

May 7, 1985

EVENING SITTING

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

TOURISM AND SMALL BUSINESS

Ordinary Expenditure – Vote 45

Item 1 (continued)

MR. LUSNEY: — Mr. Minister, could you give us the names of the staff that you have and your personal staff; the amounts that you pay them; how many there are?

HON. MR. KLEIN: — Mr. Chairman, I have two people in the department on staff. I'll write down their names, positions, and salaries, and I'll send that across the floor as soon as that's done, if that's fine.

MR. LUSNEY: — Mr. Minister, under administration I see there's quite a decrease in staff — from 29 down to nine — and also a decrease in other expenses. Could you sort of explain the decreases?

HON. MR. KLEIN: — Mr. Chairman, that's a good question. I'd like to explain it to the member so that he understands it.

In November of 1984 the deputy ministers of my department, along with the deputy minister of economic development and trade, and supply and services, agreed that the administration of all three of those departments should be consolidated. It's a logical extension to the centralization of personnel payroll that occurred in July of 1984. It has long-term efficiencies and it's an opportunity to link into office automation project in Supply and Services, which is awful important.

So as far as it relates to the budget, there were 17 positions that were transferred to Supply and Services, amounting to \$405,000 plus a little bit, and then there were other costs of 22,000. And then as far as the decentralization of personnel is concerned, there were three positions with almost \$77,000 and \$18,000 in other expenses that were transferred.

In essence, however, I can tell you that there were no positions lost. Everybody was just transferred from one section to another. It reflects on our budget in so far as those amounts and positions have been reduced. But I can assure you that there were no loss of jobs and it was just simply an internal transfer out of our department.

MR. LUSNEY: — I hear some of your colleagues talking about efficiency measures, Mr. Minister. If you want to call that efficiency, I suppose you could because I noticed the increase in staff. The ones that you lost were transferred into Supply and Services. So I guess you're right when you said that there was no decrease in staff. You just moved them into another department, and the staff is still there.

Mr. Minister, do you have any legislative secretaries to the Minister of Tourism and Small Business?

HON. MR. KLEIN: — Yes, Mr. Chairman. I'm very, very proud to advise everybody that the member of Moose Jaw North is my Legislative Secretary. He is doing an extremely good job for me. He has headed up and chaired the task force on tourism, and that entailed an awful lot of

meetings with the private sector that are involved in advising me, and giving a report on this task force. And I'm pleased to say that he is working diligently and doing an extremely fine job for me.

MR. KOSKIE: — Thank you, Mr. Chairman. Just in respect to the administration item 1. You have explained that there has been a transfer of staff. The previous year you had 29.5. That has been decreased to 9.1.

And I look at other expenses, Mr. Minister, and when you had 29.5 of a staff, you had \$318,340 for other expenses. Now you've reduced from 29 down to nine, and all you have reduced the other expenses is down from 318,000 to 278,000.

And what I would like to ask you is: can you give us a detail, a breakdown of why these expenses have not been reduced proportionate to the number of staff that you have reduced?

HON. MR. KLEIN: — Mr. Chairman, the people that were transferred out will automatically assume the equipment and everything in place in the other department. Our department still, however, maintains central services that are essential to the operation of our department and didn't involve the transfer of staff, such as computer services, office supplies and forms for the whole department, duplicating expenses for the whole department. And those types of expenditures are still required to operate the department whether the personnel is there or not.

MR. KOSKIE: — Well, you're always talking about efficiency. I can't understand how you could operate a shop with 29.5 people with 318,000 and now you have nine and you need 278,000.

Can you give us a more specific breakdown of the itemized expenses of other expenses in that item, in order that we could have an evaluation as to whether this is legitimate expenses, or whether it's a slush fund for your future travels around the world or promoting the Progressive Conservative Party?

HON. MR. KLEIN: — Well, Mr. Chairman, I can either read it off or send it over, whichever they prefer. As I mentioned earlier, because you transfer personnel doesn't necessarily mean that you transfer the whole department and all its supplies and everything with it. We still need that to operate a Department of Tourism and Small Business, obviously. So I have no problem.

MR. LUSNEY: — Mr. Minister, my colleague had asked you to either read it off or send it over. If you're going to send it over, we'd appreciate having that information.

HON. MR. KLEIN: — Well I'll read it out, Mr. Chairman. I'll read it out and send it over, because I'm afraid of neither, and I'll read it just in case you can't, because there's no pictures here; they are numbers. In relation to the \$278,000: computer services, \$104,830; in-province travel for employees, \$15,500; out-of-province travel for employees, \$17,000; office supplies and forms for the whole department, \$29,950; equipment for the whole department, \$8,000; entertainment and business expenses, \$8,500; duplicating for the entire department, \$36,020; other expenses, \$43,050; minister's travel, \$15,200.

Item 1 agreed to.

Items 2 to 8 inclusive agreed to.

Item 9

MR. LUSNEY: — Mr. Chairman, in communications, I notice that that's up by a couple of hundred thousand dollars. Could you explain what that was spent on? Why the increase in communications?

HON. MR. KLEIN: — Mr. Chairman, I am delighted again to tell the Assembly that the increase is

primarily due to the advertising efforts that our department is putting forth in order to attract visitors to Saskatchewan.

MR. LUSNEY: — Mr. Minister, could you give us a bit of a breakdown of what companies you've been using in advertising, and the kind of advertising you're providing to the public?

HON. MR. KLEIN: — Mr. Chairman, as we all know, this is estimates and we haven't really spent the money. And we're estimating to spend those dollars, and it's fair to say that Roberts, Poole is our advertising agency, in response to question one. In response to the advertising question, the advertising is excellent.

MR. LUSNEY: — Mr. Minister, can you give us the expenditure of last year as to where you spent it and what it was spent on, then? You made that expenditure last year. Could you give us the amount that you spent, what advertising agency it was spent with, if it was Roberts, Poole, and the amount?

(1915)

HON. MR. KLEIN: — Mr. Chairman, our print advertising expenses amounted to \$921,200; our audio-visual expenses, \$183,700; a display, 31,000; tourism advertising in the province, 476,500; our external campaigns, \$1,103,800; our small-business advertising, the total of the small-business campaigns, \$153,170; and our . . . I gave you that one. That's it.

HON. MR. BLAKENEY: — Mr. Chairman, I have a few questions. Some of them may not be strictly on this subvote and if the minister feels that they ought to be asked on another subvote, I know he'll indicate.

With respect to communications, I was in a financial institution this morning and they indicated that the forms for the small-business loans were not yet available. And I wonder if you could advise the House when the financial institutions might have the application forms for the small-business loans which were announced in the budget.

HON. MR. KLEIN: — Mr. Chairman, I can tell you that we began distributing the information kits last Friday to various main offices of the financial institutions, which is what they requested. I can tell you that in one instance, the Royal Bank, I was informed that every branch office of the Royal Bank of Canada in the province of Saskatchewan would have those kits as of Monday — yesterday. So I assume that most of the financial institutions in the province will be covered by either today or tomorrow.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, this is a different kind of question, and it deals with the program which you announced last year to make term deposits in lending institutions, who would in turn provide fixed interest rate loans to small business for a specific term.

Would you please indicate the value of term deposits made to lending institutions, and approximately the value of loans to small businesses resulting therefrom?

HON. MR. KLEIN: — Mr. Chairman, at March the 31st, 1985, there were 15 loans that amounted to \$1.799 million.

HON. MR. BLAKENEY: — Fifteen loans as a result of the program to 15 small businesses in the province? Or 15 businesses, at least, in the province?

HON. MR. KLEIN: — Yes.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I turn to another matter, and this

deals with the economic development councils, that is the regional economic development councils. And I ask some pro forma questions. Are they still operating? Were their funds for 1984-85 reduced from the previous year, and in this budget are the funds reduced or increased?

HON. MR. KLEIN: — Mr. Chairman, we have one economic council operating in the province now, and the year '84-85 the funding amounted to \$30,000. Their request for this fiscal year is \$25,000, and they have agreed to reduce that annually by \$5,000, for a final contribution in fiscal year '89-90.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, is that the north-west economic council?

HON. MR. KLEIN: — That's right.

HON. MR. BLAKENEY: — Is there a particular reason why you feel that the funding should be phased out in this manner, and that they should not continue to get provincial government funding?

HON. MR. KLEIN: — Mr. Chairman, we have had continuing discussions with this council, and they are striving for self-sufficiency on the knowledge and understanding that our department is providing the same essentially type of services and delivery throughout the province. So as a result of our discussions and negotiations, they recognize that if they are going to do things for their own area individually, they should not try to take advantage of the taxpayers' dollars, and have agreed to be self-sufficient in a period of time that we felt was comfortable for them to live within and that we, as government, could also provide.

HON. MR. BLAKENEY: — Mr. Chairman, Mr. Minister, is this the same council that previously had as their executive director, Myles Morin?

HON. MR. KLEIN: — Yes, Mr. Chairman, I understand that it is.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I turn to the question of seasonal staff and wonder whether the name of Lyall Ewing occurs to the minister.

AN HON. MEMBER: — That's J.R.'s brother.

HON. MR. BLAKENEY: — Don't know whether it's J.R.'s cousin. He certainly obviously didn't have the clout that one J.R. did. And I ask whether or not he will recall the situation of Lyall Ewing, the relatively long-time employee of . . . 10-year employee with a severe physical disability who worked each summer until 1984 when he was not called back at the instance, at least in the opinion of some, of the member for Moosomin, and that this was only set right by a vigorous protest from the community. Did you recall that name and whether or not those facts are substantially correct?

HON. MR. KLEIN: — Mr. Chairman, I don't really recall the name and I don't recall any of the situation that you have just described. Mr. Chairman, my officials are not familiar with anything either. I don't know if it's the right department; it might be parks. We're not familiar with it.

HON. MR. BLAKENEY: — Very well, Mr. Chairman. I want to raise another issue, and this deals with four-season resorts. And we've had a number of those in the news from time to time. I have here one of a few months ago, 7 million resort project for Christopher Lake; this one a Mr. Reimer. Could you give us the status of that particular project?

HON. MR. KLEIN: — Mr. Chairman, the Christopher Lake project is still in progress.

HON. MR. BLAKENEY: — Mr. Chairman, can you give us any . . . Is your department carrying on

negotiations with the group which is planning this family-oriented resort in the Christopher Lake area, according to news reports?

HON. MR. KLEIN: — Mr. Chairman, it's progressing in the normal fashion that we deal with four-season destination resort areas, in so far as our department leads the interdepartmental committee on four-season destination areas.

And as a matter of fact, with regard to the Christopher Lake project, the reeve of the R.M. called my deputy minister today and gave him a further progress report. The R.M. is doing an engineering study regarding the infrastructure of sewer and water. They are doing the feasibility of the entire project itself.

And as part of the process, the municipality must give us its final blessing and approval for the project. And if they do that, then we will again assume the role of taking it through the traditional government departments that are interested or would have a vested interest in this type of a resort.

HON. MR. BLAKENEY: — Thank you, Mr. Minister. I wonder if you could give us a progress report on the McPhee Lake for a four-season project.

