

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
May 8, 1985

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING, SELECT, AND SPECIAL COMMITTEES

Standing Committee on Private Members' Bill

DEPUTY CLERK: — Ms. Zazelenchuk, from the Standing Committee on Private Member's Bills, presents the eighth report of the said committee, which is as follows:

Your committee has considered the following Bills and agreed to report the same without amendment:

Bill No. 02. — An Act to amend An Act to amend and consolidate An Act respecting Saskatchewan Co-operative Credit Society Limited and Saskatchewan Co-operative Financial Services Limited.

Bill No. 04 — An Act to amend AN ORDINANCE TO INCORPORATE THE ASSINIBOIA CLUB.

Bill No. 05 — An Act to incorporate the Saskatchewan Baptist Association.

Your committee recommends, under the provision of rule 58, that fees be remitted, less the cost of printing with respect to Bill 05.

MS. ZAZELENCHUK: — Thank you, Mr. Speaker. I move, seconded by the member for Quill Lakes:

That the eighth report of the Standing Committee on Private Members' Bills be now concurred in.

Motion agreed to.

NOTICES OF MOTIONS AND QUESTIONS

HON. MR. SANDBERG: — Mr. Speaker, I give notice that I shall, on Friday, move first reading of a Bill, An Act Respecting Credit Unions.

INTRODUCTION OF GUESTS

HON. MRS. SMITH: — Thank you, Mr. Speaker. On behalf of the member from Melville today, I would like to take the opportunity to introduce to you, and to this House, 28 grade 8 and 9 students from Grayson School in Grayson, Saskatchewan.

They are accompanied by their teacher supervisors, Mr. Ben Appell and Audrey Bogdan. They also have a couple of bus drivers with them today, and I would hope that they find the proceedings enjoyable, and hopefully educational, and have something to take home with them to discuss in their class-room.

I would ask all members to join me in welcoming to the Assembly today.

HON. MEMBERS: — Hear, hear!

HON. MRS. SMITH: — I have the pleasure, Mr. Speaker, of welcoming some young people from my constituency, the constituency of Swift Current, today.

We have 46 students seated in the Speaker's gallery — grades 4 and 5 — and they take their schooling and their education in the Swift Current community at the Fairview Elementary School. They have with them today Mrs. Pruden, one of their teachers, and Mr. Keith Ahrens, the principal of the school.

I will look forward to meeting with them after, and hopefully they will have some very bright questions that we don't always get in this House, and I'll see you later.

HON. MEMBERS: — Hear, hear!

HON. MR. FOLK: — Thank you very much, Mr. Speaker. It gives me a great deal of pleasure today to introduce to you, and to the fellow members of the legislature, a very special group of visitors to our province. As the members might know, last year there was a friendship agreement signed between our province of Saskatchewan and the Chinese province of Jilin. As part of that program we have an exchange of student art and student artists. It seems like one short week ago the Minister of Education and I held a dinner receiving them into our province, and indeed later on today they are heading back to Jilin province in China.

So it gives me a great deal of pleasure today to introduce to you, first of all, the students. We have Yu Fang of Chaun Ying District in Jilin City. We have Sun Hong of the Experimental Primary School in Changchun City. The group leader, Wang Zhu Guo, and their interpreter Zhang Shu Qin.

Mr. Speaker, I would ask all members of the legislature to join with me in welcoming them here today.

HON. MEMBERS: — Hear, hear!

MR. ENGEL: — On behalf of the opposition I, too, would like to extend a welcome to our guests from China.

And also, Mr. Speaker, I'd like to introduce to you, and particularly to members of this House and especially the Minister of Agriculture, a young farmer from the Avonlea district, Frank Kirkpatrick. He's a family farmer down there. You'll be hearing more about him in the question period.

HON. MEMBERS: — Hear, hear!

ORAL QUESTIONS

Allocation of Land Leases

MR. ENGEL: — Mr. Speaker, I would like to direct a question to the Minister of Agriculture. And he had a little time to think about likely what the question was going to be.

For background information, Frank and Debbie Kirkpatrick farm in the Avonlea area. They have three quarters of deeded land. They've rented some land privately, plus they have a half section they've been leasing from the lands branch, from the government. For the past three years their farming operation has been made viable because of this additional land.

Each year since you're in office, Mr. Minister, they've been trying to get long-term lease or a permanent lease from you and they've been unsuccessful. In fact, they've been signing the lease about this time of the year.

On two of the occasions, at least that I'm familiar with, they bid on your tender system and were the highest tenders for the land to buy it. You didn't give it to them because it wasn't quite as much as you thought you should get. They've been refused all these offers, Mr. Minister. Last week you leased this land to a large farmer who lives some 30 miles from there, a bachelor. The Kirkpatrick's face a bleak future because of your decision.

