cabinet minister whose name doesn't appear in the files I have. The Minister of the Environment, the past provincial secretary and the Minister of Highways and Transportation are all involved in this scandal — every last one of them. We tried it out in Craik, Mr. Minister. We tried to get an airport there. But oh, no, you have to have the signature of the Minister of Highways and Transportation and you have to have the Department of the Environment involved, where we are. But oh, no, they already have grant money out there; it's already built — and you haven't even zoned yet!

There were four reports done by industry and commerce: (1) refinery, (2) refinery after closing the plant, (3) industry for non-manufacturing, (4) the shopping mall. Reports were supposed to have been given to the town council, but they weren't. I'm going to let you respond to what I have said so far, Mr. Minister.

HON. MR. VICKAR: — Mr. Chairman, I don't think the hon. member has said very much; all he has been saying is that we have done reports. I might say that when we do a report we deal with the people that made the request, and I am sure this fellow Larry that you are talking about (whatever his name may be) could have been the chairman of a particular committee in charge of the development area in Kamsack with whom we were dealing, to whom we did deliver the 14 copies you are talking about. Other than that, our people can't remember. Many years have gone by.

The hon. member is also talking about coverups. The only coverup I can see in this whole issue is possibly the report itself, which is covered up in the files in our office. We will have to go back and dig it up for the hon. member. It may take a little while but I said a little earlier that we will give them a copy thereof, and we shall do so.

MR. MUIRHEAD: — This is not too many years ago, Mr. Minister; it is March 28, 1978. That is the date you sent this report to Larry Koturbash, in 14 copies. Maybe it will be of a little interest if I read you a letter, for the record, written by Larry Mosiuk from Kamsack, owner of Mid-town Interiors — a note for the record: dated at Kamsack, March 31, 1980. This happens to be one concerned citizen. Listen very carefully to what this citizen says regarding industry and commerce reports:

I phoned the town office to get a copy of the reports that were done for the town in conjunction with industry and commerce. I was told that there had been only two when talking to Mr. Murdock, mine and a small hand-out type. At this time, I knew there had been another large one, but Mr. Murdock seemed to not know anything about it, yet his name was on the front of the pages as the people to whom the report was presented when I had actually got the copy. I don't know why Mr. Murdock had held back on this one, as I had at an earlier time completed a 92-page market analysis feasibility report for downtown Kamsack, and I was directly interested in any reports done for the town. I had been attempting to do some development in town. I had been given no assistance at all by the town council. I attempted to do a residential development of one fifteen-unit townhouse condominium and then I attempted to do a shopping mall development of 38,000 square feet. On

April 27, 1981

both of these proposals, I had done considerable research. I had full proposals and working drawings on the mall proposal, but had received no assistance on potential tenants, which I badly needed.

Mr. Larry Koturbash had indicated that since I was interested in local investors, I should talk to Mr. Cas Broda.

Mr. Cas Broda, of course, is the man who owns all these companies in the town. The names are all under Mr. Cas Broda, but if you go and search the company, you see that the director is Mr. Koturbash. Mr. Cas Broda is the coverup. Mr. Broda is the name out in front and the rest are all covered up. Go down and take a search and you'll see.

I had advised him that I was pleased to hear he was interested and that I could meet with him at his convenience if he came to see me. He wouldn't come to see me. We did not meet. This was in reference to the 38,000 square foot commercial development. Well, in the attempt to do the commercial development I needed leases to get the development off the ground. However, it seemed that the council was holding back lease information.

This is serious, Mr. Minister, and I'm not saying that you know about it, but it's up to you as minister to check into these kinds of things because this costs some people out there a lot of money, while other people are making it.

When I was working on the shopping mall development, I asked for a reduction in the price of the land — a subsidy. I was told that that could not be done because it was against the municipal act and when development is costing \$1.2 million, an approximate \$100,000 is not substantial, as a subsidy of perhaps half would not affect the development either way.

The property the town was asking for was \$100,000 and he asked if he could have it for half price. However, when Kamsack Manufacturing got 10 acres for a dollar without asking anyone in the town, the council passed it. But still, this man had to pay \$100,000 if he were going to go ahead . . . (inaudible interjection) . . . I'll take all the time I want. The more you talk, the longer it will take.

West Acre Corral was quoted \$65,000 for 10.2 acres.

This was somebody wanting to build, I believe, a small cafe or an eating home — \$65,000 for 10.2 acres.

I really know who got all the breaks and who the majority of the council had been working for. Jokingly speaking, I know where the councillors' noses were and why I had been told to see Mr. Broda and the partner of Kamsack Manufacturing. Arrow Petroleum also operates a restaurant a few blocks away from the West Acre Corral restaurant. It's obvious that where the organization of Koturbash-Broda is involved, all assistance will be given by town council, which is led by Koturbash, but when anyone else comes around for help, the intent is to give them as hard a time as possible, if there is competing interest. All of the above is my sincere best analysis of the situation in Kamsack to date. I know the above needs more background information but I am available to anyone who would like more details and background on the subject. Yours sincerely, Larry Mosiuk.

Well, that's a person who puts it right on the line and I'm not saying, Mr. Minister, that you know about this. Maybe you do, but if you do or not, you have to look into it and see that something happens here. This is pretty serious stuff. Have you a response on that letter, Mr. Minister?

HON. MR. VICKAR: — Mr. Chairman, I don't know what type of response the hon. member asks me to give him on that particular letter. It has nothing to do with the Department of Industry and Commerce. It's strictly some controversy they have within the town of Kamsack between the developer and the town fathers, and I think if the hon. member wants to get into more detail, he had better take a trip to Kamsack and check with the town council. I don't know anything about it and my department knows nothing about it at this particular time. The letter is not directed to our department. I think you better go to Kamsack and get more information on it and find out what is really happening.

MR. MUIRHEAD: — It's a little difficult to go to Kamsack and go to a council meeting because I understand that during the last couple of weeks they have not been telling the mayor on a couple of accounts and they hold their meetings at 6 o'clock in the morning. So it would be kind of hard to go to a council meeting. Somebody laughs about those 6 o'clock morning meetings, but that is a fact. They did have 6 o'clock morning meetings.

AN HON. MEMBER: — Who cares?

MR. MUIRHEAD: — You'll find out who cares when I'm through with you people.

What was the cost? I asked you before what the cost was to the government for this report at Kamsack and you said you couldn't get it. You said in your letter to Mr. Sasyniuk that these four studies were done and you said how the cost was split up, but the only one that ever did hit the town is available now. It is this one. Perhaps you can find a councillor who will give you one. It's just available now after two years, after it's all over. It's not available; you have to steal one from a councillor, like one councillor who let this one go. That's the only way they've got out; they've never been made public. Well, there are three of them that have never, never been disclosed. They've never been given to anyone and still you've charged for them and no one can find them — this shopping mall and the two refinery ones. There's never been anything disclosed here. Now you say you want questions. There's a question here: you said in your letter that you've done these four, but where are they? Nobody has been charged for them. You said what you charged, but where are they? Will you get these reports and table them?

HON. MR. VICKAR: — Mr. Chairman, if as the hon. member says we've done four studies for various groups, you have to remember that the study was started by, and it was implemented by, a particular group or a person involved. And as I said earlier, if we have done a study for a particular entrepreneur on a particular industry, then that's the person with whom we are dealing. That person has a copy or copies of the report. The report should be made public by that person and not by us. We were only commissioned to do the report for him. Now, he has a copy of the report from the town of Kamsack, however he may have gotten it. If the town fathers of Kamsack saw it desirable to make the report public, they did so. If they decided that it should not be, they did not make it public. We have no control over that. We do a report for the entrepreneur or the community involved and if that community or the entrepreneur wishes it to be made public we have no objection to it.

MR. MUIRHEAD: — I had better read you this letter. Did you write this letter yourself?

April 27, 1981

No, it comes from somebody in your department, in the industrial services division. Alan D. Scharf, I believe it is. It is written to Mr. Larry Koturbash:

I have enclosed a copy of our final report on manufacturing industries for Kamsack.

Why did he send a copy? The other 14 copies had been forwarded under separate cover.

This final report includes last July's interim report and the three industrial files, handout material from the new business seminar, and new section, part 1, which reviews the previous phases and makes recommendations for the future. This completes our formal involvement in the project. However, if you would like, I would be pleased to attend another meeting of the Kamsack development committee to review our final recommendations for future action. It was a pleasure to work with you on the committee. Few committees have a group as dedicated. I would like to thank all members of the committee and the other local citizens for their useful and enthusiastic assistance.

These are the people also, Mr. Minister, that you worked with.

The Saskatchewan Research Council also acknowledges with thanks the considerable advice and assistance of the following individuals, among many others.