HON. MR. KLEIN: — Mr. Chairman, unfortunately I am not in a position to give any status report on McPhee Lake, as it is presently in litigation.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, is this the project in respect of which your department, and perhaps I should say your government, is being sued for a substantial sum of money?

HON. MR. KLEIN: — Mr. Chairman, as I mentioned earlier, the entire project at this point in time is in litigation, and I think that it's fair to say that I have no further observation to make at this time.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, are you able to say that a statement of claim has been filed in which upwards of \$135,000 in special damages and \$9 million in general damages has been claimed against the Government of Saskatchewan as a result of activities of your department?

(1930)

HON. MR. KLEIN: — I guess if you're reading it, if the hon. member is reading it, Mr. Chairman, I suppose it's fair to say that they are claiming something.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, are you advising the committee that you are not, even in a general way, familiar with this action arising out of activities of your department in which a business group is claiming, one Northern Pines Enterprises Limited, is claiming in excess of \$9 million? Has that not come to your attention?

HON. MR. KLEIN: — Mr. Chairman, I'm extremely familiar with the file that the member opposite is discussing. I'm not at liberty to discuss it with him. I suppose that if he were still on this side of the House, he'd be more familiar with it.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, is the minister able to say on what basis the actions of his department precipitated a claim in excess of \$9 million?

MR. CHAIRMAN: — Order. It's quite clear that this type of questioning is not allowed, and *Beauchesne's Parliamentary Rules and Forms*, at section 335:

Members are expected to . . .

Order. I can't hear myself reading. Section 335:

Members are expected to refrain from discussing matters that are before the courts or tribunals which are courts of record. The purpose of this sub-judice . . .

This lawyer didn't get through Latin.

. . . convention is to protect the parties in a case awaiting or undergoing trial and persons who stand to be affected by the outcome . . . It is a voluntary restraint imposed by the House . . .

And I suppose if we don't do it voluntarily, then I will have to do it by rule. While you can generally ask about the existence of such a matter, the details would not be proper.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I take it the minister's not denying the existence of the fact that as a result of contractual arrangements or alleged contractual arrangements entered into as a result of activities of his department, the Government of Saskatchewan is being sued for \$9 million. I don't think there's any way of denying any of those facts. Whether or not the suit is well founded I suppose the court will ultimately say, but it is proceeding in the ordinary way, I take it, with . . . And it is not frivolous in the sense that it is being proceeded with through examinations for discovery and the like.

With respect to this particular action, and I do not wish to talk about the details of the action, does the department have external legal counsel, or is the action being carried on on behalf of the department by the department of the Attorney General?

HON. MR. KLEIN: — Yes, Mr. Chairman, that's right.

HON. MR. BLAKENEY: — Thank you, Mr. Minister. I'm sure that my comments would be right, but I think I would prefer a little more precision. Let me put it shortly. The last pleading that I saw in this action was signed on behalf of the deputy Attorney General. Is the action being carried on by the department of the Attorney General, or have you retained outside counsel, non-governmental counsel?

HON. MR. KLEIN: — Mr. Chairman, now that the question has been rephrased so that I can clearly understand his request. I can say that, yes, the department of the Attorney General is doing the legal work for this department.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, is your department involved in any other four-season resort proposals in Saskatchewan?

HON. MR. KLEIN: — Mr. Chairman, I'm pleased to advise the Assembly and the hon. member opposite that, yes, our department is involved in other four-season destination areas at this point in time, in various stages of discussion.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I don't want to pursue the Northern Pines action in detail, but I would want to ask a couple of questions and I would, I think, wish to refer the Chair to page 118 of Beauchesne dealing with the sub judice convention . . . (inaudible interjection) . . .

Well I'm sure you would, having regard to the extravagance with which you claim victories based upon scant evidence. I'm sure you will regard this as one of the larger conventions that you've attracted to the province. But this is a different kind of convention. And I refer to subpara 337 which says:

(1) No settled practice has been developed in relation to civil cases, as the convention has been applied in some cases but not in others.

(2) In civil cases the convention does not apply until the matter has reached the trial stage.

And my question to you, Mr. Minister, is with respect to the action in the Northern Pines Enterprises Limited versus the Government of Saskatchewan. Has this matter reached the trial stage?

HON. MR. KLEIN: — Mr. Chairman, I can say, no, that it has not.

HON. MR. BLAKENEY: — Mr. Chairman, Mr. Minister, are you able to then outline the substance of the dispute, which has caused your government to be sued for in excess of \$9 million because of actions of your department?

HON. MR. KLEIN: — I'll give a very brief answer. No, I'm not at liberty to disclose that.

HON. MR. BLAKENEY: — Well, Mr. Minister, I won't pursue this. I simply say that on the record, clearly, if the citizen is to be believed, or at least if the statement of claim is to be taken at its face value or half its face value, then the actions of the department were less than precise and less than careful of the public interest. And the result is at very minimum we're going to experience a substantial loss in defending the action, quite apart from whether or not any damages will be recovered.

With respect to these several other four-season resorts which you indicate are in the discussion stage, is one of them on Redberry Lake?

HON. MR. KLEIN: — Mr. Chairman, before I answer that question, I can't afford to leave the last area of questioning unanswered. I really am surprised that the Leader of the Opposition, who is a lawyer by profession — understands the law a lot better than a humble small-business man would — would speculate on the loss of any lawsuit, and I'm just truly amazed at that type of a statement. Nonetheless, he has amazed me several times before, and I'm sure that he's going to continue to amaze me as time goes by.

I can tell you regarding Redberry Lake, there is a proposed cottage for development to occur on private property, but it does not relate to our four-season destination area policy at this time.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, would you have any indication of where in this House we might find a humble small-business man?

HON. MR. KLEIN: — Mr. Chairman, if you'd like I would stand on this chair so that you could see him but nonetheless I'll leave it at that.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I think I would be able to see you and still not see a humble small-business man. I don't deny, sir, that you're a small-business man.

What I am asking is about Redberry Lake. You say that you are not involved in any project on Redberry Lake which might involve Mr. Mamchur, for example?

HON. MR. KLEIN: — No, I didn't say that at all, Mr. Chairman.

I said that there is a proposed cottage lot development to occur on private property near Redberry Lake, and we have dealt with it through our interdepartmental committee in the normal fashion, and there have been no decisions reached on the proposal, and it's in the

formative stages at this point in time.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I take it from what you're saying that you are dealing with this matter through interdepartmental channels and that you have not, you have certainly not rejected the proposal, you have certainly not refused to deal with the proposal. You have it under consideration. Is that fair?

HON. MR. KLEIN: — Mr. Chairman, it has been under consideration, as have other developments that have come to our department and asked us for assistance in the type of work that we do with regard to proposed developments, and we are clearly dealing with it in the normal fashion as we would with any other proposal or proposed development. And at the present time, it just sits in that state.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, are you aware of who the principals are of that particular development, which you are dealing with now?

HON. MR. KLEIN: — Mr. Chairman, it's fair to say that I am now.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, would you care to enlighten the House as to who two or three of the principals are?

HON. MR. KLEIN: — Mr. Chairman, we are dealing with the Redberry Lake Development Corporation, and I think that it's fair to say that, as is the norm in any of the developments that we deal with, we obviously deal with a corporate structure, and the naming of individuals would not be a normal part of our process just as your last line of questioning referred to the corporate structure and I refer to exactly the same line of answers.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, you then don't know whether any of your colleagues, or our colleagues, in this legislature are shareholders of that particular corporation. Are you prepared to say that you don't know that?

HON. MR. KLEIN: — Mr. Chairman, I again clarify that we are dealing with the Redberry Lake Development Corporation, and the structure of that corporation has nothing to do with any of the information that we're prepared to tell you about it.

HON. MR. BLAKENEY: — Do I understand, then, Mr. Minister, that you decline to say whether or not you are aware that any member of the Redberry Lake Development Corporation is a member of this House?

HON. MR. KLEIN: — Mr. Chairman, it's fair to say that obviously I'm aware of the shareholders of the corporations. That is not to say, however, that at any given time shareholders can't change. And again, as an attorney, the Leader of the Opposition knows full well that at any given time shareholder structure can be changed, and that's why I always prefer to discuss the names in the corporate manner in which we're dealing with, and we are presently dealing with the Redberry Lake Development Corporation.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, when you were dealing with it, were you aware that any shareholder of that corporation was a member of this House?

HON. MR. KLEIN: — Mr. Chairman, I think it's fair to say that perhaps my department was aware of it, but I can assure you that I was not aware of it because at that point in time, or at any point in time, the shareholder structure is of no concern to me.

(1945)

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I want to ask you that question again

— or I want to paraphrase what you have said — and ask you again whether you mean to say that.

Are you saying to this committee that when you are dealing with development projects in this province, and you are working with them, as you say, in the ordinary way, and you are dealing with a corporate structure, it is of no concern to you whether or not a shareholder of that corporation is a member of this House?

I think that's a fair paraphrase of what you said, and I want to put it to you again so that you have an opportunity to change that position if you wish to change it.

HON. MR. KLEIN: — Mr. Chairman, I choose not to argue with phraseology of what I have said. It's recorded in *Hansard*, and I didn't pay any attention to your paraphrasing because it's of little interest to me.

I can tell you that in the normal day-to-day operation of the operation of my department as it relates to inquiries, as it relates to proposals and developments and the like, they deal with this. You can appreciate that as a minister I don't become involved in every single thing that my department does, until such time as a commitment must be made, and that is when I am disclosed, or made aware, of all of the matters that have taken place and occurred till that time, because there are a lot of various things go on that don't materialize, and I would be wasting a lot of my time.

So in their normal day-to-day operation, my department has been dealing with the Redberry Lake Development Corporation just as they would with any other development corporation that comes along. And it wouldn't appear on my desk until such time as a decision or a commitment of some like has to be made, and we are far from that situation with the Redberry Lake Development Corporation.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, thank you for explaining your procedure. May I ask you whether or not that procedure holds even though your department is aware of the fact that a shareholder of the corporation with which they are dealing is a member of this House?

HON. MR. KLEIN: — I suppose that it's fair to say that my department would deal with anybody in its normal fashion that comes in with a business proposal, whether they're a member of this Assembly or any other assembly, or any other jurisdiction. Their job is to make a conceived development occur. And they have no other interests than that, and they proceed along the lines of their normal duties and functions.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, thank you. You have, I think, made clear that so far as your department is concerned, they do not treat a corporation which is owned or partially owned by a member of this House in any different way than a corporation which is not owned by any member of this House. Is that a correct statement of the policy of your department?

HON. MR. KLEIN: — Mr. Chairman, I think that it's fair to say that my department — again, I repeat — generally works with anybody that come along and wants to work with a proposal to try to develop that proposal; to ensure that all the various agencies in government are advised of what the proposal will be, and the ramifications of that; and I don't believe that — whether it's a member of the Legislative Assembly or whether it's an ex-convict or whether it's a shyster, or whether whatever, whatever you may be insinuating, sir — I don't believe that it's my department's particular job to analyse that part of any particular development.