Do you consider this a fair allocation policy?

HON. MR. HEPWORTH: — Mr. Speaker, hon. member, I'm not familiar with the details of the individual case that you raise. I'd be pleased to look into it for you.

In so far as our allocation policy generally, we attempt to focus on beginning, young, and establishing farmers. It sounds to me like, from what I hear of the history that you've read to the House, that the situation here may have been a one-year permit which is something different than a lease. But those are the kinds of details that I'd be happy to look into.

But in general I would say the policy, as it relates to long-term lease allocations for land that is not eligible for sale, or for land that is in fact up for lease, it tends to be a policy where we try to focus on the young, beginning, and establishing farmers.

MR. ENGEL: — Mr. Speaker, I have a new question, Mr. Minister, you advertised his land in an ad that said:

Provincial land available for short-term permit; Crown land in the interim until the arrangements can be made for long-term lease or sale disposition.

That was your ad. They've written you letters on numerous occasions asking for a five-year lease agreement with an option to buy — any kind of offer at all if you didn't like the cash offer they made you. In fact I have in my hand, Mr. Minister, letter dated November 24, 1983, that you personally signed and wrote to him concerning the lease.

Mr. Minister, I ask you again: do you consider it a fair policy to take land away from somebody that's been farming it, that uses it to make an economical base unit, and giving it to somebody 30 miles away — giving it to somebody 30 miles that has no dependants, is a bachelor, and has a well-established unit.

HON. MR. HEPWORTH: — Well, Mr. Speaker, hon. member, as I mentioned before, I am not aware of all the details of this case. Lands branch has something in the order of 12,000, 12,500 leases. I'll take notice of the question, and as I suggested earlier, in fact, I'd be prepared to go over the case with you in some detail in private.

MR. ENGEL: — Mr. Minister, can you outline for this House in the presence of a family farmer that was wondering why you make a decision to give it to a large farmer when you take it away from somebody that needs that extra half section — can you outline your policy? Stated in your ad you say, "Crown land . . ." I'll read a larger part of the paragraph, Mr. Speaker, for his information:

Saskatchewan Agriculture lands branch announces a tender listing of Crown lands available for utilization on a short-term basis. Short-term permits are offered to enable lands branch to utilize unallocated Crown land in the interim until arrangements can be made for long-term lease.

Is that your position, and is that your policy as you advertise it? These people that renewed their yearly lease one year at a time for three years in a row, on the fourth year you take it away and lease it to somebody that has a well-established large unit, lives 30 miles away. This lease is

within three or four miles of their farm. Do you consider that part of your policy, or, if not, what is your policy? Is it like you advertise, or it is something else?

HON. MR. HEPWORTH: — Mr. Speaker, as it relates to the individual case, I will take notice. Secondly, as it relates to policy, it depends whether you're talking about permits, leases, whether you're talking about land that might be designated fragile, or you're talking about land that might have critical wildlife habitat designation, land that might have gravel deposits, water bodies. There's many, many things that enter into lands branch policy. In fact, if you go back in history there's several sorts of policies that have to be dealt with.

MR. ENGEL: — Mr. Minister, the letter that was written to you . . . A new question, Mr. Speaker. Mr. Minister, a letter was written to you on the 31st of July, 1983. As I said earlier, every year during seeding time you offered him a lease he didn't know. This year it was May the 3rd when they decided who to lease it to. He said this:

We have tried twice (and Mr. Kirkpatrick writes this to you) now to purchase the land through your tendering process. (They were the highest bidders twice.) We would like to make a proposal now to you. Since the land desperately requires a long-term tenant, we propose the following: give us a five-year lease with an option to purchase the land after that time. During the five years I will have an opportunity to work on the land and see what can be done to improve it and hopefully be in a better position then to purchase the land.

The offers he was making to you wasn't acceptable by your department because you thought it wasn't, the land wasn't in good enough shape. So he said, give me a five-year short term lease with an option to purchase, and I'll fix it for you.

What's the matter with that policy, Mr. Minister? Why put a farmer out of business to give it to somebody who doesn't need it? This is the policy question we're dealing with today.

HON. MR. HEPWORTH: — Mr. Speaker, I take notice of the issue the hon. member has raised with me.

MR. ENGEL: — Mr. Speaker, does the Minister of Agriculture — a question I have. Does the Minister of Agriculture not have any responsibility to offer to this House what their policy position is? It's a question of what is your position? Will you lease land or won't you?