And whom did they ask mostly? Mr. Larry Koturbash, Kamsack; Mr. Cas Broda, Kamsack; Mr. Nick Tomochko, Kamsack; Mr. Eugene Kiwaluk, Kamsack. These people are really all of their councillors. They were the ones. Mr. Al Zabinsky, Kamsack; Mr. Mark Litowitz, your man from Yorkton. He worked for the Department of Industry and Commerce. A couple of people were involved. Mr. Minister, it looks to me as if they have done a study involving only the people who are buying the property afterward. They just let it go back to those people. They are the only ones who have copies of it. Have you no answers for this, Mr. Minister?

HON. MR. VICKAR: — No, Mr. Chairman. The only answer I have is that maybe those people were the ones who commissioned the report; maybe they were the ones who commissioned the study. I might say that Allan Sharf works for the Saskatchewan Research Council and not for the Department of Industry and Commerce. If there were a study done by the Saskatchewan Research Council, we, at this particular moment, are not aware of what went on in that area.

MR. MUIRHEAD: — The town council's development committee which assisted in the development of the report consisted of several councillors: Larry Koturbash, Al Zabinsky and Gene Kiwaluk and their eventual business partner, Cas Broda. After these reports on the refinery, a company called Arrow Petroleum was formed by three councillors and Mr. Broda, and they bought the refinery comprising 28 acres of industrial land for \$4,000. I have the certificates and what not here, Mr. Minister, and Arrow Petroleum, after this study comes to them, turns out to be these same councillors. The councillors go and buy the property. I'm sure you get my message — this industry and commerce report has gone to certain individuals. You're sitting there thinking it doesn't mean anything to you at all, but I say you're just acting dumb. Maybe it's your normal way. I don't know. But, an industry and commerce report goes into the

hands of certain people and then certain other people get their hands on it and are able to buy the property to make the dollars. Will you table the report on this Arrow Petroleum? Will you find that report and table it? That's the one we want. Have you got it?

HON. MR. VICKAR: — Mr. Chairman, I don't know how many times I have to repeat to the hon. member that when we are commissioned to do studies, we are commissioned by certain people whether they are councillors or not. They may not have been on council when they commissioned the report but later became councillors and bought some property. We have no control over that. We only go in and do our job. Since the hon. member asks whether we will table any of the reports, we will go back four or five years and see what we can find for reports for the town of Kamsack. I think we will be only too happy to table them for you.

MR. MUIRHEAD: — Mr. Minister, remember now, there is a particular one which we want, and that's this Arrow Petroleum Company Ltd. That's the one which we want. It's not five years back; it's 1978.

HON. MR. VICKAR: — Yes, we've made a note of that, Mr. Chairman.

MR. BIRKBECK: — I wonder, Mr. Minister, possibly to help you understand, and possibly to help me understand, it seems there was a report compiled by your department for the Kamsack area. Now just let me ask you a question: are you clear on that?

HON. MR. VICKAR: — Mr. Chairman, very clear.

MR. BIRKBECK: — Okay. We've established that, in fact, there was a report which was put together and it was concluded. Now, was that report at any time ever made available to the public?

HON. MR. VICKAR: — Again, Mr. Chairman, if we were commissioned by a group of people to make a report, the report was given to that particular group of people. If they saw fit to make it public, that was their business, not ours. We were hired to do a job for Mr. Joe Blow in Kamsack. Mr. Joe Blow, therefore, is responsible for that report. To make it public or not to make it public is strictly up to him.

MR. BIRKBECK: — Mr. Chairman, you have admitted that, in fact, you did a report. If you did a report, you must know who it was for. Are you suggesting that Joe Blow is the name of the man for whom you did the report? Certainly it wasn't. Who commissioned you? You say "hired." I don't think you mean that. Who commissioned you? You certainly weren't hired. I can't imagine anyone paying the Department of Industry and Commerce. I had better ask that. Were you paid a sum of money to do that report? Who commissioned you to do the report?

HON. MR. VICKAR: — Mr. Chairman, we don't have any information here on who commissioned any of the reports. As I said earlier, if we did a survey for a single entrepreneur, we were in a sense hired because it was on a 50-50 basis. If it was done on a community basis, then the fee was negotiable.

I can't tell the hon. member at this point in time who that particular person was. I just picked the name Joe Blow out of a hat for conversation purposes.

April 27, 1981

MR. BIRKBECK: — Can you tell me why you are not at liberty to disclose to this committee who that was?

HON. MR. VICKAR: — Mr. Chairman, I don't have that information here. The hon. member said a moment ago that it was done prior to 1978. We just don't have that information here. I certainly don't want to mislead the House. I don't want to give you the wrong name.

MR. BIRKBECK: — You have agreed, though, to provide that particular information for the committee. Is that correct?

HON. MR. VICKAR: — Mr. Chairman, I've done that three or four different times in the last three-quarters of an hour.

MR. BIRKBECK: — You haven't admitted nor have you conceded that in fact you were paid. You suggested that you were hired. Now, you say you did it on a 50-50 basis. There is quite a difference between cost sharing a report, or any program (or anything for that matter) and being paid as a department by a group of individuals or a single individual. When you provide the information as to who commissioned you, you might include whether or not you were paid a sum of money or simply cost shared it. Would you agree to that?

HON. MR. VICKAR: — Mr. Chairman, I am told that what we actually do is this: the entrepreneur or the community comes to us and asks for financial assistance to summon someone to make the study. In these particular cases, apparently, we did take outside people to do the study for us. We cost shared the program for the entrepreneur.

MR. MUIRHEAD: — Mr. Minister, when you look up this information for Arrow Petroleum, I also want to make sure you have the name of Woodland Developments. There are Arrow Petroleum and Woodland Developments.

We'll still be in the Department of Industry and Commerce tomorrow, because until I get the report on arrow Petroleum and Woodland Developments we will not be leaving the estimates of this department. I can assure you of that. We must have those. Will you have them by tomorrow, Mr. Minister?

HON. MR. VICKAR: — Mr. Chairman, we are at a loss here, because we really can't recall the specific studies that we were commissioned to do. And the names that the hon. member is giving us just don't ring a bell with our people. To say that we can have them back here by tomorrow, I don't guarantee that, because if they were done by an outside group, we would have to go back through the records to find them, two to five years ago. It may be a little difficult to do by tomorrow, or even the next day. But I can assure the hon. member we will give him copies of those reports, if we have them in our possession, though I don't know when.

MR. MUIRHEAD: — Mr. Minister, I wish you'd quit saying four or five years ago, when I told you that the documents were tabled to this Mr. Koturbash in '78. And the letter you wrote was written on May 8, 1979. Check back to that letter that you wrote yourself. Concerning what you said here about the copies that were done, it should only take your research men (goodness knows, you have enough of them) a few hours tomorrow to find them. You're only stalling me. We want those documents and we want them tabled tomorrow, or we'll be sitting in these estimates till harvest time, instead of the

beginning of seeding time. Because when I say I want these documents, I want them and they are important. It will mean a lot to clear up this situation that we're talking about in Kamsack. Now this is the third or fourth time you've talked about going back to documents three or four or five years ago. I told you here that it was March 28, 1978, that this report was sent to Mr. Koturbash.

You're just trying to fool me if you're trying to tell me that you don't have copies of the others that you mention here, because this is what you said when you wrote this on March 8, 1979. "The initial work done by the department was in response to a request from the Kamsack Town Council." See, that's right there; it was a request from the Kamsack Town Council. You keep trying to put words in my mouth saying it was sent to the people that made the request. If it was sent back to the town council, then why wasn't it made available to all the people of Kamsack? That's what I'm asking you to look into . . . (inaudible interjection) . . . Oh, don't worry, you know about it. Don't you try to kid me! I've been in here for three years, and I've been kidded for a long time. You say the cost was shared 50-50 with the department . . . (inaudible interjection) . . . I may need them to put some of you people in. You say, "Further studies relevant to the refinery situation, industry profiles and a shopping mall proposal will all be funded by the department." You even say here who it was funded by. So, you must have those reports. Okay, will you promise to have them here tomorrow?

HON. MR. VICKAR: — Mr. Chairman, I have said, and will say it again, that if we have those reports and presumably we have, we will provide them. I don't guarantee that we can have them here tomorrow. I will say to the hon. member that we will produce them. When you read the letter, you told me that particular report was commissioned by the town council, so why don't you ask the town council to provide you with the report? They must have it. If we have it, we have to go back prior to 1978. That's just what you finished telling me a few moments ago. We will do so, but I don't guarantee that we'll be able to find them for you by tomorrow. Now, we may be able to find one, but I don't know whether we can find all of them.

MR. MUIRHEAD: — Okay, that's fine. Tomorrow we don't guarantee we're leaving this estimate, then.