If they can make the development work to everybody's satisfaction — the municipality, the public, the government, the opposition — then that's their job, and they're performing their

function on the day-to-day operation.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, you have made that abundantly clear that so far as your department is concerned, operating on your instructions — and I underline that: operating on your instructions — their instructions are that corporations owned or substantially owned by members of this legislature should be treated in exactly the same ways as corporations not owned by members of this legislature, and no distinction is to be drawn.

Do I state your policy correctly?

HON. MR. KLEIN: — Mr. Chairman, I didn't say that. I didn't at all say that they operate under my instructions. What I did say was that: in the normal course of operation on their day-to-day duties.

And I suggest to the hon. member, when he was premier of this province, you didn't have, of course, any development policies like we have now because you didn't believe in that type of thing. But it's conceivable that somebody in your department of government was taking your instructions.

And if a member of your caucus at the time wanted to become involved in any particular contract — now let's broaden the horizons — did they operate under your direct orders, or did you assume that if there were a conflict that that member would do the proper thing and protect his conflict? Did you suggest that your departments prejudge everybody? In our department they handle all of the legitimate inquiries in exactly that way.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I think there's no point in our attempting to re-create what happened in the office of a premier previously. I am asking what happens in the office of the minister in this administration. And I am surprised — I am surprised, to put it mildly — to hear you say that your officials don't operate on your instructions.

I'm not expecting that they would operate on your direct instructions with respect to each particular file. What I am asking is whether or not they are, in the course of their work, not instructed to at least alert you if they are dealing with other members of the legislature, other public servants, or other people who may find themselves in a different position than the ordinary citizen.

Are you saying that there is no policy in your department with respect to the many dealings which you have — and you have outlined to my colleague, the member for Athabasca, a loan program, for example — that there are no rules, no guide-lines, which suggest to your department that you at least ought to be advised if they find themselves dealing with the application of a person or a corporation which involves, either as a direct applicant or as a shareholder of a direct applicant, a member of the legislature?

HON. MR. KLEIN: — Mr. Chairman, there's a couple of situations. I don't like to see the past premier of our province beating up on our civil servants the way he is, and saying that they're incompetent in the manners in which they are handling ordinary developmental requests. And I don't like at all the overtones of the questioning regarding the suspicions of one of my colleagues.

We do deal with various corporations and various shareholders of those companies. In Redberry's case our prime contact was one Mr. Mamchur. They did not come to us for money, they did not come to us for approvals, they came to us for guide-lines and processes. And my department and my officials dealt with it in the ordinary day-to-day operation in the same way that they treat all of our other development things, in a very professional-like way. And I have full confidence in my officials, and I don't believe that there was any wrongdoing on any of their part.

I further go on to say that in the normal course of action, until such time as a commitment is to be made or an agreement to be reached, that is the time that they will contact their minister with that development, and we are not near that stage with this particular development.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, would you advise me whether your officials in dealing with this matter, with whom, as you say, their contact was a Mr. Mamchur, were they aware when they were dealing with this matter that a shareholder of this corporation, if it in fact is true, was a member of this legislature?

HON. MR. KLEIN: — Mr. Chairman, they were not initially at the outset aware of that, no. But later on it did come to light.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, would you then give me the answer to two questions: approximately when did this come to light, to their attention, and approximately when did they advise you?

HON. MR. KLEIN: — About the end of February.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, is that true of each of the questions? I will ask them separately, then. Approximately when did it come to light, to the attention of your officials?

HON. MR. KLEIN: — Mr. Chairman, it came to their attention when the motion was passed by the council of the R.M. of Redberry approving the development in principle. And that was October 17, 1984.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, approximately when did it come to your attention as a result of being advised by your officials?

HON. MR. KLEIN: — Mr. Chairman, as I said earlier, at the end of February, 1985.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, if you care to answer this, would you advise me whether you conveyed that information to the president of the Executive Council, the Premier?

HON. MR. BERNTSON: — Mr. Chairman . . . (inaudible interjection) . . . The impartiality of our Chairman cannot be questioned, Mr. Chairman.

MR. CHAIRMAN: — Order. Does the member from Quill Lakes wish to speak? Thank you, House Leader.

HON. MR. BERNTSON: — I'm just curious, Mr. Speaker. I was just out for coffee and I didn't know how far down the votes we had gotten, and I'm wondering what vote are we on and what does it deal with.

MR. CHAIRMAN: — Technically, we are on vote 9, communications.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, my question is: did the minister communicate this information to the president of the Executive Council?

HON. MR. KLEIN: — Mr. Chairman, subsequent to my finding out, I believe that I probably had conveyed it, but that's about all I can say.

HON. MR. BLAKENEY: — Mr. Chairman, I'm sorry I didn't hear the answer. Would you mind repeating the substance of that answer, sir?

HON. MR. KLEIN: — Subsequent to the time that I was made aware, I believe that I mentioned it to our Premier.

HON. MR. BERNTSON: — Mr. Chairman, I'm wondering what this line of questioning has to do with subvote 11, if that's what it is we're in.

AN HON. MEMBER: — Nine.

HON. MR. BERNTSON: — Nine. I'm sorry, nine.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, if the Deputy Premier is sensitive on this point, I will wait till subvote 10, which is tourist development, and we'll talk about these issues.

But if you would rather that I ask them all under tourist development rather than communications, I will do that. And accordingly, Mr. Chairman, and Mr. Deputy Premier, since you seem concerned about the direction of these questions, I will ask them under the next subvote.

(2000)

Item 9 agreed to.

Item 10

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I want to resume the line of questioning and ask the minister whether he can recall the approximate time that he advised the Premier that a member of this legislature might be involved in that development.

HON. MR. KLEIN: — Mr. Chairman, the Premier's presently dealing with this matter and has advised this Assembly that he will give a report in due course. And that ends it as far as I'm concerned.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I am aware of the fact that the Premier announced in this House that he's dealing with the matter. But the subject matter which he indicated he was dealing with, in so far as I can recall it as stated in this House, did not deal with the issue of when he first became apprised of the situation. And that obviously is the question I'm directing to you, sir.

When did you apprise the Premier of the fact that the Redberry Lake Development Corporation involved, in fact this is the case, a member of this legislature?

HON. MR. KLEIN: — I believe, Mr. Chairman, that the Premier will deal with that matter in his report.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, it may well be that the Premier will deal with this matter in his report, and in due course we may see that.

What I am directing to you is that since this matter arose under Tourism and Small Business, it arose by reason of the fact that there was a four-season resort being dealt with by the Government of Saskatchewan, by a number of ministers or at least a number of departments, chaired by your department, and since it involved a colleague of ours in this legislature, I simply wish to ask you whether you will tell us when you apprised the Premier of the fact that you were aware that a colleague of ours in this legislature was involved in that development.

HON. MR. KLEIN: — Mr. Chairman, I believe that the Premier will disclose that in his report to

this Assembly.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, that may well be true. But I ask you why you won't disclose it in this Assembly.

HON. MR. KLEIN: — Mr. Chairman, because the Premier will disclose that when he gives the report. It's simple.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, we're not dealing with the Executive Council report. We're dealing with the Department of Tourism and Small Business. We're dealing with tourist development. This came strictly under this, strictly pursuant to the activities of your public servants and not the Premier's.

I am asking you whether you discharged your ministerial responsibility, as I would conceive it, of advising the first minister that a member of the legislature was involved. Do you assert that it's not in the public interest that this fact be known?

HON. MR. KLEIN: — I believe, Mr. Chairman, that the Premier will deal with that matter in his report as well.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, what the minister believes the Premier will do is not relevant under this subvote. What is relevant under this subvote is what the Department of Tourism and Small Business did and what the Minister of Tourism and Small Business did. And the question I am directing to the Minister of Tourism and Small Business is: will you tell this House when you advised the Premier, as you have already said you did, that your information was that a member of the legislature was involved in the Redberry Lake Development Corporation?

HON. MR. KLEIN: — The Premier will deal with that in due course, Mr. Chairman.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, the Premier cannot answer ordinarily for the Department of Tourism and Small Business. I am asking the Minister of Tourism and Small Business what he did, what he did as a result of advice given to him by his officials, with respect to a project in the purview of his department. And did he advise the Premier that this particular project being dealt with by his department and his officials involved, as he was advised, a member of this legislature? Did you so advise the Premier? You've already told us you did. Approximately when?

HON. MR. KLEIN: — Mr. Chairman, the fact that the member of the House is involved is not a purview of my department, and this line of questioning is absurd in view of the fact that the Premier has already chosen to take action, and will report to this Assembly. And I will simply leave it at that. We have dealt with it. I have answered all your questions up until this point, and at this point in time the questioning I ended because we are waiting for the Premier's report, and it is that simple. And I have gone on the record, and you can check *Hansard* tomorrow, and the full story is disclosed from my point of view and from that of my department. If you require further information, that will be forthcoming from our Premier.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I am not asking when the Premier received information. I am asking when you gave information. And I am asking you, as Minister of Tourism and Small Business, when you gave information to the first minister that you had been advised that a member of this legislature was involved in that particular development. I am asking you what you did. I am asking not anything about what the Premier did, or what he will report. and I am asking you again: why will you not tell this House when you told the minister that you had been advised by your officials that this project which your department was dealing with involved a colleague in this House?

HON. MR. KLEIN: — Mr. Chairman, because that line of questioning has nothing to do with my estimates. And the Premier is dealing with that matter and he will report in due course. And I have been very fair in supplying you with all the answers so far, and that's how this matter will rest now.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I would like to know under what conceivable, what conceivable precedent with respect to the examination of estimates, that this does not arise out of your estimates. I am asking you what you did as a result of information supplied to you by your officials with respect to a project under your departmental purview. How can you possibly say that does not involve you and your estimates? How can you possibly say that you will not tell this House what you did as a result of a project within the purview of your department and the information you received from your officials? How can it concern another minister?

HON. MR. KLEIN: — Mr. Chairman, the proposal, as we see it, it's on private land. There's no request for financing. There's no request for dollars. There's no request for property. It's got nothing to do with estimates.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, were you advised of the fact that a member of this legislature was involved in the Redberry Lake Development Corporation? You have told us the answer is yes. Is that true?

HON. MR. KLEIN: — Mr. Chairman, I wouldn't have said that if it wasn't true.

HON. MR. BLAKENEY: — Were you advised of that by an official of your department who was acting in the course of his employment?

MR. CHAIRMAN: — Order. We are getting very close to tedious repetition here because as the Leader of the Opposition has indicated, you asked a question, you gave us the answer you received, and you wish to know if the answer was true. And once you've already had the question answered once I would suggest it's repetition to ask it again when you already received the answer. So I caution the member to avoid repetition.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, what I am saying is that the minister has clearly said that he got this information from his officials in the course of their duties, officials which are paid for under this vote, officials who are performing the functions they are paid under this vote to perform as officials of the Department of Tourism and Small Business. The job of this legislature, and particularly of the opposition is to ask what those officials are doing in the conduct of their duties as public officials and what the minister is doing as the minister in charge of that department. That is what we are doing.