HON. MR. HEPWORTH: — Mr. Speaker, I'm not so sure I understand what the question was. As I said earlier there are many policies when it comes to dealing with leases and individual leases. Some of them have ramifications that go back 20 years and more in history. There are some leases that have certain caveats on them; permits are treated differently than leases. There's many, many, many different kinds of leases and hence different policies to deal with them.

MR. ENGEL: — New question, Mr. Speaker. Give me one example. When a man has a year-by-year lease and is trying to get a long-term lease from you, what should he have done differently to improve his chances of getting the long-term lease? Tell me that much. Give me an answer, Mr. . . . (inaudible) . . . on that. He had the lease since the last three years. This is year four now. What should he have done differently to get a long-term lease, or even this year's lease, that you would give it to somebody else that doesn't need it and doesn't require it?

HON. MR. HEPWORTH: — Mr. Speaker, I apologize to the hon. member for not knowing all the details of the case. But quite frankly, we operate lands branch a little differently than it was operated in the past.

The decisions are not made in the minister's office as they were in the days of the NDP. They're based on policy fairly administered by people, by land reps in the country. And I would also

point out to him there is quite a difference between a one-year permit, which he refers to as a lease, and a long-term lease.

MR. ENGEL: — Mr. Minister, is the agriculture policy to lease land to those that require it to make a viable unit, or have you eliminated the work unit aspect of it and the need aspect completely, and are you now just leasing to the highest bidder? Answer that much of your policy, or do you need to take notice for that too?

HON. MR. HEPWORTH: — Mr. Speaker, hon. member, I will take notice of that question because there is more than one method, in fact, in terms of lease allocation.

MR. ENGEL: — Well in a situation where a person has three quarters of land that he's financed from Farm Credit Corporation, he's got another little parcel of land he's renting from a neighbour, and he has this half section that he was leasing —under those terms, would you say that he has too much, that you're going to give it to somebody else? Why wouldn't his tender be accepted for another one-year lease?

That's the next question because you have all the facts before you, and you have a copy of the letter that you've written. Why take it away from this farmer that's going to put him out of business and give it to somebody 30 miles away that's a bachelor? Why do that?

HON. MR. HEPWORTH: — Mr. Speaker, hon. member, I have made the offer to look into the matter he has raised. I think if the hon. member were even at all perhaps sincere in helping this farmer, he would have perhaps come to me with it, rather than this grandstanding effort that we're seeing in the House this afternoon.

I give you that undertaking to go into it, into some great detail with you, if you want to come and see me about it, in fact.

Investigation of Possible Conflict of Interest

MR. KOSKIE: — Thank you, Mr. Speaker. I want to direct a question to the Premier. He has been away for some time, and we have patiently waited for his return.

Mr. Premier, I want to ask you a question, and it deals with the suspension of the Progressive Conservative member from Prince Albert over the member's involvement in a \$3.5 million investment in the Rainbow Bay Resort at Redberry Lake.

The Premier has indicated that he ordered a report by the Minister of Parks to investigate. I want to ask you, Mr. Premier, you indicated in about a week's time that you would have the report. And I ask you: has it been completed, and can you give us a status report?

HON. MR. DEVINE: — Mr. Speaker, I suspect that the report will be on my desk in the next few days, and I would say the next three days, or four days, or something like that.

MR. KOSKIE: — Supplemental, Mr. Speaker. I would like to ask the Premier when he, indeed, first learned about the financial involvement of the member for Prince Albert in this investment. I ask you that, Mr. Premier, because the member has stated publicly that he had informed you of the involvement some two months ago, and last night in the House the Minister of Tourism and Small Business indicated that he had received information about in it February, and that he subsequently advised you.

I ask you because it's important, Mr. Premier, in determination of whether, in fact, when you learned of it, did you act as soon as you learned of the decision, or did you wait until it came out in the media?

HON. MR. DEVINE: — Mr. Speaker, all that information will be in the report that was brought forward to me, and as soon as I found out about it, I acted.

MR. KOSKIE: — Mr. Premier, are you indicating that the Minister of Parks and Renewable Resources is going to be, in fact, including in his report an investigation of your actions in handling the matter?

HON. MR. DEVINE: — No, Mr. Speaker.

MR. KOSKIE: — Well what I'm asking you, Mr. Premier, as a further supplemental, can you indicate whether or not the Minister of Parks and Renewable Resources is going to be, in fact, investigating his own actions and his possible direct or indirect implications in the assistance, or otherwise assisting the member in his development. Are you, in fact, expecting the Minister of Parks and Renewable Resources to investigate himself?

HON. MR. DEVINE: — Mr. Speaker, as I said in the House the other day, I've asked the Minister of Parks and Renewable Resources to review the details to find out whether, in fact, this situation is at arms length, whether there is conflict, or even indeed perceived conflict, and how it should be dealt with.