Here's just a little more information, if you think there isn't something going on in the town of Kamsack; I've had a few gentlemen bring this information to me. The gentleman that they are accusing is Mr. Koturbash. He came to my office about three days ago pleading for mercy, asking me to lay off. He said that it is going to be hard on the town of Kamsack if the truth gets out. So I am telling you people over there and you, the Minister of Urban Affairs, when we get to your estimates you better be wide awake and answer questions because this is the way this is coming out. A man paid by you who is an agricultural representative in the town of Kamsack has been charged by other people in the community of being guilty of conflict of interest, being guilty of holding these files. And I can tell you, if I was a councillor 400 miles from here, and I thought that anybody thought I was guilty of something, I would have been in your office pleading for an investigation to clear my name instead of going to the opposition whip's office pleading for mercy. Two more councillors came with him . . . (inaudible interjection) . . . No, he didn't come from you. He didn't. He knows he'll get mercy from you because he knows what he has on you, and that's what's behind the whole ball game.

Well, I finally struck the nerve. Don't ever charge me when it comes to saying things to the press. You tried that one before, but it backfired. It always backfires; ask the Minister of Health about that one.

April 27, 1981

Mr. Minister, have you thought for one minute about this little green *Hansard* from Crown corporations committee? If you thought for one minute that, in our conversation we had about Kamsack Manufacturing, you are fooling me and the public in Kamsack, you better think again, because there is something awfully wrong there — awfully, awfully wrong, when the town of Kamsack sold a piece of property for \$1 — 10 acres. You know about it. Don't you shake your head, because you do. The town sold another piece of property — three acres that had been purchased by someone else for \$2,000 — making the property worth \$2,001.

Then one month previously, a man working for industry and commerce puts on a valuation — it's right here in my hand. There is the bill of sale from the town on October 4 for \$2,001. Here is your man that works for you in industry and commerce in Yorkton — one month prior, on September 4, he put a value on the property of \$220,000. One month later Sedco started to pour out the money. Now, if you thought for one minute that when you were telling me that there was a lot of cash being put down as a down payment and you were putting the blame on the credit union in Kamsack for doing this . . . It's right in here. Well, I'll tell you, we heard you were going after the people at the credit union in Kamsack, Mr. Minister.

You said in your final words that the total value of that property in Kamsack was \$700,000. Your loan was approximately \$500,000, not quite — \$460,000 — and you are trying to tell me there's a large amount of cash. It just works out about right — that \$220,000 value in the property, together with \$400,000 and some, is the total amount of \$700,000. I tell you there was no down payment at all. And until you table some documents in this House saying there was a down payment, you are guilty.

Don't say that I'm not right in my accusations once in a while, because a year ago I made this same accusation to you about Circle 4 Feeders and you laughed. That was a big joke, but somehow or other you had to table the documents saying they had to write off \$500,000. I say the same thing is happening here, and that you're part of it, Mr. Minister. Why would you say so many times, "You're not going to get into feeding this in here"? We may tomorrow if you don't table some documents.

If, as you were insinuating, the credit union lent money for a down payment on this property, then I would see "credit union" on the certificate of title. But I only see Sedco with \$343,000, and again a few months later, \$111,000 — a total of \$454,000. You know that there is some skulduggery going on with that \$220,000. It would make a history book if you went back and read your own answers in here. You jumped around like two grasshoppers, as the member for Regina South says, in your answers.

Now, at one time you said there might have been some buildings on it, and another time you said there were no buildings on it. If there were some buildings on the property, valued at \$220,000, as you stated in here, that means that you advanced money (and went against what you said, that you never advance money) before the purchase from the town, and so some of the Sedco money was part of the buildings. You used that as a value of \$220,000, and then you turned around and used your own money that you loaned them for collateral. You're going to have a cloud over you and I'm going to charge you, as the Minister of Industry and Commerce, with being guilty until you provide to this House a copy of the cash that this man put down. I don't care if he gives you permission or not. This is pretty rotten stuff. Either you do it, or there will be an inquiry into this.

HON. MR. VICKAR: — Mr. Chairman, I don't know what any of the comments that the hon. member is making have to do with the Department of Industry and Commerce at this time. The hon. member had the opportunity to question the Sedco operation in Crown corporations (which he did), and he received the answers in the Crown corporations committee. I don't know why he is pursuing them further in the House. I don't have the people here to back it up, and anything we have told him in the Crown corporations committee was absolutely legitimate.

The Department of Industry and Commerce doesn't have any information as to the dollars and cents figures that he is talking about which were involved. If I remember correctly, I also told the hon. member that if he would come to me sometime, I would sit down with one of my officials and we could show him what really transpired. If the entrepreneur involved in the manufacturing industry which was established wishes to make information public as to the cash down payment and the value of the land, etc., we are prepared to do that. I said that in Crown corporations committee, and I'm saying that again. What that has to do with the Department of Industry and Commerce at this time, I don't really know.

He had the opportunity to pursue it further in Crown corporations committee; he took the opportunity at that time, and then he dropped it. I have nothing further to add, Mr. Chairman.

MR. MUIRHEAD: — You're just the same as you were in Crown corporations committee; you just refuse to answer. Why haven't the people of Kamsack a right to know? It's easy for you to say, Mr. Minister, that everything is fine and dandy. We just have to take your word for it. You haven't shown us one document to prove otherwise. Table some documents to prove it. Never mind saying that you will meet me privately some place because you're frightened to say before the press and the rest of the people.

It's in here. I'll read your words, which say that you will give me some information, that you will find out about Mark Litowitz, the man who, as soon as Kamsack Manufacturing formed, quit working for the Department of Industry and Commerce, and went to work for them for a while. Then as soon as the heat was on, he went back and worked for you. You said you would take a look into that and give me the answer. But you said you wouldn't make it a public document. You want to meet me in your office all the time. What are you afraid of? If you are not hiding anything, tell the people in here, for goodness sake.

HON. MR. VICKAR: — Mr. Chairman, we will not make anything public unless the entrepreneur involved tells us that we can make it public. There was absolutely no wrongdoing. If he can get a letter from the entrepreneur involved in Kamsack that we can make anything public, I will be glad to do that. We are not hiding anything. I made a commitment to the hon. member in Crown corporations that, down the road, I would look into what happened with this Mark Litowitz fellow. I am prepared to do that. I am prepared further to go into some more documents, if he so wishes. I am certainly not going to make anything public without permission of the entrepreneur in Kamsack to whom the hon. member is referring.

MR. MUIRHEAD: — Do you think, for one minute, that if there is something wrong here, that if there is a coverup, we are going to be able to go to the client and he is going to say, "Yes, throw it out"? What do you do if there is something wrong? That is what it is all about with this government. If there is something which we think is wrong, you hide it

and give no answers. I will tell you we are going to get the answer to that. You just sit as calm as can be and say, "Go ahead and get it." I will tell you who we are going to get it from. We are going to get it from you. It will happen right here on the floor of this House. No, you don't care. You don't realize that you are working for the taxpayers of the province of Saskatchewan. You, the Minister of Industry and Commerce, really think you are a big man. You sit there and you control, control and control. You don't care.

All I am trying to do is the opposition's job and that is to scrutinize. If it didn't look as if there was something wrong, I wouldn't be asking these questions. But you have to admit that if anyone looks very carefully at those figures, he can see that there is something wrong going on here. Your seatmates know there is something wrong. When your man evaluates some property at \$200,000 more than what the town charged for the land a month prior to the sale, you know there is something wrong here. Now, answer the question: why do you involve the credit union? What does the credit union have to do with your appraisal? You said in here that you used all credit union appraisals. Since when do you use credit union appraisals when you make loans? Tell me why you don't use your own.

HON. MR. VICKAR: — Mr. Chairman, the hon. member had the opportunity to ask those questions in Crown corporations. He did that. I have no reason to answer any further questions with regard to Sedco's operations at this particular time. We are in estimates in industry and commerce.

MR. ROUSSEAU: — Mr. Minister, which program is the Special ARDA program? Just give me an explanation of that one, will you please?

HON. MR. VICKAR: — It's in the top right hand corner of page 8 in the report. I can read it for you, as well.

MR. ROUSSEAU: — Yes, that is the one which I was looking for. I had occasion last year to assist or advise an individual on this particular program. I am not going to discuss any names. A serious concern came about from the research and inquiry which was made into this particular program. This program is, as it says, for the Indian and Metis people of Saskatchewan. Isn't that right? I think it is commendable. My concern is that, apparently, any one can go down to the office of the friendship centre (I am not sure what it is called, but wherever they operate from), and for \$1 he can receive a non-status Indian identification card. Again, I'm not sure what it's called. As a matter of fact, the individual to whom I am referring did exactly that; he went down and paid \$1 and got a card. Then he can go back to your department, present the card, and become part of that program. I don't know whether or not you are aware of this (I'm sure that some of the officials of your department are), and it doesn't matter who the person is. It's just a matter of deciding that they can take advantage of this program meant for certain people by fraudulently or by whatever means going down and, as I say, for \$1 receiving a special non-status Indian card. Have you or your department checked into this?