I say that it is the obligation of officials in this circumstances to advise the minister. The minister says they perform their obligations. I say it's the obligation of the minister to advise the first minister under these circumstances. I asked the minister when he did this. He refuses to answer.

I want to know under what conceivable circumstances this is not directly relevant to the Department of Tourism and Small Business. What are we doing here if we can't ask the Minister of Tourism and Small Business what he did in his capacity as Minister of Tourism and Small Business?

HON. MR. KLEIN: — Mr. Chairman, that's exactly what I'd like to know.

HON. MR. BLAKENEY: — I ask once again, Mr. Minister: are you refusing to tell this House when you advised the first minister that you received this information from your officials — information that a member of this House was, as they believed, involved in the Redberry Lake Development Corporation? Are you refusing to advise the House of that?

HON. MR. KLEIN: — I have advised this House previously in questioning, that yes, I was advised by my department, and when.

HON. MR. BLAKENEY: — Yes, you did, sir, and I simply ask you, will you give us the approximate date on which you transferred this information, very properly, I may say, to the first minister?

HON. MR. KLEIN: — Being that my Premier is dealing with the matter, he'll give you that information at the time he gives you his report.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, he may or may not. He is not here being asked questions. This is relevant to this department. I am asking you whether you are refusing to give that information to the House.

MR. CHAIRMAN: — Order. I distinctly remember hearing the question four, maybe five, possibly six times, and I distinctly heard no answer four or five or six times, and it was clearly indicated there would be no answer. So I'm going to suggest that we now get on with the questioning.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I don't think you heard that question more than once or twice. I asked him when he did it; he didn't answer that. I am now asking whether he refuses to answer the question, and that's a different question. I am not asking what the answer is; I am asking, will you refuse to answer the question as to when you advised the Premier of these particular facts?

HON. MR. KLEIN: — Mr. Chairman, no. It's going to be dealt with in the Premier's report.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I don't know what's in the Premier's report. I doubt very much whether the minister does and I am asking you again whether you're refusing to give this information to this committee at this time.

MR. CHAIRMAN: — Order. The question has been answered, maybe not to the satisfaction of all members. I caution the member to stop repeating the same topic over and over again and to get on to other matters.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, dealing with other matters, totally separate matters, how many occasions have you had to advise the Premier that members of this legislature were involved in four-seasons resort projects?

HON. MR. KLEIN: — I think it's fair to say, Mr. Chairman, that I can't remember.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, does this happen so frequently that you cannot remember how many times projects handled by your department involved members of the legislature?

HON. MR. KLEIN: — Mr. Chairman, I can't follow his line of reasoning at all, but if he has some concerns about one of our colleagues I suppose that it will be dealt with by the Premier in due course.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I was not even alluding to that particular colleague. I had accepted the admonition of the chairman and was asking you, Mr. Chairman, whether or not there were other occasions in which you had occasion to advise the first minister that, of the many projects involved in your department, members of this legislature were involved.

(2015)

HON. MR. KLEIN: — I'll phrase my reply in another way. I originally said I can't remember. I will say I can't recall.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, that is a startling answer. You already recalled one. You are not willing to say that there weren't others. Obviously when you say you can't recall, there must be some area of doubt in your mind, and I am frankly surprised that this is such a common occurrence that you cannot recall the number of occasions on which it's occurred. You have recalled one occasion, and you gave that information to the House. You have indicated that you can't recall whether it happened again, indicating that it wasn't an isolated case. I wonder whether you are still saying that you don't know how many deals your department is involved in which may involve members of this legislature.

HON. MR. KLEIN: — Mr. Chairman, the Leader of the Opposition, the member opposite, continually chooses to put words in my mouth. I'm not suggesting that at all with my answers. And I resent you providing your answers the way you feel, between your ears, what my answers are. Now I suppose that if you would like either a yes or a no, so that I could commit myself in the event that an error is made, I will then say no, if that will keep you happy.

HON. MR. BLAKENEY: — Well, Mr. Chairman, and Mr. Minister, the object of this committee is not to keep me happy, but to give information to the legislature and through that to the citizens. And I take it that you are now saying that you can't recall others. That's at least forthcoming. Are there any other four-seasons projects? You said that you were dealing with three or four lakes. Let's forget Redberry Lake for a minute. Are there projects under any other lakes except McPhee Lake, Christopher Lake, and Redberry Lake? Are there other four-seasons projects which you have under consideration?

HON. MR. KLEIN: — Mr. Chairman, first of all let's clarify one thing. Redberry is not a four-seasons destination area. And yes, there are other projects under consideration.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, just so I may be very clear, you are telling me that in the opinion of your department, the one at Redberry Lake is not a four-seasons project of the kind that Christopher Lake or McPhee Lake would have been, or of any other kind that could fairly be called four-season?

HON. MR. KLEIN: — Mr. Chairman, not at this stage, it is not.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, forgetting at this time Redberry Lake, could you give us any other indications of four-season projects under consideration on any other lake but Redberry, Christopher, and McPhee?

HON. MR. KLEIN: — Mr. Chairman, we're dealing with a number of various proposals but until and if they ever come to fruition, I don't believe that there's any use discussing these projects at this time.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, are there any that you feel you could discuss before they'd be — before they get discussed in this legislature under some other head or before the Court of Queen's Bench under some other head?

It's nice to have a little advance knowledge before you read about them on the records of the Court of Queen's Bench. And I wonder if you could give us any advance knowledge prior to us observing that we, the taxpayers, are being sued for \$9 million, or whatever the next figure is.

HON. MR. KLEIN: — Mr. Chairman, all of our developments are designed to protect the public, and in the normal process the public is advised, in one fashion or another as it goes through the

public process, as Redberry did in October 17th, 1984, where the motion passed at the R.M. of Redberry. Clearly identified the project; clearly identified the proponents; so it was no big surprise. It was actually public knowledge back in October.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, it will be — and referring particularly to McPhee Lake now, so as not to upset the minister — he will be aware that that particular project engendered a great deal of comment, to put it at its lowest, from the cottage owners in the area.

I have some indication that there has been some comment - -and I'll put it at its lowest — from cottage owners in the Christopher Lake area. What I'm asking you is whether or not there are any other projects on any other lakes which have been made public to the extent that they have been raised with a municipal council.

HON. MR. KLEIN: — Mr. Chairman, there's a number of developers that have talked to their R.M.s that we are not involved with at this time as a department, so obviously I can't provide any information there. Of the ones that we are presently dealing with in our department, I think that it's fair to say that the only one that is receiving or has received public attention is the Christopher Lake resort.

HON. MR. BLAKENEY: — So on the assumption that the McPhee Lake one is stalled — I'll use that phrase — and that the Redberry Lake one does not at this stage involve a four-season resort, the only four-season resort, which is under discussion in a public sense (that is that a public application has been made to a municipal council or there's been discussion in a public meeting of the municipal council) is the Christopher Lake one. Have I got that right? Or are there others that have been discussed, you know, in a public way at a municipal council? I'm not asking for private approaches to municipal councils. But as the minister will know, municipal council meetings are public meetings, and I'm simply asking him what other projects are public in that sense, that they've been discussed or raised at a public meeting of a local government.

HON. MR. KLEIN: — Mr. Chairman, again I repeat, we know that there are several developments going on that may very well have gone to their councils at this point in time, that we're not aware of. But the only one that we are aware of in the present stage of public process is the Christopher Lake development.

MR. LUSNEY: — There under item 10, you've got other expenses that are more than doubled. Could you explain why the increase?

HON. MR. KLEIN: — Mr. Chairman, last year this was a new section of our department, and in the estimate we didn't know what cost to attach to it. Now that we have some experience with that, we are able to attach a more accurate estimate of continuing the services of that particular section in our department.

Item 10 agreed to.

Item 11

MR. LUSNEY: — Mr. Minister, would that also be true, then, to tourism marketing? Or is there another reason for the increase in other expenses?

HON. MR. KLEIN: — Mr. Chairman, that's a transfer of funds from communications to tourism marketing.

HON. MR. BLAKENEY: — Mr. Chairman, Mr. Minister, could you indicate whether or not a substantial part of the vote is for advertising, and what advertising agencies are used in Saskatchewan?

HON. MR. KLEIN: — Mr. Chairman, this line of questioning has already been answered previously. And it is our direct sales marketing; it involves travel influencers. And if we wanted to go into that again, I would.

HON. MR. BLAKENEY: — I'm sorry, Mr. Chairman, Mr. Minister, I don't think I made my question clear.

Does this subvote contain payments for — I'm not talking about trips for female travel influencers, or for people who are sports writers — but whether ads are placed pursuant to this subvote? And I take it from the nod that the answer is no?

HON. MR. KLEIN: — Mr. Chairman, the answer is, in fact, no.

Item 11 agreed to.

Item 12

MR. THOMPSON: — Mr. Minister, I wonder if you could just explain to me what this \$200,000 expenditure on grants is for.

HON. MR. KLEIN: — Well that represents our portion of the northern economic development agreement.

MR. THOMPSON: — That would be under Special ARDA is it, Mr. Minister?

HON. MR. KLEIN: — No, it's another subagreement under the ERDA program. It's different from Special ARDA, but there is a subagreement with the feds and this relates to that.

Item 12 agreed to.

Item 13

MR. LUSNEY: — Mr. Minister, could you tell us how much was actually paid out under the Venture Capital Tax Credit program last year? I see you've got the same amount estimated for this year. What was the actual pay-out last year?

HON. MR. KLEIN: — Mr. Chairman, in terms of actual expenditures paid out, they were zero because that is set up for the pension plan dollars. In terms of the tax incentive that investors would have gained, that is not an expenditure for the purposes of our estimate. It's dealt with through the tax revenue system.

(2030)

MR. LUSNEY: — Mr. Minister, why do you have this estimate in here, if you actually will not be using it? You didn't use it last year and it appears that you won't be using it next year or this year. Why have it in your estimate then?

HON. MR. KLEIN: — According to the Venture Capital Corporation Act we pay this incentive in the form of cash to pension plans that may invest in our Venture Capital Corporations. Last year they weren't invested in time by the pension plans to take advantage of that cash rebate. We must include it in our estimates this year to provide the dollars in accordance with the terms of the Act because we assume that the pension dollars will be flowing into these VCCs over this next summer.

Item 13 agreed to.

Item 14

MR. LUSNEY: — Mr. Minister, who do those grants for tourism development go to?

HON. MR. KLEIN: — Mr. Chairman, it's kind of an all-inclusive situation, and it involves grants to the craft council; the north-west economic development council, that the Leader of the Opposition referred to earlier; a community economic development program; product marketing assistance; and the like.

Item 14 agreed to.

Item 15

MR. LUSNEY: — Mr. Minister is item 15 pretty well on the same basis as item 14 was? You've got grants for tourism marketing assistance. Who does that go to?