I, at that time, decided to suspend the MLA as far as Legislative Secretary, and I asked the minister to give me all the facts. He is going to do that, and when I have it, I will report to the House, and I'm sure I can provide all the answers that the hon. member is looking for.

MR. KOSKIE: — I have a further question— new question, Mr. Speaker, and that relates whether or not included in the report by the Minister of Parks and Renewable Resources, whether in fact it will include a legal opinion as to whether or not the member from Prince Albert was in violation of The Conflicts of Interests Act.

I say that because I have in my file here two caveats which were filed, one in 1984 and early in 1985. The report, the caveat clearly indicates an interest in land. And what I'm asking you: will, in fact, there be a legal report as to whether there has been a breach of the conflict of interests supplied by the review by your minister? I think it should be a legal report because I don't think the minister is in a position to make determination. Will that be included?

HON. MR. DEVINE: — Right now I can't tell you what will be in the entire report. And the member . . . the minister is reviewing it, putting together all the information that we think is relevant.

This situation is not unlike many situations that have occurred time and time again in the province of Saskatchewan and in other jurisdictions. And I could at this time go into all kinds of them that the previous administration has had to wrestle with. And to be fair, I mean, he knows that it's difficult . . . (inaudible interjection) . . . I know what you're asking. I know very well what you're asking, and I can tell you a lot more than you want to hear if you want to sit down and listen to it.

We can talk about NDP members of the legislature getting over \$100,000 from Sedco, getting it from Sedco, which is a direct loan. We can talk about people like Mr. Parker . . . NDP getting Sedco money. Conflicts, Mr. Speaker.

What I'm saying is that I am looking at it; I am reviewing it. Members opposite have had similar kinds of problems. And there are many problems that have arisen in the past, and they're not too popular as well, but we're going to make sure that they're perceived. And the real conflict are not there. I will be getting information. I will be providing it to the House.

MR. THOMPSON: — Thank you, Mr. Speaker. A new question to the Premier. Mr. Premier, will

the Premier make sure that any investigation includes a discussion with all members of the advisory committee to your fish enhancement program — by way of information, Mr. Speaker — because at least one member of that committee says the advisory committee never recommended a five-year plan to stock Redberry Lake with rainbow trout. He says the advisory committee decision was changed by someone in government.

Will you get to the bottom of that allegation and find out where the final decision to spend a half a million dollars upgrading Redberry Lake really came from, and what influence, if any, the member for Prince Albert had on that decision?

HON. MR. DEVINE: — Mr. Speaker, the hon. members can ask all kinds of questions. The reason that I asked the minister to review all the details and report back to me was to simply provide the information to the House. That's what I'm going to do. The minister is going to provide it to me, and I will provide it to the members opposite. So it will be done appropriately, and it will be put together so that we can review it here.

MR. THOMPSON: — Supplementary question, Mr. Speaker. And by way of information, Mr. Premier, on January 4th in Prince Albert, the Conservative MLA for Redberry held a joint news conference with the Redberry Development Corporation to announce that they were going to build a \$9.3 million resort complex because your government had agreed to stock Redberry Lake with rainbow trout.

The clear suggestion was that the decision to proceed was due in part to the government spending a half a million dollars to stock that lake. At the same news conference, the member for Redberry said that he had, and I quote, "leaned on a few people to get approval for the half-million dollar project."

Will the government's investigation also look into the role the member for Redberry played in this decision? Mr. Premier, did he know the member for Prince Albert was involved in this project --the member for Redberry — and if so, did he inform the authorities of that when he was leaning on people to spend a half a million dollars of the taxpayers' money on Redberry Lake?

HON. MR. DEVINE: — Mr. Speaker, as I said earlier, I've asked the minister to review all the details with respect to the lake, with respect to fish, with respect to the kinds of things that we feel are relevant to the situation. I'll report it back to the House and I'll let them know.

Storage of Contaminated Soil from Saskatoon PCB Spill

MR. KOSKIE: — Mr. Speaker, thank you. I want to direct a question to the Minister of the Environment and it deals with the PCB spill which occurred near Saskatoon Field House on April 17th. Mr. Minister, you have reported to this Assembly that all the contaminated soil and the other debris from the spill site was collected and taken away. Can the minister inform the people of Saskatoon where that contaminated soil and other debris has been removed to and where it is being stored, and under what conditions?

HON. MR. HARDY: — Mr. Speaker, I'll get that information for the member opposite. I'm not sure where it's stored. It's probably in Saskatoon some place, but I'll get that information and bring it back to the House for him.