HON. MR. VICKAR: — Mr. Chairman, I'm told that as far as we're concerned, membership does not really make any difference. A membership card doesn't make any difference; it's the Indian and native ancestry that counts in this particular case. If they are of native ancestry, then they would qualify. To qualify that further, the board of directors, which makes the decisions on these programs, has Indian and Metis people sitting on the board to scrutinize the application and, therefore, by so doing, scrutinize the person who is making the application. So, to say that you have to have a membership . . . Maybe that qualifies, but the criterion we use really is the ancestry of

that particular person.

MR. ROUSSEAU: — Well, how do you determine that? An individual could go down to the centre, ask for a membership card, and there might have been six generations back some Indian heritage. I'm just wondering how that's policed or resolved if it goes back that far. There are many people, I am sure, in this province or anywhere in Canada, who could claim some Indian ancestry from generations back. So, how would that happen? If you're saying it's a board, what records does it have to indicate that, in fact, this person, other than saying that he has the membership card with him, is what he claims to be? And they present that to the Special ARDA people and apply for a loan based on that, plus whatever else. It would indicate that it would be difficult to trace that ancestry easily to determine for a fact that they are qualified.

HON. MR. VICKAR: — We have really not run into any problems of that nature. Maybe to clarify the situation for the hon. member, I should explain that people of other than Indian and Metis ancestry can also apply for the Special ARDA program as long as the benefits accrue to native people. There may be a bit of significance there for the hon. member; it may be a little variation on what he was thinking about.

MR. ROUSSEAU: — It does make a difference, no question about it, if one of the criteria is that it will be hiring native people. It also says that it is to improve living conditions for Indian and Metis people in rural areas. Do the urban areas not qualify for Special ARDA?

HON. MR. VICKAR: — The areas of Regina and Saskatoon do not qualify under this program.

MR. ROUSSEAU: — There are more urban areas than just Regina and Saskatoon.

HON. MR. VICKAR: — Those are the only two that do not qualify.

MR. ROUSSEAU: — Who does this report? I would like to see accurate information provided in this report, Mr. Minister. That is the second time now that the information provided is a bit confusing. Again, to remain on that particular subject, the Department of Industry and Commerce really has not contributed all that much to it, as indicated earlier, because you gave me the figure of \$120,000 as being your share, and that amount, as well, is the total project cost. I notice the comparison between 1979-80 and 1978-79. There would have been \$276,000 of grants approved by DREE and industry and commerce in 1978 and '79 which provided an additional 44 jobs in Saskatchewan. Yet you doubled that amount the following year to provide fewer jobs. Is this again consistent? Are you getting the best value for your dollar? What kind of loans are you making? Are we getting these people employed by using that money wisely and in the proper place? I can't understand doubling the grants and more than doubling the total projects, yet providing employment for fewer people.

HON. MR. VICKAR: — Yes, it's true that the labor input at this point in time was possibly less than it was a year ago at that same time, but you have to remember that different programs are different from one another. Some programs are labor intensive at the particular moment; other programs may involve labor for a longer period of time. If in this particular case the labor input is down at this time, some of the programs could be longer-range programs, employing people more steadily for many more years to come. The programs really vary. There is no real consistency in them.

April 27, 1981

MR. ROUSSEAU: — Would the minister provide us with a list of the applicants for those loans and the types of businesses, showing what loan you made for how many jobs and so on and so forth?

HON. MR. VICKAR: — Yes, we can provide that. It will take us a little while to get the information but we'll provide it to the hon. member.

MR. ROUSSEAU: — Just exactly what do you mean by a little while, Mr. Minister?

HON. MR. VICKAR: — Well, we can't provide them this evening.

MR. ROUSSEAU: — Could you give me a time frame?

HON. MR. VICKAR: — We should be able to provide something for you in a couple of days, I understand.

MR. ROUSSEAU: — Thank you. Apparently this year you became involved with the glass recycling project and four trial depots have been established. I don't know if the Department of Industry and Commerce is involved with this or even if you took part in it. If you have, would you elaborate a little on the program? Do you plan any expansion to it? How is it working? How much money has been involved, and so on?

HON. MR. VICKAR: — Yes, we provided grant money to the rehab centre, SARC (Saskatchewan Association of Rehabilitation Centres) in Saskatoon. As far as we're concerned, we have only one pilot project, the Saskatchewan Association of Rehabilitation Centres in Saskatoon. They in turn (in Saskatoon) could have various little depots. But as far as we're concerned, our pilot project is the one in Saskatoon.

I might mention to the hon. member that we provided \$96,700 to establish that pilot program, to the rehab centre, for them to organize the program. They are doing all the work. I might say that the program now has been operating for about two months. We have information back, as of the five weeks after operation, and at that point in time they had already sold approximately 35 tonnes of broken glass.

I will answer the question on whether we will continue when we get an update on this program to find out how it is working. If it is working to our satisfaction, I will commit myself to continue that program in other areas in Saskatchewan, based on the results which we find in the operation in Saskatoon.

MR. ROUSSEAU: — You will recall, Mr. Minister, that we asked you a year ago to get involved in that particular project and to assist in this program. We commend you for having done so.

I detected a note of contradiction. I'm not sure whether it was or not. You said something about it being their project and had nothing to do with us. Then you went on to say that if it is successful you will carry on and expand it. Do I assume from that comment that you are not keeping an eye on the project to see how it is going? I believe you put in the \$96,700 which I believe was a grant. I would assume that your department would have an interest in seeing it a success. I would assume your department would make sure that it is viable and, based on the success or failure of it, make a decision soon to either drop it or expand it further.

HON. MR. VICKAR: — Mr. Chairman, we certainly are evaluating the program as it

progresses. The project is a six-month project. You can't evaluate that type of program in two or three months.

I may just tell the hon. member that even as late as two months after the program was inaugurated in Saskatoon, they still had not covered the whole city. That is how long it takes to develop this type of a program. We hope that within the six months Saskatoon can prove to us that our approach is correct and that we will be able to move into other areas of the province.

Yes, we are monitoring the program and we are getting good co-operation from the SARC people. They are very enthusiastic about the program. How it will end up after a six-month evaluation, I can't tell you at this time. I hope it's going to be positive.

MR. ROUSSEAU: — I have just a few more questions on that subject. I presume you also did a market study on it to determine whether there was in fact a market for it. Having done so, could you tell us where their market is for the sale of the broken glass? Is it in Saskatchewan or is it in Alberta? I'll start with that question, because I want to follow it up with a couple more.

HON. MR. VICKAR: — The only glass recycling plant that we have in Saskatchewan is in Moose Jaw, and we understand that SARC (Saskatchewan Association of Rehabilitation Centres) is selling glass to Canaspheres Industries in Moose Jaw. They are selling it — remember that now — they are selling the glass.

MR. ROUSSEAU: — Yes, that's exactly what I said. All right, then, we'll follow up the question. We became involved a year ago. I am very happy to hear that the minister is listening to the members of the opposition, because, if you recall, we had quite a discussion about that last year, and recommended that you do exactly what you are doing. Not to take away from the project in Saskatoon (and I don't want that to be misunderstood), the transportation hauling from there to Moose Jaw is much farther than between Moose Jaw and Regina, and so on. Why wouldn't you also establish that kind of project, which has been requested from your department by Canaspheres and other groups, within the southern half of the province of Saskatchewan, for example, in Regina?

HON. MR. VICKAR: — It's very simple, Mr. Chairman. It's only because SARC headquarters are in Saskatoon. When we discussed the type of program with SARC, they suggested that it be Saskatoon because they could manage it much easier than any other area of the province. We didn't get involved and say that they had to do it in Saskatoon, or in Regina. It came from SARC.

MR. ROUSSEAU: — I'm glad you said that, Mr. Minister. It further indicates what I said this afternoon. We suggested to you a year ago that it was a viable and very feasible project, and in your own words just now, you said, "We didn't offer it. They came to us." And that's the difference between a Department of Industry and Commerce that is aggressive and one who just sits back and wants to take all of the glory. People have to come to you and ask you for assistance, rather than your saying, "Look, these are possibilities. Here is a place where we can do something. Here is a place where we can add employment. Here is a place where we can develop industry and business. Let's go and see if we can help them." You wait till they come to you. That

project could have been on stream a year ago. But you waited until now — until somebody came to you. That's what I was trying to tell you earlier — the difference between somebody who is aggressive and somebody who just sits on his fanny and waits.

HON. MR. VICKAR: — Mr. Chairman, I might tell the hon. member that whether the hon. member wants to take all the glory for that particular program or not, I think he's way out in left field. We in the Department of Industry and Commerce have done study on study on glass recycling, going back two and three years. We have those studies, and we're prepared to lay them on the table for the hon. member any time he wishes to prove that we were absolutely involved in trying to promote a glass recycling program.

Secondly, to say that SARC came directly to us — yes, they did — after I personally was involved in discussing the program with the SARC people, suggesting to them that they should make a submission to us to promote this particular recycling program. They did so, and when I said that they came to us, that's exactly what happened. The head office in Saskatoon came to us after we had discussed the program with them. Therefore, we placed it in Saskatoon.