HON. MR. KLEIN: — Mr. Chairman, this is a totally different program. This is done on a cost-sharing basis. And it's not an outright grant, but rather when various agencies spend their marketing dollars to attract visitors to their areas, this program is designed to set up matching funds on new initiatives. And it's paid out to a host of various non-profit organizations that qualify under the program.

MR. LUSNEY: — Mr. Minister, could you give me a list of the organizations that qualified last year, and the amounts that you had paid out?

HON. MR. KLEIN: — Mr. Chairman, I've got a whole long list. If you want, I'll read them all. If you just want . . .

The Moose Jaw Chamber of Commerce and Tourism Bureau for product promotion event organizing, \$11,962; The Regina, Saskatchewan Snowmobiling Association for an event promotion, \$469; the Allan, Saskatchewan Farm Vacation Association for product promotions, \$6,040; Porcupine Plain Snowfest Days, event promotion, \$150; the Saskatoon Natural History Society, promotional event, \$1,340.

The Regina Canadian Hostelling Association, to develop a brochure, \$1,750; the Veregin Doukhobor Heritage Museum, to do a brochure, \$894.42; the Regina International Marching Band Championship, \$2,003.22, on an event promotion; the Prince Albert Mixed Curling Championship, an event promotion, \$8,588.75; the Dysart 75th Anniversary, an event promotion, \$250.

The Yorkton Short Film and Video Festival, an event promotion, \$10,649; the Saskatoon Toastmasters, convention and event promotion, \$848.45; the Punnichy homecoming, an event promotion, \$400.

Do you want me to keep going? That's a sampling of it.

Item 15 agreed to.

Item 16

MR. LUSNEY: — Mr. Minister, employment development. There is about a million dollar drop. Could you explain what happened to that million dollars?

HON. MR. KLEIN: — Mr. Chairman, that's Special ARDA money that was transferred to other departments.

MR. LUSNEY: — Well, Mr. Minister, what I'm looking at here is a decrease in the estimate by some \$1 million. Is there no more Special ARDA projects, or what happened? Why the decrease?

HON. MR. KLEIN: — Mr. Chairman, the dollars haven't been reduced, but the Special ARDA contained funding under the old DNS system for Agriculture and Advanced Education, and things along that nature. All those fundings were transferred to the proper departments. Our Special ARDA deals now purely with business, and there has been no reduction in funds.

MR. LUSNEY: — Well, Mr. Minister, what departments has that been transferred to? It used to be in this department apparently, and now it is being transferred to another department. What department would we find it in?

HON. MR. KLEIN: — Mr. Chairman, I believe that half of it was transferred to Advanced Education and the other half was transferred to the Indian and Native Affairs.

Item 16 agreed to.

Items 17 and 18 agreed to.

Item 19

MR. LUSNEY: — Mr. Minister, the small business abatement program — there's only \$3,500 there compared to 33,000. There's 30,000. Is that the end of the program, or what happened to that one?

HON. MR. KLEIN: — That's the program that our government sunseted and replaced it with the nine and five-eighths, because under the prior administration, every business in the province that qualified — and there weren't very many — were limited to a maximum rebate of \$250.

Item 19 agreed to.

MR. LUSNEY: — Mr. Minister, under payments to or on behalf of individuals, you're down to something like \$14 million or so. where did that money go, or who is looking after that part of it now?

HON. MR. KLEIN: — Mr. Chairman, that's not actually a vote, but rather a summary.

But just to explain it, the majority of that decrease was the fact that the small-business employment program is now finished, and dollars have been discontinued, and that's off of last year's.

MR. LUSNEY: — Well, Mr. Minister, you say the small-business employment program is finished. There's \$14 million gone. Yet under the employment agency there's something like \$14 million allocated for tourism. Where are you going to deal with that amount of money that's apparently being allocated to Tourism and Small Business under item 20?

You've got the different employment programs, and that's apparently going to be allocated to Tourism and Small Business. Are you going to be dealing with that, or is that just a name that's being used under the Employment Development Agency? Who is going to be responsible for that money?

HON. MR. KLEIN: — Mr. Chairman, we've already dealt with that in the House. Perhaps the member wasn't here at the time that those subvotes went through. But if he was, that's already been dealt with in this Assembly, and we will administer those funds that were approved under the Employment Development Fund.

MR. LUSNEY: — That's what I was asking, Mr. Minister. You will be having additional funds then, for your department which you will be administering the Employment Development Agency?

HON. MR. KLEIN: — Yes, that's right.

Vote 45 agreed to.

CONSOLIDATED FUND LOANS, ADVANCES AND INVESTMENTS

TOURISM AND SMALL BUSINESS

Vote 167 — Statutory

Item 1 agreed to.

Vote 167 agreed to.

SUPPLEMENTARY ESTIMATES 1985

CONSOLIDATED FUND BUDGETARY EXPENDITURE

TOURISM AND SMALL BUSINESS

Ordinary Expenditure – Vote 45

Items 1 and 2 agreed to.

Vote 45 agreed to.

HON. MR. KLEIN: — Mr. Chairman, I'd like to thank my officials for attending with me in this task as we declared what our estimates would be, and I would like to thank, I think, the members opposite for their questions and hope that I have supplied or attempted to supply the answers that satisfied them.

SOME HON. MEMBERS: — Hear, hear!

MR. LUSNEY: — Mr. Chairman, I'd also like to join the minister in thanking his officials and for providing him with the answers. He didn't necessarily pass them on all the time, but we thank the officials for being there.

MR. CHAIRMAN: — There's one other matter before the committee. It seems that we haven't officially voted on item 19, the supplementary \$2,312,650. Is that agreeable?

SOME HON. MEMBERS: Agreed.

MR. CHAIRMAN: — Carried.

CONSOLIDATED FUND BUDGETARY EXPENDITURE

ECONOMIC DEVELOPMENT AND TRADE

Ordinary Expenditure – Vote 19

Item 1

(2045)

HON. MR. BERNTSON: — Mr. Chairman, I'd like to introduce my officials. Sitting beside me is Don Moroz, my deputy minister; Denise Perret, next to him, assistant to the deputy minister; Michael Crosthwaite, kitty-corner and behind me, and he is assistant deputy minister, international operations; Bob Volk, directly behind me, director of policy and planning; and, well, three more at the back that I'll introduce if the opportunity is . . .

In any event, Mr. Chairman, I'd like to repeat a word of congratulations to the Minister of Finance, who presented this Assembly with an exciting, forward looking budget. The budget illustrates our government's commitment to economic growth in Saskatchewan, and the budget incorporates a comprehensive and long-range plan for Saskatchewan's development. By placing emphasis on employment, education, health, and agriculture, the budget reinforces the promise which Saskatchewan offers to its citizens, to its institutions, and to its businesses.

That promise, Mr. Chairman, is the promise of growth. Through the Department of Economic Development and Trade, our government is pursuing growth in four principal areas of activity. We encourage investment in Saskatchewan; we promote export of Saskatchewan goods and services; we help Saskatchewan people gain the best possible industrial benefits from major projects; we promote Saskatchewan opportunities by promoting a message, a message about Saskatchewan's economic promise to the international market-place; and we inform the people of this province how the government's promotion of trade has a direct benefit for us all, how exports mean more business, more jobs, and more dollars for the people of Saskatchewan.

These activities take place within the framework of our economy, within the reality of certain facts of life.

First, we're a province of agricultural and natural resources. That's our base, so everything we do must protect and enhance that base, and every new thing we plan is built upon that base — our agriculture and natural resources.

Second, we are an exporting province — an international province. I don't think there's any other province in Canada that relies on exports as much as we do. That means any growth must take into account of the world trade environment and our place in it.

Third, we're a province with a small industrial base. Yet new industrial growth is also the best way to create new jobs, so Saskatchewan looks to industrial diversification as a key to economic growth.

Now when it comes to planning for growth, the government has to take account of the way all of these aspects of our economy are linked together. The more we increase exports, the more dollars we have for industrial development. But how do we do this?

One way is to increase the amount of natural resources we send to market. That's important, and this government, through the activities of other departments, such as Energy and Mines and Agriculture, have done much to help the people of Saskatchewan develop production of our resources.

But there are other ways to achieve export growth. For example, all of us — organizations, corporations, and private citizens — should be taking more of the dollars we now spend on imports and spend them on Saskatchewan-made products. This is part of what we call industrial benefits. And it will, in turn, support and develop Saskatchewan industries which can produce more exports.

Investing in Saskatchewan — whether by purchasing policy or by direct investment, or by new companies coming into the province — is vital to our growth.

First, our manufacturing base will expand and will create more jobs. As well, a whole range of valuable spin-off benefits throughout the economy.

Second, but equally important, these new companies or expanded companies will then start to do what Saskatchewan people are already good at — exporting — because exporting will give them expanded markets.

It's a cycle. Investment leads to more exports, which encourage more investment, and then more exports, and so on. Making that cycle work better is how we grow. And economic growth, through promotion of investment, industrial expansion, and trade is what this department is all about.

Economic Development and Trade has now been in place as a department for about two years. The Progressive Conservative government formed this department out of the old industry and commerce. We created a department to concentrate on the large issues of Saskatchewan's growth. And how does our growth look so far? Well, we can point to the economic indicators.

For example, personal income in Saskatchewan increased last year. In spite of a major crop failure, to more than 13 billion or an average of \$12,897 for every man, woman, and child. The number of employed in the province was 439,000 last year — a record high. Our unemployment rate last year was the lowest in Canada, and we've consistently been a Canadian leader on this score.

Manufacturing shipments increased more than 10 per cent over the previous year, and inflation is down to 4 per cent from its double digit levels of 1980 and 1981.

Though we saw a drop in GDP (gross domestic product) last year, the statistics tell us what every business man and every farmer already knew. We were the victims, not of a stagnant economy, but of mother nature. A drought played havoc with the agricultural portion of our GDP.

But the fact is, non-agricultural GDP was strong. It grew 2.5 per cent to more than 4.1 billion in constant dollars. Oil exploration is setting new records. In 1984, crude oil sales were up 31 per cent over 1983. In the same period, potash sales rose 24 per cent and uranium sales nearly tripled.

That's what the hard figures tell us. And those trends are also reflected in job creation and business investment throughout the province. And there are other indicators, too.

We can point to the way Saskatchewan people have been taking advantage of the programs of the Department of Economic Development and Trade: for example, a record number of companies participating in our trade development programs, and a growing number of inquiries from individuals and businesses who want more information on opportunities in Saskatchewan.

In February I announced some of the most important evidence about growth, about job creation, and about investor confidence, that Saskatchewan has ever seen. And it came about through a program of the Department of Economic Development and Trade. And I'm talking here about the Industrial Incentive Program.

In short, the one-year program was designed to develop investment in manufacturing and processing on the one hand, and to create new permanent jobs on the other hand. It's unique in Canada. This program is no copy of another government's industrial program. And it's effective as an incentive, but no one could ever call this program a give-away.

The Industrial Incentive Program requires businesses to make large investments in manufacturing and processing as well as to create new, permanent jobs before any incentive payment is made. Response to the program illustrates the high level of confidence which investors now have in Saskatchewan.