MR. KOSKIE: — New question, Mr. Speaker. I would have thought that any proposal by the city of Saskatoon to move and to store contaminated material is being stored at the city of Saskatoon in . . .

MR. SPEAKER: — Order, order. Order! The member is not asking a question but rather giving

information. This question period is for seeking information. If you have a question, we'll take a question.

MR. KOSKIE: — Are you aware, Mr. Minister, that the site that is being used by the city of Saskatoon is across the street from Nutana Towers, a senior citizens' apartment? It is a few doors away from the Catholic service centre; a few doors away from the native survival school, which teaches about 50 native children each day; and just down the street is a 7 Eleven. Are you aware that it's in the neighbourhood of residences and small businesses?

And what I'm asking you: do you not feel an obligation to, in fact, start to act in a responsible way in order that contaminated material is stored in such areas that will not be a threat to the inhabitants of the city of Saskatoon?

HON. MR. HARDY: — Mr. Speaker, first of all you've got to understand that there's PCBs stored all over this province — have been for many, many years. There's containers stored in many places in this province. I don't know where the ones are stored in Saskatoon, and I will get that information. I will also get the information of where some of the others have been stored over the many years where they've been cleaned up and just left.

We are pulling together now an information package, you know, where all of this is stored and where and how it will be handled.

MR. SPEAKER: — Order, please. Give the minister an opportunity to answer.

Deteriorating Highway Conditions

HON. MR. GARNER: — Mr. Speaker, I'm responding to a question that I had taken note of on Tuesday, April 30, 1985 where the member asks a question concerning a road failure. Reference is made to question that he raised on a hole that developed on Highway 3 at Mont Nebo.

A hole developed in the pavement near Mont Nebo due to piping and erosion that took place at the location of a 60-inch culvert. Extremely high flows of water were experienced in this area due to spring run-off and 3-inch rainfall that occurred on the weekend of April the 20th and the 21st.

This type of failure happens very suddenly and was not anticipated by department staff. Failure of this nature occurs when water erodes material away from the side of the culvert and undermines the grade.

Two vehicles, Mr. Speaker . . . This is very important. The member opposite has raised a question. I'm just providing him with the information. Two vehicles . . .

AN HON. MEMBER: — Did you take notice of it?

HON. MR. GARNER: — Yes, I did, if you'll read the *Hansard*, please.

Two vehicles did hit the hole early on Monday, April 22, 1985, with some resulting damage. Department staff were informed and immediately took the required precaution to avoid further damage and injury. There is no evidence of any neglect by department staff. The two individuals have been contacted by Prince Albert district staff and will be compensated in full for their entire deductible portions of their insurance.

At the present time, only half of the road is in service, Mr. Speaker. The required signs, flashing lights, and barricades are in place along with flag persons. Repair work will be scheduled within the next few weeks as soon as conditions are fit.

MR. LUSNEY: — Thank you, Mr. Speaker. Mr. Minister, I appreciate you coming back with your

report. However, possibly if you would have provided enough funding in the budget to see that there were enough maintenance people on that highway, you wouldn't have had to have waited until someone dropped into a hole in the highway.

MR. SPEAKER: — Order, please. Does the member have a question? Does the member have a question?

Amendments to Liquor Act

MR. ENGEL: — I have a question to the member from Meadow Lake, the minister in charge of the liquor board, Mr. Speaker. And in a release put out by the political action committee on political action from the association of hotels, they say meetings are being planned to address the liquor amendments. And my question is to the minister responsible for the liquor board and deals with his plan to amend The Liquor Act. You've consulted with the hotel association, I presume.

My question is: have you talked to other groups regarding amending The Liquor Act? Examples: community groups, people interested in seeing that there's less consumption of alcohol, church groups, and so on. Have you consulted with other groups before you bring in amendments to The Liquor Act?

HON. MR. McLEOD: — Mr. Speaker, there are no amendments to The Liquor Act before the House. The letter that I believe the hon. member is referring to (if I heard him properly) comes from the hotels association. Is that true? . . . (inaudible interjection) . . . The hotels association. We have had ongoing discussions with the hotels association as we have with many other groups who have said, as groups do, with all of my colleagues — make their cases known for the kinds of amendments they might like to see happen.

But I would say to the hon. member, until you see amendments there's no real reason to discuss them here in the House because no amendments have been brought forward.

INTRODUCTION OF GUESTS

HON. MR. SWAN: — Before we proceed today, I would like to introduce a guests that we have with us in the Speaker's gallery. We have with us today Scott Heidepriem who is the Speaker of the legislature in South Dakota. I guess we should call it the House of Representatives in South Dakota.

We'd like to welcome him here. I look forward to having an opportunity to meet with you following question period. Would the members welcome him.