MR. ROUSSEAU: — Oh boy, for a guy who knows how to do double talk and stand on one foot and then the other, that isn't what you said in the first place and I would like to see the kind of report you're talking about. I would formally ask you to table those reports. I would like to have a look at them.

HON. MR. VICKAR: — I'm told that we already tabled the summary for you last year, however, if you didn't happen to read it (if we tabled it in vain), we're prepared to duplicate it for you. We'll run it off on the Xerox obtained for you.

MR. ROUSSEAU: — May I ask you what they're called?

HON. MR. VICKAR: — I'm told it was a study by Cambrian Engineering and my people tell me they are quite sure that they tabled one last year and if they did not, then we're in error and we'll provide one. I'm told we sent it to you. It wasn't tabled. It was sent to you.

MR. ROUSSEAU: — To me personally?

HON. MR. VICKAR: — We're quite satisfied that we delivered the copy to somebody across there but we will duplicate it and give you another one.

MR. ROUSSEAU: — Well, you know, I have the files of industry and commerce and I have, for example, an agreement between the Government of Saskatchewan and Curtis Industries, but that's not what I'm talking about. That's not what you're talking about. I have scrap vehicle collection, Department of Industry and Commerce, Operation Recycle, but that has nothing to do with glass. I will certainly be the first person to stand up in this Assembly and apologize, Mr. Minister, if I have it, but as I say, I have the files here and I don't see it. I'll check the files thoroughly and if I'm wrong, I will certainly admit it and let you know later on, but meanwhile, I'll leave the request.

MR. HARDY: — Well, I had one question. You were talking about that glass recycling and you said that you would continue it if they met your requirements or if it was successful, and I just wonder what requirements would be necessary to make it successful. You never really defined that.

HON. MR. VICKAR: — Well, from the studies that have been done, it is proven that in order to recycle glass in the province, it would require a subsidy in the neighborhood of \$5 million to \$7 million and we, at this point in time, are not ready to subsidize a glass recycling program to that volume of dollars. When I say “if we find it viable,” I say that because even if we have to subsidize it to a certain degree (and I don’t know at what level at this time) we would be prepared to subsidize it. If the subsidization would be required to a more moderate degree than \$5 million to \$7 million, we will look at it very seriously because the program is doing more than one thing. It is recycling glass and taking it away from the ditches and the backyards and the garbage pails; it is providing a commodity to an industry that is established in Saskatchewan and it is also creating employment for our handicapped and disadvantaged people. So it’s doing three things all at one time. So when I say is it a viable program, I’m hoping that it is, and even if we have to subsidize it to a minimal amount, we would probably be prepared to do so.

MR. HARDY: — Well, Mr. Minister, you said you would subsidize it to a minimal amount. You’re going back to that “viable.” I haven’t really decided, or do you really know, yourself, what you call a viable industry, or is worth looking into? Is this recycling project worth keeping? The viable part I just don’t understand. I mean, where is your line, if there is a line? I don’t quite understand what you mean by viability. You say we have to subsidize the \$5 million or \$6 million, but it’s a little bit less — you must have some criteria set out that you’re going to try and fall within to even be considered viable or unviable. I just wonder where that line is, and if you just could be a little more explanatory on that?

HON. MR. VICKAR: — Well, as I said earlier, a glass recycling program in our books (from the results that are indicated in the studies) is not viable in the province. It’s not viable because it’s not economically feasible; it costs too much money. However, when we weigh the advantages that it has in providing employment to the disadvantaged people and in the product that it supplies to Canasphere Industries, we feel it has some merit. Therefore, I’m saying that after we complete this six-month study in Saskatoon and we evaluate that and of our subsidization will not be too high (I don’t know what figure; I’m groping in the dark here for a figure, and I can’t give the hon. member a figure) then we’ll expand the program to other areas in the province, hopefully to make a complete picture right across the province and do something with it — even if we have to subsidize it. And again, I don’t know what figure we might have to use.

MR. HARDY: — I’m just not quite clear there. I hear you say you don’t know what figure you have to use and yet it’s a six-month program that’s almost up. You mean you haven’t set any figure that you’re prepared to meet? I realize it does three or four different things, and that’s good. But you must have some figure within your mind that you’re going to be willing to subsidize it to, and that’s what I’m asking you. What figure are you willing to subsidize such a thing to?

HON. MR. VICKAR: — After we get our report on our six-month program in Saskatoon, we will have a better idea what figure we’re going to be shooting at if we have to subsidize it.

MR. ROUSSEAU: — Mr. Minister, I want to go back to some of the comments you made prior to adjournment at 5 o’clock. It’s pretty easy for you to stand up and quote figures without really having complete support. Now, you indicated that last year there were 4,400 new businesses established. I presume you mean corporate businesses under the corporate name of the businesses that have been incorporated. That’s my first question. The second part of that question is: how many businesses in Saskatchewan

last year went bankrupt?

HON. MR. VICKAR: — Mr. Chairman, yes, in 1980 there were over 4,400 new businesses that were incorporated in the province. They were incorporated new businesses. Now, how many went bankrupt? We cannot actually tell, but we have the statistics here that say the number of companies that were struck off the register in 1979-80 was 1,853. The number of companies that were reinstated in the same period was 269, and the number of businesses in receiver-manager appointments was only 50. We can't tell how many actually went bankrupt from these figures.

MR. ROUSSEAU: — Okay, so your 4,400 figure was businesses that incorporated in the year 1980. Let me ask you this: how many of those were farms?

HON. MR. VICKAR: — We don't have a breakdown, Mr. Chairman.

MR. ROUSSEAU: — Where do you get your figures — from the registrar? If you were doing your job with a concern and interest in the industrialization and development of this province, you would have those figures. You would make sure you had those figures. You quote figures, such as you did before 5 o'clock, without knowing what you are talking about, without knowing what, in fact, those businesses were.

I suggest to you, Mr. Minister, that of the 4,400, a large percentage was, in fact, farmers who incorporated their farms for tax advantages. It had nothing to do with new businesses establishing in the province of Saskatchewan. There is no evidence anywhere in your documents, in the *Monthly Statistical Reviews* or in the *Economic Review* of Saskatchewan, that businesses are moving into Saskatchewan or establishing here. What you're quoting to the people of this province and this Assembly are figures for businesses that have been here all along — businesses that decided for tax or for other reasons to incorporate. Therefore, the figures you're giving us are nothing less than a misleading misrepresentation. I would like you to check and tell me exactly how many of those 4,400 were new businesses that were established. How many were established within the province? How many moved in from outside the province? Those are the kinds of figures that your department should be making available and keeping records on.

HON. MR. VICKAR: — Mr. Chairman, it would be a fairly extensive undertaking for us to go through the records to separate the farming corporations from the business corporations. But I have to tell the hon. member that I doubt very much whether the 4,400 we are talking about are farming corporations. Just from a personal overview, I don't think that there would be any more than 10 per cent of that. I don't think anymore than 10 per cent would represent farmers incorporating their operations for tax purposes. I want to remind the hon. gentleman that the tax department is looking at it very closely. If it's for a particular tax gain, they will not allow incorporation. So, it's very dicey to spell out the exact number of businesses established. I have another figure that refers to extra-provincial businesses registered in Saskatchewan. We can't really say whether that is businesses that came into Saskatchewan or businesses with corporate head offices out of the province that have registered in Saskatchewan. In that field we have 877 that show up, but we can't really say truthfully that that business was actually established in Saskatchewan.

MR. ROUSSEAU: — That's the point: you can't say. I suggested that many of these were frauds for tax reasons and others. They are not necessarily trying to do something that

is illegal. I am suggesting to you that, with advice from their accountants and their lawyers, many of them, for reasons that are allowed and legal and right, are incorporating. That's what you are finding in the province of Saskatchewan. You say 10 per cent; I'm suggesting to you it is a lot more than 10 per cent. The province of Saskatchewan is not increasing significantly the numbers of businesses of any kind.

All one has to do is to take a good look at the *Monthly Statistical Review*. If we were expanding our business development and our industrialization of this province to any degree, let me tell you, Mr. Minister, that you wouldn't be showing a decrease in your total retail trade by selective business. When I say decrease, let me clarify that. As a matter of fact it shows an increase of 8.2 per cent. It shows 8.2 per cent more retail business done last year than the year before. Everyone knows that inflation is over 12 per cent, so in my books that's a decrease; that is less business was done in the province of Saskatchewan in 1980 than in 1979. This is the kind of work you should be looking into and developing in this province. Why do we have to be the ones to point these facts out to you?

I want to correct another statement you made prior to the 5 o'clock adjournment. You said that we in the opposition don't want the government to be involved in businesses and to take equity positions. I don't recall the exact words, but that is basically what you said. Again, you must have been sitting in your chair sleeping at the switch when I spent two hours and 15 minutes replying to the Minister of Finance's budget back on March 9. That was part and parcel of the industrial strategy we offered to the government as an alternative to what you have in this province.