The key features of the program are: it is performance-based, and it rewards success rather than failure; it doesn't involve civil servants in the decision-making process of business; it is clear and straightforward and speedy, and administrative costs are low; finally, the program is efficient. Every tax dollar spent on the IIP yields many times more return to the economy. In terms of investment efficiency, every dollar of incentive payment to a company will produce \$4 of investment in Saskatchewan and \$3 of wages in one year alone.

And our initial results show that the Industrial Incentive Program has surpassed all its first-year targets in only 10 months. Businesses had laid plans for more than 1,500 new permanent jobs because of this program. More than 47 million worth of investment was being planned by Saskatchewan companies, investment in new plant and equipment for manufacturing and processing.

When I announced those first results, they were based on figures up to the end of January when this program was only 10 months old. Today I have the revised figures that take us to the end of the 12-month period, and I want to share these with you now.

The Industrial Incentive Program has now approved business expansion plans worth more than \$55 million. These expansion plans will create a total of more than 1,800 new jobs — permanent jobs — in manufacturing and processing.

That's good news for the working people of this province, and that's good news for the 67 communities where these new jobs are being created. That's good news for all other businesses who will supply services to the expanding manufacturing companies, and that's good news for the Department of Economic Development and Trade which has a mandate to diversify and build the manufacturing and processing sectors of our economy.

You may think that's enough good news, but I have more. The government will be continuing the Industrial Incentive program for another year.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. BERNTSON: — That's another important feature of the government's budget. Right now my officials are preparing the new application forms and the new information kits for the extended Industrial Incentive Program. We believe, based on the number of phone calls and inquiries we were getting, that the Industrial Incentive Program will be as successful this year as it was last year.

The people of Saskatchewan have confidence in the future of this province. The success of the Industrial Incentive Program is an example of how the government is creating the kind of environment in which business people can apply their natural instincts for entrepreneurship; how our people in the private sector create economic growth when the government gives them the tools to do the job.

Our economy is moving. The people of Saskatchewan have confidence in our future, and they're putting that confidence to work. No one can look on this information and say that we are in a time of retrenchment. We are in a period of growth and that's what the forecasters tell us. That's what the statistics point to. And public response to our programs shows us that the people of Saskatchewan are rolling up their sleeves to get to work on even more ambitious plans in the years ahead.

That brings me back to the subject I referred to earlier: the areas of activity in which the Department of Economic Development and Trade is working with the Saskatchewan people to develop even more growth.

One of those areas is investment. When this government took office three years ago, we found Saskatchewan to be one of the least industrialized provinces in Canada. That's the position, that's the position we have to overcome, and that's the challenge before us. Industrialists and other investors outside the province knew little about us and considered our province a poor place to invest — and figured they wouldn't be welcome in any event.

We said we were going to change those perceptions, perceptions that had been built up over many years. We know there are all kinds of industrial opportunities here. We know entrepreneurs will respond if they're given the opportunity and the right environment. And we know that this kind of business development has proven to be the most effective job creation tool in western society.

To encourage industrial development, the government has to provide prospective investors with good information on Saskatchewan. So in 1982 we set up the investor information service. It's a computerized data base that allows us to provide investors with tailored packages of information.

(2100)

With the right information we know we can convince business people to put their money in our province. Ever since then the government has been expanding and upgrading this service.

As a companion service, we developed a range of industrial opportunities profiles. These specialized publications identify specific industrial opportunities that investors may want to pursue. We discovered that investors were frustrated by Saskatchewan's lack of an incentive program which could compete with incentive programs of other provinces. So last year we unveiled an incentive program which we believe is better than all the others.

Promotion of the Industrial Incentive Program and all of the opportunities in Saskatchewan is a major task. Our government is working with Saskatchewan companies to expand and invest in this province. But if we want to see more industrial growth, we also have to attract companies and investments from outside of Saskatchewan.

We have increased the number and quality of publications we use for Canadian and foreign promotion.

AN HON. MEMBER: — Did you change those pictures?

HON. MR. BERNTSON: — We've changed a couple of pictures. We do a lot more advertising about our province. I have travelled extensively to deliver the message about *The Saskatchewan Promise*.

In February, for example, I led a Saskatchewan delegation to Toronto for a seminar on the industrial potential of our province. Somewhere around 100 Toronto business people attended the seminar we held there. And I can tell you this kind of interest in Saskatchewan this kind of interest in the opportunities our province offers, would not have happened a few years ago.

To tap Saskatchewan's potential we need to attract investors with capitol resources. We need to attract business people with technology and expertise. And the results of our efforts: companies are taking notice and they're taking action.

I can't announce the long list of projects being proposed or already beginning because many business people don't want their expansion plans made public while they're still in the planning phase.

But let me give you a few examples of the kind of interest we see, and these examples are in

addition to the many Saskatchewan companies who are expanding their operations. For example, a United Kingdom company recently announced their intention to manufacture oilfield equipment in Saskatchewan, and I think the estimate there is about 80 new jobs. Another American firm established a food processing plant to develop a new export market here in Saskatchewan. A Canadian subsidiary of a US company has brought a plastic pipe manufacturer to Saskatchewan; and a German company will be expanding its North American centre for agricultural chemicals here in our province, and I think most of you are already aware of that.

It's no exaggeration to say that Saskatchewan is the cause of some excitement in a world business community. We started from behind. We have a long way to go, but the fact is we are now gaining the recognition we need to build the kind of industrial base the people of Saskatchewan deserve.

Now, I want to turn to a secondary activity in the department of Economic Development and Trade — the area of trade. I think it's almost impossible to exaggerate how important trade is to our economic growth. More than 40 per cent of Saskatchewan's gross domestic product comes from exports — from products, natural resources — pardon me, farm products, natural resources, and manufactured goods.

And we're growing. We exported \$7 billion worth last year, and that's a 29 per cent increase over the previous year. Exports create 80,000 jobs in Saskatchewan — one job in every five. The government's task is to develop that part of the economy and to see that it continues to grow.

Here are some of the ways my department does that job. Our Aid to Trade program helps to underwrite costs for Saskatchewan companies developing new export markets. This includes market research, promotion and advertising, participation in trade fairs and trade missions, attracting incoming buyers, and sending out sample shipments to potential customers.

To give you an idea of how well the program is received by Saskatchewan exporters, let me just point out that in the 1984-85 fiscal year, 670 projects were approved for aid-to-trade assistance, and that's a 28 per cent increase over the previous year.

And to give you an idea of what the Aid to Trade program does for the Saskatchewan economy, the program has provided \$1 million to Saskatchewan companies since 1982, and that \$1 million has generated \$20 million of new export sales — a 20:1 return. And that's efficiency. And that \$20 million went right into the Saskatchewan economy in terms of new production and new jobs.

Here's another example: the market development fund. The fund is exclusively aimed at helping Saskatchewan companies develop and expand for agricultural products. End result — a total of 30 projects approved in the year '84-85 — an increase of 28 per cent over the year before.

Those are two programs which help Saskatchewan people get out into the markets of the world. But sometimes the government's role is to go out ahead and help lay the groundwork. That, Mr. Chairman, is why we have agents working on our behalf in other countries.

Our prime market area is the United States, of course. But more and more we see the Pacific rim becoming a major part of our trade strategy. And that's why we're going to open a permanent office in Hong Kong very soon.

Our experience and our knowledge tell us that Saskatchewan's future as an international trader lies in the Pacific rim. The world market-place is fiercely competitive, and we have to select our most promising markets and then work those markets as hard and as consistently and as effectively as we can.

The Hong Kong office is part of a larger strategy that includes our extensive relations with the

Peoples Republic of China and the twinning of Saskatchewan with the province of Jilin. And it includes our membership in the new Asia Pacific Foundation, as well as a major role in Expo '86.

Here at home we promote the idea of exporting through educational and informational programs during Export Month every October. And we present awards to recognize outstanding exporters whose activities are building Saskatchewan's trade.

Finally, we can't represent Saskatchewan to the world and we can't promote trade without making a serious commitment to trade shows and trade missions. International trade shows and missions are the major vehicles for promoting trade because they allow us to tell our story directly to the people with whom we want to do business.

Our department has participated in 27 trade shows throughout the world last year, and those shows were attended by more than 300 Saskatchewan businesses. We've spent more than \$700,000 to help Saskatchewan companies get to those shows. I challenge our critics to talk to any of these companies who rely on those trade shows to develop new markets. They'll tell you that trade shows are well worth every dollar invested. And everyone in Saskatchewan benefits through the increased production and job creation which results.

The same is true for trade missions. We hosted 19 visits of international buyers, and by this method introduced more than 100 Saskatchewan companies to new trade opportunities. We've led six trade missions from our province to countries in Europe, the Middle East, and the Pacific Rim. These visits are a favourite object of ridicule by some, by those who believe that anyone who is out there promoting Saskatchewan is wasting their time. Well, I'm proud to promote Saskatchewan in the world marketplace. And I'm proud of the results of our trade missions, and let me give you a few examples.

In 1983, the Premier held meetings in East Germany and Brazil. His purpose was to promote, as the official representative of the Saskatchewan people, increased sales of potash. He didn't sign any deals. That wasn't the purpose of his visit. He was there to lay the base so potash sales could be increased in the months ahead. And the result in the following year: our sales rose by 4.2 million metric tonnes. Not only is that an all-time record, but it was also a phenomenal 26 per cent increase over the previous year.

During his most recent European mission, the Premier finalized a joint project between Agdevco and Austria's Vogelbusch Company to supply agricultural consulting and products to Eastern Europe, the Middle East, and Latin America. He also finalized a new international joint venture for uranium exploration in Saskatchewan, a project involving Great Britain, West Germany, and France, working in co-operation with SMDC. And the Premier also confirmed the expansion of a German agrochemical plant in Regina.

I represented Saskatchewan in trade promotion meetings in Europe, for example. Everyone in this House is well aware of the increased cattle sales to Bulgaria which we have had since then. I was in Japan earlier this year to promote Saskatchewan uranium, potash, and agricultural products. In China this spring, I will be working to build stronger trade links with a country whose market encompasses one-quarter of the world's population.

Our province is a world trader, and world trade is a tough, competitive environment. We intend to be as aggressive as we possibly can, penetrating the market to promote Saskatchewan and helping our exporting companies to take their products to world buyers.

That's the kind of commitment we have to make, and I take pride in the proven results Saskatchewan has enjoyed in our growing trade and its resulting job creation.

Now I'd like to turn to a third area of activity in the Department of Economic Development and Trade, the area we call industrial benefits.

Industrial benefits is a term we use when we're talking about Saskatchewan businesses and Saskatchewan workers getting the maximum benefits from the development which goes on here in our province. When this government came to power, we discovered some disconcerting facts about major construction projects. We found that a large part of the money was going for products and services supplied from outside of Saskatchewan.

In other words, even as public confidence was starting to grow and investment was increasing, we could see those planned investment dollars were going to keep slipping out of the hands of Saskatchewan business and Saskatchewan working people.