HON. MEMBERS: — Hear, hear!

TABLING OF REPORTS

MR. SPEAKER: — As well, today I would like to lay on the Table a special report from the Provincial Auditor submitted pursuant to section (2) of section 30 of The Ombudsman Act.

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

ECONOMIC DEVELOPMENT AND TRADE

Ordinary Expenditure – Vote 19

Item 1 (continued)

HON. MR. BERNTSON: — I had so many cards and letters coming in after that speech I gave last night that I thought I'd give it again.

No, Mr. Chairman, I have one new player in the game today that I would like to introduce: my assistant deputy, industrial side, Lilka Elbaum, sitting right behind me.

MR. KOSKIE: — Mr. Chairman, last night I was somewhat rudely interrupted by the passage of time, cut off 5 minutes before 10 in the heat of my comments by the hon. member opposite — a very inexcusable act. And so I intend today, Mr. Deputy Premier, Mr. Minister of Economic Development and Trade, to continue my remarks, in a way to take a look and to say to you that I wish I could stand in this legislature today and I would indeed be able, be able — we've got a hyena behind me — and be able, and be able, Mr. Chairman, to congratulate the Minister of Economic Development and Trade.

I would like to be able to stand here and, indeed, to congratulate him on economic policy which has brought about a revival of the economy here in Saskatchewan. But I looked yesterday evening at the record in respect to employment and employment opportunities, and I covered off that area. And certainly with 46,000 people in this province unemployed, it's difficult for those people to have optimism, to share that optimism with the Deputy Premier.

I look also at the budget which was introduced here on April the 10th, and the minister alluded to what an outstanding budget it was. And I wondered whether the people of the province shared the same optimism and the same consensus, whether this budget was in fact such a wonderful and intelligent budget.

I want to say that it would be my opinion, Mr. Chairman, that if indeed the economy was buoyant, and indeed the economic revival had taken place, that what we would have seen in the last budget that was brought down would have been a massive cut in taxation. But indeed, opposite to that, we saw this government bring in one of the most regressive and the highest tax increase on the ordinary Saskatchewan people in the history of this province.

I want to allude to the areas in which this regressive budget hit local Saskatchewan residents. The minister alluded to the income tax, or the Minister of Justice, the so-called new flat tax, and how this was a wonderful flat tax that was going to tax the rich. But all it is is a straight revenue device to get more money from ordinary Saskatchewan people. And indeed what it does is strike hardest at those in the lower and middle income groups, because it doesn't eliminate the possibility of the evasions which were alluded to previously.

So we see that in income tax alone, which this government promised to eliminate, they have imposed over a five-year period \$350 million additional income tax. Now I say that if this economy was in fact booming, isn't one of the logical conclusions that if you have and you're generating revenue, that what you would be doing is lowering taxes rather than imposing them?

But that's not the end of it. They didn't stop there with just income tax of \$350 million. They imposed a sales tax on used vehicles, and that extracts again, primarily from the lower income people, another \$35 million over five years. That is the indication of buoyance of the economy as alluded to by the Deputy Premier.

But they didn't stop there. Because this economy is booming, they said, and so they say oh, the taxpayers, yes, they have lots of money. And so what they did then is to extract another \$400

million from them by the removal of the property improvement grants and also the home quarter education tax rebate program.

So if you take a look at the area of taxation, this was the highest tax increase in the history of this province, bar none — the highest tax increase in the history of this province. And you ask: why was that necessary? It's not necessary if the treasury is being filled from the revenues of a buoyant economy. If income tax is being paid by people who are making money in a buoyant economy, revenues are there. If the oil industry is booming and we're getting our fair share of revenues, then certainly we should not have to be taxing ordinary Saskatchewan people.

So what I'm saying to you, Mr. Minister: all of the facts of the actions of your budget is contradictory to the very premise that you put forward that you have a very buoyant economic climate developing here in Saskatchewan.

And I want to ask and allude to the effects of a major tax increase. It seems to me, Mr. Minister, that a major tax increase, what it does is indeed weakens the economy, particularly in the retail, in the small-business sections.

(1445)

It undermines the consumer confidence and the business confidence. It makes the tax system more unfair because it hits the hardest the lower and middle income people. The political effect has been, I say, bad news for the people of this province and it has been a betrayal of the mandate that you were given by the people of Saskatchewan to cut taxes.

I suppose one may want to ask, you know: what is really happening in the province? And the minister will try to claim that some or all of his trips have produced great economic results. Certainly he took several trips abroad, as we know, to such exotic places — Bulgaria several times, I believe. He's been about ready to go over to China now, again on another mission. Meanwhile back in Saskatchewan, while he's touring the world, we've seen no great influx of new businesses, no new jobs, new investment. Instead we have seen lay-offs, bankruptcies, and businesses going under.