We suggested that it is the role of the government to participate and to assist business to establish in the province. We have never changed our position on that. I will tell you what we do object to, and I said it then and I will say it again. We object to the government's becoming involved for the purpose of being an equity owner, in other words, the government's being involved forever and a day, taking an equity position and always wanting to keep it. That isn't assisting industry to develop in the province of Saskatchewan. The idea is to put money in, put it up front, assist industry, manufacturing or whatever area is necessary. Try putting up some money and, once it is on its feet, get out of it and get into something else. That's called expansion; that's called development. To take money and put it into an industry, and then leave it there for the sake of ownership is strangulation. That's remaining static. That is taking two steps backward; that is not advancing. So, Mr. Minister, never undertake to tell anyone that we on this side of the House do not want the government to become involved in assistance, financially or otherwise, in the development of industry in the province of Saskatchewan, because we recommend it. We did so in our replies to the budget. It has been our policy and it's a far better policy than what has been coming from the government members opposite, because whenever you become involved, you strangle. You want to control. You want it done your way and nobody else's way. You don't want to expand and develop.

I would like to ask you once again, if possible (and I am not going to be the one to be irresponsible in this request and I don't think it would be all that difficult because all you would have to do is go to the registrar and make a list), to find out how many of these are farming and how many are businesses that have been here all along, but incorporated last year. Before you do it, before I commit you or you commit yourself to it, if it is going to take that many man-hours to do it, I'll back off and ask you to do a random sample of it. With that you might come up with some reasonable statistics. But I don't think it would be that difficult for your department to make the information available. It would

help your department. Those are facts, figures and statistics that could be useful to your department.

Every time I ask you for something, you say “We’re not sure.” You’re not sure. Well, are you sure what your department is doing? Are you sure of anything in your department? A minister responsible for any department should be able to show leadership and direction. He should be able to come up with innovative ideas and be aggressive. You, Mr. Minister, are lacking that. You have not taken a grip on this department. You have not taken the interest in it to find out exactly where we could be heading in this province — forward, not backward. You have been in business long enough to know that you have to know what your markets are. You have to know what your potentials are. You have to know a lot more than just the business at hand. You have to have a broad view of what’s going on and what could be accomplished. We are not seeing that.

I would like you to answer my question on the probability of being able to get me those accurate figures.

HON. MR. VICKAR: — Mr. Chairman, to answer the last question first, I think I indicated a little earlier that there is a possibility. Again, I’m not saying yes, but there is a possibility that we can supply the member with that information. I don’t know how long it would take to get you that type of information. We would have to go through an awful lot of records and scrutinize them, but we will try to provide that information.

Secondly, the hon. member mentions the position that his party is taking with regard to equity positions in business. The position that he is taking this evening is not the position that I have heard over the period of time. Any time that we have taken an equity position of some sort, we were always condemned for that purpose. We were always told that we had no business being in there. Our policy at Sedco (and I am referring to Sedco at this time) is if we have to, we will take an equity position and we will get out of it. We will allow the entrepreneurs to buy us out. That has been our standing policy for quite a number of years. We are there for them to buy us out, if the opportunity arises for them to do so. So our policy is there and I have never yet heard the hon. member make that statement, other than what he is saying this evening. He may have said it in reply to the budget speech. If he did, fine. That has been our policy for quite a number of years.

Secondly, going back to a statement which the hon. member made at the outset with regard to the retail businesses in the province according to sales, I think the hon. member is taking the figure which shows retail business. If you take also the figures which show the service sector, manufacturing sector, clothing sector, food and beverage sector and add them all up, then you will get a true figure, Mr. Chairman.

MR. ROUSSEAU: — Well, if you want to go on with the statistics of this report, Mr. Minister, you may regret having suggested it. One only has to look at vehicle sales and the new vehicle sales (you used to be in that business, so you remember how you used

to take a good look at those) to see how that industry has gone. You take a look at housing statistics. Boy, that is really a good one. Housing statistics in the province of Saskatchewan — for the dwelling starts, a 52.6 per cent decrease. Value of shipments of goods manufactured, it is a 9.3 per cent increase. Again, that is really a decrease. That is based on 1980 dollars over 1979 dollars. That is not moving forward; that is moving backward. You suggested I take a look at them and there they are. This is your government's report. It does not show an increase. It shows decreases all the way across the board which indicates a downward trend in our economy.

You, Mr. Minister, are responsible for that because you head industry and commerce and you have failed to act on the developments. You have failed to bring in an industrial strategy into this province which can count . . . (inaudible interjection) . . .

The member for Assiniboia-Gravelbourg has come out with his usual remark. "Garbage," he says. Well, if it is garbage, it is your garbage because it is your report. If it is garbage, you produced it and you printed it. If it is garbage, it is because industry and commerce and the rest of your government have not been acting to develop industrial strategy in this province. If you want to call it garbage, then you call it garbage because, my friend, it is your garbage.

AN HON. MEMBER: — How come the business people you ask to run for you won't run for you?

MR. ROUSSEAU: — My friend, I can get all kinds of them.

MR. HARDY: — I want to go back to those 4,400 companies which were incorporated last year. There were 1,853 discontinued and 269 reinstated. The member for Regina South asked you for a list of the 4,400. I would also like a breakdown of the 1,853 which were discontinued and of the 269 which were reinstated.

HON. MR. VICKAR: — We'll do the same thing, Mr. Chairman. We'll provide the information along with the other information.

MR. HARDY: — I was looking on page 10 of your report, the annual report, under renewable resources branch, and I'll just quote a little bit from it. It says:

Research work continued during the year with emphasis on utilization of Saskatchewan's uncommitted poplar resources, which could provide increased employment and economic and social benefits to the province.

A little further down you wrote:

A number of technical and market studies on aspen products was evaluated.

Could you tell me what studies were done, what has come out of the studies, and what you have recommended?

HON. MR. VICKAR: — Yes, we have two studies that are going on in that field. I might tell the hon. member that we are working here in conjunction with the CIC (Crown Investments Corporation of Saskatchewan) people. But we have a person in our department who is capable of doing this and who is very knowledgeable in the forest industry. Therefore, we are showing it in our books. However, we are doing one study

for a Swedish firm, which maybe the hon. member remembers from a year or two ago. We started this thing to develop a thermomechanical pulp plant, and that study is an ongoing thing. It's a study on aspen — the use of poplar. If the hon. member is going to ask me to table it, I'm afraid I'm going to have to say no because that's an ongoing thing, and we can't do anything until that is completed. The other one is on the medium density fibreboard. We're doing a study on that one. Is that completed? The evaluation there is completed.

MR. HARDY: — On the second one, would you be able to table that one, then, if it's completed?

One other question: have your studies anything to do with ethanol? Aspen has been suggested, and ethanol made from it. Could you tell me if you've done any studies on the use of aspen to make ethanol, or are you in the future planning to do so?

HON. MR. VICKAR: — To answer the first question first on the medium density fibreboard — yes, we can provide that study. There's no problem.

The second question was whether we were involved in ethanol studies. We provided you with a report last year on the fermentation program. It was a study on ethanol plant but not using aspen — not using poplar . . . (inaudible interjection) . . . No, we don't have one on poplar.

MR. HARDY: — Do you plan on doing a study on using aspen for ethanol?

HON. MR. VICKAR: — Our department has looked into this fairly extensively in the past couple of years. The information we're getting from the various people we are questioning on aspen use is that it's too expansive, at this point in time, to get involved in. To answer whether we have really done a study on aspen, I have to say no. We have made some general inquiries in that area. I don't know whether the Department of Agriculture has done any particular study in the aspen area or not. I really can't answer that.

MR. HARDY: — You're saying you've done basically no studies to date on the use of aspen for ethanol? I was just wondering why you haven't. The Minister of Agriculture, here just a few days ago, stated that there would be an ethanol plant established along the northern aspen tree line belt where barley and aspen are both available. I would be very concerned, if I were the Minister of Agriculture and knew all the aspects of what could be produced from aspen (if that's where you're thinking of locating) why you, as the minister responsible for industry, haven't taken a look into using it. If you haven't, will you now consider taking a look into using it?

HON. MR. VICKAR: — That is the purpose, Mr. Chairman, of the particular ethanol plant that the Minister of Agriculture was talking about. This is a pilot project. It's an experimental project. The project, as you will remember (and as I think the Minister of Agriculture has indicated) is a plant that will use cereal crops — it will use barley. To incorporate in that the use of aspen, no doubt, will help in the study of the use of aspen in the future in that particular plant. The whole thing is an experiment. If need be, we'll probably get into a study of aspen for that particular plant.

MR. ROUSSEAU: — Again, Mr. Minister, referring to some of my notes that I made earlier today, you indicated that you had some direct results from your trip to Europe (namely Italy and the Netherlands). I took from that that somebody has come over here

and has established a business. Would you mind telling us who they are and what they are establishing?