So the Progressive Conservative government took action on two fronts. We set up an industrial benefits branch in the Department of Tourism and Small Business to promote a "Buy Saskatchewan" policy among the general public. We set up a major projects branch in my department to deal with those special cases of the very large, complex, big-dollar construction projects.

The people in this branch concentrate on large construction projects — those worth \$10 million or more. It's a big area. It's a big dollar value. We put together a major projects inventory, listing all the projects that are being planned for the next five years or already under construction. The grand total, Mr. Chairman was \$9 billion.

(2115)

That \$9 billion is a bit of a shock for anyone who has been suggesting that Saskatchewan is in decline. That \$9 billion shows that a lot of people have a lot of confidence in this province. Saskatchewan people are planning \$9 billion worth of factories, power stations, railroads, schools, hospitals, shopping centres, and offices.

To give you an idea of what that means to our province, using a recognized economical formula that says for every \$100,000 of construction activity one new job or person-year of employment is created, the inventory represents a potential of 87,000 person-years of direct employment and 130,500 person-years of indirect employment over the next five-to-ten-year period.

If we just look at those projects that we call phase three, only those projects which are far enough along that they're either in final design and engineering or already under construction, we're talking about 6,400 direct person-years of employment and 9,600 indirect person-years of employment, every year for the next five years. That's just counting the phase three projects alone.

To make sure Saskatchewan gains the maximum benefit from these major projects, we provide an active liaison between companies who develop the projects and Saskatchewan companies who could be supplying them. And when I say "active" liaison I mean just that. When we started to monitor every project in the 10 million plus category, we were undertaking a task which had never been done before. Now the inventory is being updated twice a year so suppliers can stay up to date on the opportunities they have to bid on contracts. Today that inventory, with its fourth issue now in preparation, is received some 10,000 suppliers and developers.

A new publication called *The Industrial Benefits Bulletin* gives practical down-to-earth advice on how suppliers can get contracts and how projects can locate and use Saskatchewan suppliers. The publication is received by 7,000 Saskatchewan businesses. Our surveys indicate it is actually read regularly by as many as 30,000 individual business people in the province, and that has to be a record for a government publication.

On a one-to-one basis we work with developers to identify new projects and to determine those products and services which used to be purchased out of the province but could be

bought here. We consult with suppliers, the trades, the manufacturers, the service companies, the engineers and so on to help them find ways to tap major project opportunities. The results, for example, may be better methods of bidding, improved quality control, or new joint ventures. The key here is to develop an environment in which developers and suppliers are determined to co-operate and to find ways for Saskatchewan to obtain more industrial benefits.

We're not talking about preferential treatment. We're not talking about barriers to trade. Saskatchewan suppliers have to compete like everyone else. They have to earn their contracts like everyone else. But in the past there have been barriers preventing Saskatchewan companies from getting on bid lists, or from supplying bids to the exacting standards of major projects. The major projects branch of my department is working hard, and successfully, in breaking down those barriers.

Now I come to the fourth and final activity area within the Economic Development and Trade, and that's promotions. In the areas I've already talked about — investment, trade, and industrial benefits — a common threat has been the emphasis on promotions and communications. Our department invests heavily in promotions because we have important messages to deliver to a widespread audience here at home and all around the world.

We're promoting the export of Saskatchewan products in the international market-place. We're promoting Saskatchewan as a place for investment and industrial expansion. And we're taking that story to a world business community which is cautious by nature and, frankly, in some cases, a bit sceptical because of the many past years when the Saskatchewan story was not told very well at all.

We're taking complex technical information to major project developers and suppliers so they can reorient themselves to a new era of industrial benefits. The demands on our promotions and communications are heavy. We have to be first class in our advertising and publications if we want to show that Saskatchewan is really a first-class player. We have to use the latest audio-visual technologies if we want to attract attention and prove by example that Saskatchewan industry is technologically second to none.

We have to produce our literature in large volumes and distribute them around the world. We have to appear with confidence and pride and professionalism when we take the name "Saskatchewan" to the national and international trade shows.

And finally, we have to go where the action is. The world of commerce and investment is brutally competitive. If you're not in the game 100 per cent, you shouldn't be there at all.

Saskatchewan is a world trader with an economy that depends on the international market-place, so we have to take our message out into that market-place. And the results are coming in to prove how effective this can be. Saskatchewan is now being noticed. Our exports are growing. Investment in our economy is building. More than ever before, Saskatchewan is becoming an important player on the world's economic stage. The government is working so that Saskatchewan's economy and Saskatchewan's importance keep on growing.

In the Department of Economic Development and Trade, our goals are centred around Saskatchewan's growth through building our trade and investment image on that world stage; through building the right environment here at home for industrial development and job creation. As we achieve these goals, we find ourselves more and more involved in the complex world of national and international relations. Through the Department of Economic Development and Trade we are representing Saskatchewan's interest in two critical areas.

First, we want a national consensus on trade strategy. That's the message we're taking to our sister province and the federal government. When the western premiers met last year, they looked at changing international trade environment, and they reinforced a western prospective

on trade issues.

Here's what the premiers agreed to. Canada has to make trade liberalization a priority. Canada must recognize that trade is a two-way street. We can't impose protectionist barriers against our trading partners. We have to increase trade promotion and marketing if we want to take advantage of export development opportunities.

These three factors are key elements in Saskatchewan's strategy as we work toward our trade objectives, to improve access to markets for Saskatchewan goods and services, and to market those goods and services.

We believe that trade liberalization and international competitiveness, along with a focused market development strategy, are the foundations on which we'll reach our goals for trade. Saskatchewan doesn't benefit from a protectionist world-trade environment. We're a trading province, and we will grow if the markets of the world are available for us to compete in. That message, too, we are carrying to the national and international forums on behalf of the people of Saskatchewan.

You'll be aware from the discussions at the first minister's meeting here in Regina earlier this year that Saskatchewan is also co-operating with these other governments in the key elements of a national marketing strategy. Harmonizing federal-provincial trade development programs, targeting our promotional efforts in the markets where we should be concentrating for long-term growth, encouraging companies to acquire new technologies so we can upgrade the range and quality of our exports, and encouraging private sector entrepreneurs to do more export promotion.

A second goal of our department is a national consensus on industrial and regional development. Times are changing in Canada. There's a new spirit of co-operation. There are new structures for our colleagues in other provinces and the federal government to meet, to talk, and to negotiate. Our goal is to see this new era succeed.

We believe the time is right for Saskatchewan to speak forcefully and effectively in the Canadian framework. The time is right for provincial and federal governments to forge new agreements. Saskatchewan is a part of that process, and the Department of Economic Development and Trade is one of the effective tools for carrying forward Saskatchewan's promise of growth and Saskatchewan's plans for growth.

And our government is not the only one to recognize this promise. The statisticians and the forecasters confirm that we're on the right path for economic development. The conference board predicts Saskatchewan to lead all provinces in real growth this year, and Statistics Canada surveys show that private businesses in our province plan to invest \$3.69 billion on new capital and on the repair of existing capital this year. That's a 12.7 per cent increase over 1984, and it makes Saskatchewan the Canadian leader in private investment spending.

The Saskatchewan promise is not only a statement of our potential, or even of our plans, the promise of economic growth in Saskatchewan is being realized right now. And if you turn to our budget for '85-86, you'll see how we intend to keep that economic development moving. On the trade side, we'll continue to promote our exports around the world through our existing networks, through our international offices, by participating in organizations like the Asia Pacific Foundation and through national consensus building.

On the investment side we've extended our incentive program for manufacturers and processors. We'll continue promoting investment within the province and attracting new investment from outside the province, and we'll expand our direct targeted outreach to tap new investor markets. Our industrial benefits program will aggressively seek our new major projects and potential Saskatchewan suppliers. We'll assist and educate and inform project developers

and suppliers so that more of the money invested in major Saskatchewan projects stays right here to develop our industries and create new jobs.

Our promotions program will take these messages to the business community in Saskatchewan and to the international export and investment markets. We'll publish, we'll advertise, we'll attend trade shows, and we'll sponsor events. We'll be aggressively promoting Saskatchewan's economic development and trade showing the national and international market-place that Saskatchewan is growing; telling the world that the citizens, the companies, the organizations and the government of this province not only have a strong record of performance, but also possess a strong and vibrant faith in our future.

SOME HON. MEMBERS: — Hear, hear!

MR. KOSKIE: — Thank you, Mr. Deputy Chairman. I want to indicate, Mr. Deputy Chairman, that optimism is indeed a worthy pursuit. I think that people should have optimism, but I also think that the minister should come into this House indicating on what basis the people of this province should share what he calls the optimism of the future.

I want to indicate that this government came to office promising people a new future and opportunities. And I want to get into some of the facts, which indicates the opposite has happened in respect to Saskatchewan and Saskatchewan people — as I indicate that to have optimism there should be, indeed, facts on which to base it.

And I want to clarify some of the misconceptions that the Deputy Premier, the travelling Minister of Economic Development and Trade, has indicated. He tried to present a picture as though Saskatchewan had no base of development when he took office.

(2130)

Well it's rather strange that, when they go to sell Saskatchewan, they take a book and they call it *The Saskatchewan Promise, the Saskatchewan Promise* . . . (inaudible interjection) . . . and yes, it has a couple of horses in it.

I want to say, in selling Saskatchewan to the rest of the world, that the minister made a brochure, and he set out what the base of the economic development of this province was when he took office. And I want to review for the minister some of the facts which he sets out, which indicates that Saskatchewan was leading the rest of Canada.

AN HON. MEMBER: — Boom times.

MR. KOSKIE: — Let's take a look at some of the boom times for the rest of Canada also. Don't start talking about that we were living in boom times, because we were competing against the rest of Canada under the same circumstances.

And let us just take a look at a few of the facts of the economic basis which we turned over the government. It says, and I want to draw to the attention the facts as set out here, "Saskatchewan continues to have a leading role in the regional industrial expansion."

Now, the province's compound annual rate of real growth was 4.2 per cent between '72 and '82, compared to 2.7 per cent for Canada as a whole sounds like some activity going on — 4.2 per cent compared to 2.7 in Canada as a whole, gross domestic product, and the minister got up and said today, well, we had a little drop in it, but it's coming.

Well let's see what was happening in the good years. Gross domestic product rose strongly from \$3.4 billion in real terms in 1972 to \$5.2 billion in 1982. Doesn't sound — doesn't sound like a stagnant economy that the member inherited.

Total personal income rose rapidly in 10 years period from 2.8 billion to 12 billion. Per capita incomes have grown similarly, exceeding the national average during that period of time. The value of commodity exports expanded by four times to 6.5 billion by 1982; and you can go on with all the indicators set out in this book with the Tory blue, *The Saskatchewan Promise*, and if you look at the 10 years of '72 to '82 — 30 per cent for the rest of Canada; non-residential investment — 338 per cent increase in non-residential investment — in Canada, 275.

In retail sales — and retail sales was the lowest in Canada — in the province of Saskatchewan last year we had the lowest increase in retail sales of any other province in Canada. And if you look at retail sales and retail sales during 1972 to '82 — you know what? — retail sales 197 per cent increase, compared to the national average of 186. Personal disposable income increased in Saskatchewan from '72 to '82 to 333 per cent, compared to 267 in the national average.