And while he's down in Beverly Hills living it up at the Beverly Wilshire Hotel the Devine government is presiding over the de-industrialization of Saskatchewan.

You know, when you went, Mr. Minister, when you went to Bulgaria, the report came out that Molson's laid off 45 people. When you went to Frankfurt, Dad's Cookies closed out, 42 people unemployed. When you went to Athens, three Regina supermarkets closed and a soup kitchen started. When you went to Australia and London, Air Canada cut 43 jobs. When you went to Vienna, a department store in Weyburn closed. When you went to Saudi Arabia, CSP Foods crushing plant closed, and 30 Robinson Stores closed. When you went to Los Angeles, a furniture plant in Meadow Lake closed. And when you went to Tokyo, the biggest collapse of all, Pioneer Trust collapsed here in Saskatchewan.

So what I'm saying to you, Mr. Minister, is that rather than exuding an optimism that we should be looking towards, I'll tell you what you have done. You've betrayed the people of Saskatchewan. You continue to go around with this here sort of advertising mania, pretending that results are being produced.

At the meantime, services are being cut to the people of Saskatchewan. The confidence of the business community is being decreased. I refer, Mr. Minister, to . . . I wonder who shares your optimism because I have an article here in respect to the small-business men who were surveyed in Saskatchewan. I've alluded to it before, but I want to allude to it again.

And I wonder whether you have surveyed the small-business community of this province in

between your trips, because the Canadian Federation of Independent Business did a survey, and there are three or four findings that they discovered in respect to the business community here in Saskatchewan.

The survey, first of all reveals, for example, that in the last six months only 14.2 per cent of the Saskatchewan businesses increased employment, the lowest figure except for the Yukon, and far below the national average of 21 per cent. Conversely, 25.6 per cent of Saskatchewan businesses reduced their employment — again, the highest except in the Yukon.

And turning to the employment plans for the next six months, this report indicates 24.8 per cent of Saskatchewan businesses expect increases — which was below every other province except B.C. and Nova Scotia.

What I'm saying to you, Mr. Deputy Premier, is that that report, or that study, or that survey, indicated that there was not a great deal of confidence among our small-business community in Saskatchewan, and if we look at what has been happening in the business community we find, first of all, in respect to business bankruptcies in 1981 there were 62. In 1982, when you took over, it started to climb — 89; in 1983, 108; in 1984, 103. This is from January to April of the first quarter of each of those years. In 1985 there was 114 small-business bankruptcies.

And so what I'm saying to you, Mr. Minister, that I wish I could indeed share the optimism with you. We had optimism previously. We had virtually full employment when we were government. We've seen that rise to 9.6 per cent as I indicated. We have seen the welfare rolls expand to the highest in living history of this province.

Do you realize, Mr. Minister, on welfare in this province since you took office that the amount of payments made to sustain welfare is \$192.8 million? That's the amount to sustain 64,000 people who are receiving benefits — \$192.8 million. Do you realize that is \$100 million more than when we left office — \$100 million? And you say that the economy is booming here in Saskatchewan, and that there is a great amount of optimism.

You also allude to the fact that, you know, that your new economic open for big business is attracting and employing a great number of new Saskatchewan people. I have an article here that during the last three years in office . . . In the last three years of office, when we were in office, there were 27,000 new jobs in Saskatchewan. And the analysis of it that none of these were in government.

And if we take a look at the report that was done here . . . The percentage of government workers a surprise, it says. Has the role or the share of government in Saskatchewan job market diminished in recent years? The answer may surprise you. During the years 1979, '80, and '81, the share of government jobs ranged as low as 20.4 per cent to a high of 20.7. That's jobs in the public sector, in the government. In 1982 this ratio rose to 21.6 per cent, and in 1983, under a Tory government, it increased to 22.7 per cent. More of the labour force under the government payroll than under the private sector.

And those are hard cold facts, Mr. Minister. It indicates not a buoyant economy which you allude to but rather stagnation the like of which we have never seen in this province since the last time there was a Tory government — until the last time there was a Tory government in the 1929 to '33 or '34.

What I'd like to say in conclusion and in summary, Mr. Minister, is that I believe that we in Saskatchewan as a people should be optimistic. We have been blessed with a great deal of natural resources, the great agricultural plains that we have. We have coal and potash and uranium and oil. We have abundance of these resources.

And we would think that . . . The minister alluded to the fact that — you know, he said, we've

had the highest record amount of oil production. And he says, we've had the highest production in potash, and we had the highest production in uranium. And what has happened is that budget came down and the people of Saskatchewan paid more taxes.