HON. MR. VICKAR: — No, no, the hon. member is taking my words out of context. I said we had results. I didn't say we had businesses established. I did say that we had three or four different delegations here from Italy already. As a matter of fact, just as late as two days ago, last Thursday or Friday . . . (inaudible interjection) . . . Yes, yes, that's right. He was up in the gallery.

We do have some entrepreneurs from Italy who are talking with some of our people in the province of Saskatchewan to joint venture some of their manufacturing products and to bring them from Italy in a joint venture with our manufacturers in Saskatchewan. I know of two particular situations in that area. I know of another situation where there is a technical firm that's prepared to joint venture with a technical firm here in the province. So, the results, particularly to Italy, as far as I'm concerned and our department is concerned, were very beneficial and we're looking for much more down the road than has already come. Further to that, as a result of our trip, we will have the Regina Farm Progress Show. For the first time in its history we'll have a display of Italian products at the show and their people will be here to demonstrate. It's not going to be a machine display at that time; it's going to be in posters and literature because it was too late for them to get organized. But they have rented a booth at the exhibition, and that in itself is progress, Mr. Chairman.

MR. ROUSSEAU: — Whether or not it's progress will remain to be seen and the proof will be in the pudding. So far we have seen no results, and I mean concrete results, results that are physical.

You indicated as well that you were going to produce a brochure, or that you have produced one for other countries to show around. Is it complete or is it in the process of being done?

HON. MR. VICKAR: — The brochure that I was talking about is called "The Industrial Benefits from Resource Development" and I think we've already produced three of them. That's an ongoing thing; it was done over a year and a half ago.

MR. ROUSSEAU: — I would appreciate if you'd send me a copy of it when you have it. I'd like to have a look at one.

HON. MR. VICKAR: — Well, I think the hon. member could just go to any office. He can come up to my office and pick them up. They're on the shelf; they're all over the place.

MR. ROUSSEAU: — I have one more comment and I think some of my colleagues here want to ask a few questions. We will attempt to wind this up tonight for your information.

You said you believed in the tendering process and so do I. I want to tell you that there are certain techniques that could be used of which you're not taking advantage. I can tell you of an instance where an order for \$10,000 worth of continuous forms was tendered and went to a firm in Toronto because it was \$8 cheaper. I suggest to you that that \$8 could have been wisely spent in the province of Saskatchewan; the jobs are here. The jobs that you and we are interested in are the ones in Saskatchewan, not Ontario. Let them look after themselves. When you get to a tendering process (and I know this is not your department, but you are industry and commerce), there could be a

recommendation from your department to be a bit flexible. I don't know what the guideline or gauge is going to be, but some kind of preferential treatment should be established for Saskatchewan businesses. Taxes are paid to your government by the people of Saskatchewan. An order for \$10,000 of continuous forms at \$8 more in Saskatchewan would come back many times over in taxes alone to your government. So to say that you believe in the tendering process to that degree is sheer nonsense and stupidity. I suggest to you that some kind of a guideline or figure be used in giving that kind of treatment to the people who live in Saskatchewan and who pay the taxes to your government. And were that policy to be established, you would be the beneficiary (when I say you, I mean the government) in taxes alone, the extra employment, and the taxes from that. There is only one way that we can reduce taxes to the people of Saskatchewan and that is to broaden the tax base and develop the resources we have in this province. And until you do that, we'll be paying the level of taxes that we are paying in Saskatchewan. I suggest to you that the level is too high for the resources and the wealth that this province has and the wealth it should have, if you people weren't stifling that economy all the time. I want to hear your reply to the tendering process.

HON. MR. VICKAR: — Mr. Chairman, I agree with the hon. member to a large degree that some of our tendering results go out of province. But I have to say to the hon. gentleman (and I'm not speaking for the Minister of Revenue whose department is in charge of allocating these tenders) that we find in the province of Saskatchewan in many cases it is not the bottom-line figure that counts. It is the criteria that are involved in that tendering process. So, not always is it the bottom-line figure. If the produce involved does not live up to the standards that are required to some degree somewhere, there may be that \$8 difference he is talking about. The department therefore agrees to purchase out-of-province. So, it's not always the bottom line. I know you are shaking your head, and I shook my head on many occasions as well. But that is the fact.

I'll give you a good example. A few years ago Saskatoon Boiler Manufacturing Company couldn't break into the market in Saskatchewan. And they were building boilers in Saskatoon that were as good as any boiler built anywhere outside of the province. Why couldn't they get into the market? Because their boiler description did not live up to the standards required in Saskatchewan. Only when SAE standards were changed and allowed Saskatoon Boiler Manufacturing Company to qualify for these standards did they become effective. And since that time (about two years ago) Saskatoon Boiler Manufacturing Company has done nothing but flourish. They wanted to be on a tendering basis, and their tenders have been received and honored very favorably.

I'm not using this as a basis as to why some of our tenders have gone out of the province. In speaking to the Canadian Manufacturers' Association and to the road builders' association, I find that they do not want us to change the criteria for tendering. They insist that you use the bottom-line figure. I think in a lot of cases where the figures are close from an outside tender as compared to an inside tender, they will look at that very favorably and allow the tender to go to a Saskatchewan entrepreneur. I'm quite sure of that. But a hard and fast rule that says we will give a 10 per cent tolerance or a 15 per cent or a 5 per cent tolerance is not written in stone. But we will look at Saskatchewan entrepreneurs in preference to outside entrepreneurs based on the tender application.

MR. ROUSSEAU: — Mr. Minister, I'm well aware of the fact that some of them (and you mentioned road builders and another one) want the bottom line to be the figure

applied. I can understand why and you know why. That's right. Now, those are not the only contracts that are let out by this government. There are many others. Business continuous forms do not require SAE standards. You know that and I know that. Printing is printing. As a matter of fact, the only criterion was the \$8 because the same company produced similar forms on a different one and were successful. I'm suggesting to you that you have a hard and fast rule, that what you have in fact decided is that the bottom line is always going to be used, and that's where I disagree. Based on common sense, if it is going to help employment and businesses in the province of Saskatchewan, that's what we should be interested in.

I know that there are sectors, and there are industries which want to use that (the road builders' association is one of them) for certain reasons, but that doesn't apply across the board. You want to encourage the development of business and industry in this province. Very simply, use a little common sense instead of a hard and fast policy that some of you want to live up to or fall in line with. That doesn't make much sense. Use a little common sense, and try to encourage business instead of discouraging it. You should be fighting with your other ministers for that, because that's your department, that's your job, that's your business. With the department that you are running, it doesn't take much common sense to look at that.

MR. MUIRHEAD: — Mr. Minister, I want to mention a little more about that business at Kamsack. You and I argued all evening, and it looks like the Minister of Urban Affairs is going to argue with me about it. I think we have to take a different approach. If the people in Kamsack are going to have that cloud lifted, I need support from ministers like you and the Minister of Urban Affairs or we are not going to have that cloud lifted. I need you to help, not hinder. To every question I asked you tonight, you kept saying that it's not your part and it's not your involvement. This is serious business. There is a new candidate running against the mayor to defeat him and clean up this mess. It has already been as far as the Attorney General's department; there have been charges laid and the children of the new mayor have had their lives threatened. This is big business. I am speaking about a Watergate, Mr. Minister, and I want you to help not hinder.

I want to put this into the record, so you will really understand what the problem is. I know you say it is not your problem (perhaps you don't understand it) and that your department did send out industry and commerce profiles, and it was someone else's fault if they weren't spread around to the right people, but someone is responsible. This is dirty pool.

Mr. Koturbash and his partners, who are the agriculture representatives in Kamsack, formed Arrow Petroleum and purchased the old refinery. You know the old refinery I am talking about; that's what we were talking about earlier. They purchased it. industry's report came out listing the potential for a licensed restaurant with approximate annual sales of \$375,000, and Mr. Koturbash and his partners formed Woodland Developments and a hotel and licensed restaurant in Kamsack. They were able to do these things because the report went to them, and them only. I don't know who is going to do something about it, Mr. Minister — you or the Minister of Urban Affairs or the Premier. But someone from government has to interfere.

Mr. Mosiuk, in that letter I read earlier tonight, asked for the report and was denied access to it. If Arrow Petroleum Corporation and Woodland Development did not pay for this report, why were their shareholders given the information by industry and commerce? They didn't pay for it but they received the report. Ask Koturbash himself and all his buddies — they received the report from your department. I think you should

take a look into it because industry and commerce paid for it. When they pay for part of this study, that involves you. Somehow or other you have to go and check into this.

Mr. Mosiuk, when he wanted to build a big industry out here, was denied access to this report. Now, that's serious, Mr. Minister, really serious. A citizen from the town of Kamsack (I read you the letter tonight) was denied that report and people who never had anything to do with, or never asked for the report in the first place, but who belonged to all the companies that got in and bought all this property to get in on the bucks, did. This is important and I need your help, Mr. Minister, not your hindrance, to look into this. I just need your help.