And the minister stands up, having put out a document which totally, unequivocally, contradicts his premise that there was no development going on in Saskatchewan. He sends it out to the rest of the world and says how well we have been doing, and he gets up in the House here and says there was no development.

Well I say that optimism is a great virtue, and I say that the people of Saskatchewan are getting more and more optimistic. Do you know why they're getting more optimistic, Mr. Deputy Premier? Your term in office is getting closer and closer to the end, and very shortly they will have an opportunity to have an optimism by removing you from office. That's the optimism that I find out in Saskatchewan.

I say that, you know, optimism is indeed what we want. And we want to build a confidence among our people in the province of Saskatchewan because I share with other members a deep commitment to this province. It's a great province. And I want to say that it has been built through the co-operative efforts of the Saskatchewan people, and to them I extend my congratulations for their past achievements, and I know that in years ahead that new heights will be achieved.

But optimism, you know, when you go around Saskatchewan and you go to the round table discussions that we had, and remember I was at Melfort and we had a group of people representing different segments of society, and there was clergy men, there was an unemployed person, there were the mayor, there was from the board of trade, a great number of people, and we were talking to them as a representative group, and we asked them, what are some of the concerns that you see in society? And I remember one of the participants indicating that what we got to have is optimism. And I remember the person who was sitting at the table who said, I agree, I would like to have optimism too. But he said, it's hard to get up each morning when you don't have any employment, and I have tried to get employment not only in this province, but outside of this province. He said, it's very hard to have optimism when in fact I have five children and, he said, I'm losing my house and I'm losing my automobile. It's hard to have optimism.

You know, I was home last weekend, and the university students — and there's a large number of them who go to university from my area, at Muenster-Humboldt area — and I want to say many of them did well, and they all do well there, and they completed their education. And today you know in that town, in the village of Muenster and Humboldt, walking the streets are young people wanting to have an opportunity and an optimism in order to participate as they did before in getting meaningful employment during the summer.

He talks about optimism. I talked to the business community in the city of Regina and across this province, and they say, what is this Devine government doing? They're talking about record achievements in oil and potash and uranium. We've never had it so tough, they say. Where's that money going? That is what the people across this province are saying, and the facts bear it out.

You know, the Deputy Premier indicated that this great industrial development means employment. I want to run through just a little bit in respect to what is meant in employment here in Saskatchewan.

Sure the Devine government likes to boast about our low unemployment, which is 9.6 per cent. And I want to contrast that to when he said there was no economic development. 1974, 28.8 per cent unemployment in this province; 1975, 2.9 per cent unemployment; 1976, 3.9 per cent unemployment; 1981, when we left office, 4.7 per cent, lowest in Canada and now it has doubled.

You know what? As I say, the Devine government likes to say that the recent labour force growth has been faster than under the New Democratic Party. You know, from 1979 to 1981 the Saskatchewan labour force grew by an annual rate of 10,600 new entrants to the labour force.

I'll read that again, Mr. Deputy Premier. From 1979 to 1981, inclusive, three years, the last three years of our administration, the Saskatchewan labour force grew by an annual average of 10,600 new entrants in the labour force. From 1982 to '84, inclusive — you know what? — the annual average increase in the labour force did not, in fact, reach that level.

From 1979 to '81 there was an annual average of 9,000 new jobs under the New Democratic Party, as government — average number, 9,000. Under the open for big business opportunities, you know what? From 1982 to '84 there was an annual average of only 4,667 — half of the number of new jobs for Saskatchewan people. And I want to say that there's fewer new jobs.

The number of unemployed on an annual average during 1979 in Saskatchewan — all of the unemployed — was 18,000; and when we left office in 1981, 21,000. And you know what? Today the rate of unemployment, it's not 28,000; it's not 35,000; it's not 40,000; it's 46,000 — 46,000 and growing.

You want to talk about further employment benefits of this great open for big business opportunities that it's giving to the people of Saskatchewan/ Well let's take a look at the jobs for young people. The number of employed from 15 to 24 years of age: 1979, 113,000 people, young people from that age group, were employed in 1980, 113; 1981, 110,000. Do you know how many in 1984? — 101,000, down.

And if you want to fool at another indicator of how this new economic policy is blooming and offering to the people of this province great opportunities, well let's take a look at the rate of new job creations and compare it with the rest of Canada.

The number of employed people in Saskatchewan increased by 0.7 per cent, 0.7 per cent in 1984. That was one of the worst rates of new job creations anywhere in Canada. Only three other provinces, and they were all Tory right-wing with the same policy — New Brunswick, British Columbia, and Alberta — had slower rates. Only three other Tory governments, in fact, could produce less rate of new job opportunities.

You know, in respect to Statistics Canada reports that today there are 46,000 officially unemployed herein Saskatchewan. But you know what, that when you also ask StatsCanada to include those who were working, but no longer are working and have become discouraged, have stopped looking, you know what, there's more than 46,000. There's over 60,000 people unemployed in this province.

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Canada Employment and Immigration reports that the number of unemployed persons formerly registered as seeking work, seeking work in each of the 11 Canada Employment Centres, are as

follows, as of March 1985: the one in Estevan, 830 seeking work; North Battleford, 3,594; Prince Albert 3,104; Moose Jaw, 1,326; Regina, 15,095; Saskatoon, 19,407; Melfort, 422; Swift Current, 1,695; Weyburn, 913; Yorkton, 5,472; La Ronge, 2,175.

If you add that up, it's over 57,000 people registered seeking work, and this minister has the utter gall and audacity to stand up here and say that there's great optimism. With 60,000 people unemployed, he says the big open for business policies of this government has a resounding success for the people of this province.

I want to say to you, Mr. Minister, that your government has failed. You have breached your faith with the people of this province, and you fail to understand the consequences of your actions. If you take a look at the unemployment, the effects and the causes of it on an economic loss of that many people unemployed, the loss of some \$900 million per year to the Saskatchewan economy.

Social crime — socially what happens is there is increased crime and alcohol abuse, child abuse, and insecurity among our population. We find that while we are certainly not immune from the forces — the larger forces — in the world, that the real causes lie here in Saskatchewan with the policies of this government.

I want to repeat that open for big business has failed. It was supposed to produce new investment, new prosperity, and new jobs, and instead we have less investment, lower retail sales, fewer housing starts, low unemployment, fewer jobs for young people. I say, Mr. Minister, rely on some big business, on big oil companies, the multinationals, on big private resource companies with huge tax breaks for the big oil companies, totalling more than \$200,000 annually — oil company breaks. Loan guarantees to Manalta for a coal-mien which we already owned. Hundreds of millions of dollars to support the oil companies.

But I want to say that there has been no benefits, no direct benefits to the ordinary citizen of Saskatchewan. And what do we find? Not only has there been no job opportunity, no job opportunity, Mr. Deputy Minister, but now what we have introduced on the backs of the people of this province is one of the — what he said was a great budget.

And I want to look at what has happened in respect to the taxing of the people of this province as a result of the actions of this government. We have had in this last budget the greatest tax increase in the history of this province. He is talking about the great developments and how the economy is booming.

I ask him to explain, how do we account for the \$1.2-billion deficit in a time that everything is supposedly booming? Not hard, because I'm going to advise the people of Saskatchewan what is happening.

I'm not saying that there isn't a greater production of oil, or a greater sale of potash, or uranium. But I'll tell you one thing, Mr. Minister, and you can't deny it — that the people of this province are no longer getting the benefits from that extra production.

And I want to talk in respect to the great economic development, and I want to relate to the wonderful budget that the Minister of Finance brought down. They think it is a very, very intelligent budget. But when you analyse the nature of the budget you will find that, again, that the people of Saskatchewan once more have to bear the burden.

I have the proceedings here from the December 1st, 1981 *Hansard*, and speaking at that time, and he spoke very seldom in the House at that time. But they must have given him a copy of somebody else's speech, who was absent, because this day he spoke, on December 1st, 1981. And it's under the name of the member, the Deputy Premier.

Do you know what he said? “We would have a 10 per cent, across-the-board reduction in provincial income tax.” The fellow across the way, the Deputy Premier, he said, “We would have a 10 per cent, across-the-board reduction in . . . income tax.”

But we’ll come to what he said, and we’ll see what he did. But something else he said:

We would remove the sales tax (he said). This is the most regressive tax there is. It is a tax that falls heavily on the working (people) and this tax would be eliminated (if the)Conservative government (came into office).

What I want to say, because of your great economic development that you have been espousing to here this evening, in order to finance the programs which we financed throughout the years with a balanced budget, indeed a surplus. We left you with \$139 million of hard, cold cash to start off and balanced budgets for 11 years.

Well I think the budget does reflect what is going on economically in this province. I really think the budget does reflect what’s going on economically. And I want to make a comment in respect to what is going on relative to the mention of the Deputy Premier of how good this budget was to ordinary Saskatchewan people, the people who homesteaded here, who have worked and raised their families. That’s who I’m talking about.

I’m asking you to consider, other members, whether you should have been supporting this so-called most intelligent budget, whether your constituents are going to be pleased with the results of it.

As I said, it was the biggest tax increase in the history of Canada — in Saskatchewan. And the first one, this new innovative tax introduced with flaring press conferences, was called a flat tax. But when you get there, it’s not so flat. It’s just a levy on everybody’s net income. And you know who it strikes? It strikes those who can least afford to pay it.

And I’ll tell you, you can make a comparison of the results of your new flat tax. And if you compare the results, as I have done before in respect to the income tax that is being charged today. Because if we had a booming economy, why would we be charging our people more income tax?

But you know, a person with an income of \$15,000 . . .

MR. CHAIRMAN: — Order. We are on Economic Development and Trade, and I know it relates to taxes in some ways, but to go into a lengthy speech on income tax is certainly not on the topic.

MR. KOSKIE: — I beg to differ because the whole . . .

MR. CHAIRMAN: — Order, order. You’re not entitled to differ with the Chair. You can only appeal to the Speaker.

MR. KOSKIE: — What is your ruling, that I can’t talk with respect to the impact of the budget on the Saskatchewan people? Is that your ruling?

MR. CHAIRMAN: — You can talk on anything that relates in any way to Economic Development and Trade, but you cannot give us a long speech on income tax.

MR. KOSKIE: — Well, I’ll tell you what I’m going to do. I’m going to talk about the economic development in this province. And I’ll tell you when you talk to people of the province, you don’t have income from your resources. And I’m going to indicate to you what in fact you have charged the people of this province. And I’m going to relate it to economic development,

because if there was economic development, why would you be taxing ordinary citizens? And that's the way I'm relating it.

MR. CHAIRMAN: — Order. The member's entitled to speak. Could we have order so that we can hear him.

HON. MR. BERNTSON: — Mr. Chairman, I was under the impression that with the spirit of co-operation, we were going to get through my estimates tonight. I understand that that's broken down a little bit, so I move we rise, report progress and ask for leave to sit again.

The Assembly adjourned at 9:59 p.m.