HON. MR. VICKAR: — Mr. Chairman, I don't know how many times this thing will go around and around, but I will tell the hon. member that I think the best approach for him to take in this mess that he thinks has been established (and I don't know anything about it; we really don't know what he is talking about; we really don't know what has been going on for the last hour in this conversation) is to approach the town council of Kamsack and ask it to come to talk to the Minister of Urban Affairs, along with me. We will be only too happy to sit down and discuss the problem, if there is a problem. Let them come and tell us about it. I don't know what he is talking about.

Secondly, having said that, I am prepared to ask my department to go back and check the records on all the reports that he is talking about and break it down into detail, showing: the day the report was commissioned; by whom it was commissioned; the dollar value of the report; the date the report was mailed out to whomever it may be; and the position of whoever that particular person was who received the report. We're prepared to do all that. Now, if that's not satisfactory, I don't know what is. But, when I sum it all up, I really don't know what we are trying to get at. Please have the town council come and talk to the Hon. Minister of Urban Affairs and me. We will include you, as well. We are prepared to listen.

MR. MUIRHEAD: — Well, that's what I call the first move toward a little co-operation. Now, if you had just said that back a long time ago it sure would have saved a lot of breath. Now we have that commitment from you, Mr. Minister. You are willing to sit down with these people. Now, goodness knows, in the past, Mr. Minister, there have been many delegations that have come in here. Maybe they didn't come to you, but they came to the Premier and the Minister of Urban Affairs. We are satisfied with your answer now. You say that you don't understand it. Maybe I brought things up that you weren't aware of and maybe that's not your job to be aware of some of these things, but I've made you aware of them. Now, we'll be moving, I think, even tomorrow night, I was told, perhaps, into the estimates of urban affairs. If that minister and the Premier will give us the same commitment that you did, then we'll sit down with a few of these people and I'll be present. It can all be settled and the people in Kamsack will be happy people. The concern we have here is that the cloud over Kamsack will be lifted. That's all I am asking. Thank you, Mr. Minister.

MR. BIRKBECK: — I have just two or three questions I want to ask the Minister before we wind this up. First, Mr. Minister, I don't need to cover any of the ground that the member for Regina South has covered. I think it's fairly well established that the industry that should be in Saskatchewan is not here. One only needs to look at the population growth — the influx of people into Alberta — to get some indication as to where people are going. People go where the action is and there is action in Alberta. Its population should be well over the three million mark in a very short time. It had a population growth of about 4 per cent in 1980. What we have been suggesting (and I will just say it

once to reiterate it) is that there's a great potential here in Saskatchewan for industry. We don't believe that you as minister or your government is taking the initiatives that it should be taking. I think it is fair to say that the people of Saskatchewan and all members of the Assembly look to cabinet ministers to show leadership and initiative. Certainly, when you take initiative that we don't agree with, that's our role — to criticize and certainly we do.

I would just like to say again that we believe strongly that there are great gains to be made in terms of industry in the province of Saskatchewan. We believe there is an exciting future there for the people of Saskatchewan. Not only that, but it's in line with the so-called policy of the government. The Premier so often states that he wants to diversify the economy and that he doesn't want it to hinge solely on the axis of agriculture. Well, we can agree with that. We've seen great expansion in the resource sector, in particular. We'd like to see some great expansion now in the industrial sectors of this province. We'd like to see some expansion in terms of tourism. That's another good area that needs to be looked at seriously. We have an advantage in terms of the dollar in tourism. We have an advantage in terms of the price of fuel. We have every factor required to go ahead in terms of a whole industrial development strategy. And we believe that should be forthcoming from your government very soon.

We have made some suggestions. Certainly it is not our role to give you a whole program. We're not government; we're opposition. You can rest assured that we will have, in fact, a program for an industrial development strategy for the province of Saskatchewan fixed for the next election. You can count on that. But there can be no question, firstly, that you, as minister of your department, have not taken initiatives and, secondly, that industry is not developing at the pace that it should here in the province of Saskatchewan. We feel badly about that. We say that more or less in sorrow for the people of Saskatchewan. I've talked a number of times in this Assembly of a narrowing tax base. You can't argue with that either. When you look at that tax base, you see that it has narrowed. You have to ask yourself, as minister, why.

I want to be more specific at this point in time. There are two things I want to raise with you. The first one is the sales tax. As you know, our policy has been well-defined and well-clarified. We asked in 1975 for the removal of the 5 per cent sales tax. We moderated that, and we now suggest that we should phase it out, rather than eliminating it at one time. We looked to a phasing out of the 5 per cent sales tax. I would ask you a question, if your officials and you could be attentive. Do you not agree that elimination over a period of time — a two or three year period — would be advantageous to the small businesses of the province of Saskatchewan? That's the one question I want you to keep in mind, and to answer specifically.

I also ask you this: do you feel that the compensation to small business for collecting that tax is fair? I believe it needs to be looked at by your department. I believe the government should look at that 5 per cent sales tax and at the reward, if you like, that small business gets, which is not a reward. It's a cost. They'd rather not deal with it. Manitoba took a look at it, and it did change it. I can tell you it's having an effect on businessmen in my own town of Moosomin. People go to shop in Manitoba. They should be staying right at home, shopping in Moosomin. But there's an advantage there. I want you to take a look at the Manitoba system. If it can be useful at all in any way to you, then employ it here. If it can't then take a look at it afresh. Start right from

scratch in Saskatchewan.

So, firstly, phase that 5 per cent sales tax out, and secondly, take a look at the payments which are made, the revenue which small business gets for collecting it. I don't feel it's fair, and I think it deserves some attention from you, as minister. Possibly, you could raise it with the chamber of commerce at the next opportunity you have to discuss taxation with it. I won't go on about the inequities, if you like, of the 5 per cent sales tax. It has always been an amazement to me how you people can tax basic essential terms like school supplies for the children, baby bottles and diapers but you don't tax *Playboy* or *Penthouse*. I find that illogical. It doesn't make much sense to me. You propose to be a government that supports the family concept. Well, certainly it isn't demonstrated in your tax policy.

Now, aside from that particular issue, as you are well-aware, the farm cost reduction program was taken away from the farmers. I would estimate and not likely be too far out, that the consumption of fuel by the farm sector is in the neighborhood of 3 per cent. One of the biggest users of energy in Saskatchewan and in this country, I suppose, is transportation — people driving automobiles (and quite often uselessly driving automobiles) up and down and going nowhere. The next one that uses a lot of energy is the manufacturing industry. I would ask you this specific question as it relates to energy and industry: what incentives have you provided to industry to be more energy efficient? Have you provided any incentives in that particular area, in light of the fact that it's consuming in the neighborhood of about 30 per cent more energy than the agricultural sector? There is quite a variance there. I think that it's a policy that doesn't make a lot of sense.

The member for Regina South has talked to you about common sense and logic. If you'd employ some of those basic thought patterns in your approach to the Department of Industry and Commerce, I feel that industry might have your burden removed and it may grow in its own. I suppose it would be capsulized by saying that if we had locked you people in a closet over the last five years, in all probability we would be further ahead than we are today. Those are the two issues that I wanted to raise with you. I would appreciate a response with reference to the sales tax and what incentives you are providing industry to be more fuel efficient and energy sufficient.

HON. MR. VICKAR: — Mr. Chairman, there are two areas of questions that the hon. member asked, one with respect to E&H and one with respect to energy conservation. But as far as energy conservation is concerned, all we provide is information if anybody should require it. That is not our program. There are other areas in the government that do provide the necessary statistics and the necessary know-how on conservation.

With regard to E&H tax, I'm not speaking for the Minister of Revenue who collects the tax but from a personal observation. I don't think our E&H tax system is a deterrent in any way, shape or form to the small businessman in this province. I will agree with the hon. member and I have made a specific request to the minister in charge on the collection structure. I do believe, in this time of inflationary programs, that maybe the percentage of commission for collecting E&H should be increased but that's out of my hands. That's from a personal observation.

I want to make one other observation with respect to the population figure that he says has left the province. I want to make this last comment that in 1974 (and that's not going back very many years), the population figure in Saskatchewan was 906,000 people. Today our population figures is 976,000 people — an increase of 70,000

people in no less than six and one-half years.

MR. BIRKBECK: — Mr. Chairman, I just have one quick question. My final comment on this particular figure is that you say that we've had a 70 per cent increase in the population since 1976 . . . (inaudible interjection) . . . Yes, you did — 70,000. Well, I just added it up mentally in my head. Alberta, as I said, had 86,000 in the last year.

HON. MR. VICKAR: — Mr. Chairman, I will repeat the statistic. I said that in 1974 the population of Saskatchewan was 906,000; in this year, it's 976,000. I said an increase of 70,000, not a percentage. I said 70,000, not 70 per cent.

The committee reported progress.

The Assembly adjourned at 10:06 p.m.