I want to go through what the economic strategy of this government has been. First of all, if you look at the oil companies, you will find that two years ago, 1982, the amount of production, value of production, was 1.2 billion tons — billion dollars, \$1.2 billion. And the amount of revenue to the province of Saskatchewan, hence the people of this province, was \$700 million.

Now the value of oil produced is almost \$2.4 billion. And do you know what the revenue to the province of Saskatchewan, to the people of this province is — \$655,000, \$55 million less than in 1982 when we had one-half of the total dollar value.

I guess I was wondering if there's any people who agree with the minister about the optimism in this province. And I'm going to allude to a couple of them that do. But I want to carry through in respect to the awesome profits that are being made by the oil companies here in Saskatchewan.

If we take a look at the profit made by Saskoil, it's about \$35 million — \$35 million. Saskoil produces about 7 per cent of the oil produced in the province. Well, let's just use 7 because it's going to be easy for you to divide 7 into 35. That's why I use 7 rather than 8. And it will demonstrate my point . . . (inaudible interjection) . . . Ah, no — 7 per cent of the production, 7 per cent. Saskoil made 35 million. So for each percentage of production they made a profit of \$5 million, for each percentage of production.

So if you take a look at the other 93 per cent that is produced by the private sector and you realize that the profit, that is after all expenses, depreciation allowances that the multinational are getting from our oil, \$460 million at a minimum that's walking out of Saskatchewan.

Our revenues to the people of Saskatchewan, down from 700 million to 655 million. But the oil companies, the private ones, about \$460 million minimum. And I say minimum because, first of all, if you allude to the facts that the minister in charge of Saskoil . . . that the private sector is much more efficient, obviously, their rate of profit would be higher. So if you take a look at the profit of the private sector, which is 460 million, and you add the 35 million made by Saskoil, it gives you about \$500 million.

And I indicated to you, Mr. Chairman, that the total production, the total production in dollar value is 2.4 billion. Well \$500 million is profit. There's over 20 per cent return — profit, 20 per cent. Well, I'll tell you, that's a good deal for the oil companies. That's a good deal.

I would think that the small-business men would love to have 10 per cent profit. I would think that the farmers would be totally satisfied with 10 per cent. But under this government's economic policy the oil companies are getting in excess of 25 per cent profit — 25 per cent.

Well, as I said, there's no doubt that there's many people in this province who are not supporting the comments made by the Deputy Premier. But obviously he has some supporters. And I want to identify a couple of these supporters.

(1500)

And I'll tell you who is satisfied with the performance of the Devine government. The old-oil executive praises the Devine government for the boom. And I ask you, a boom for whom? For whom? For whom? Not for the people of Saskatchewan, because their revenues have gone down And the oil companies have sky-rocketed out of sight. And if you take a look at the counterparts in Ottawa, this is still not enough profit for the oil companies. Their counterparts, this new co-operativism that is going on with the federal Tories and the provincial, federal and the provincial Tories, well they got together and they said: well these oil companies support us

pretty good when it comes to elections, and they're pretty easy to work with, and they are powerful. So let's be co-operative here, and let's get together on them so that they are on our side both federally and provincial.

And so they had a little meeting and they got together and they came up with another little deal. And the pack (it says the pack) is worth \$1.3 billion to the oil industry. That's the combined efforts of the federal and the provincial Tories.

Well I ask you, you know, we should maybe have some evidence as to why this here oil executive praises the Devine government for the boom. Well I thought I'd better seek out some information, and the Imperial Oil profits are up 84 per cent, 84 per cent. Imperial Oil Ltd. of Canada, number one oil company, reported earnings of \$533 million in 1984, an 84 per cent increase over 290 million earned in 1983.

The profits of other majors, while not dramatic, were certainly impressive. Shell of Canada Ltd., profit was 158 million, up 55 per cent. Gulf of Canada Ltd. chalked u \$308 million, up 41 per cent. Texaco reported \$423 million, profits up 23 per cent.

So while I say to you, Mr. Minister, that the people who are . . . the young people where there's about 20 per cent unemployed between the ages of 15 and 24, about 20 per cent in this province, they don't share your optimism because they haven't had the opportunity to participate. Those on welfare don't share your optimism, and a record high number of them.

I say that the Saskatchewan small-business people in the survey that was done don't share this optimism because they are not participating. I say that the farmers don't share that optimism and the performance of this government because 1,300 fewer farmers than when you took over. That's the record of what is happening under the policies.

And I say that the taxpayer of this province doesn't share your optimism, because he would have thought that if you had developed a vibrant and healthy economic development here in this province that taxes would go down instead of up. But what we have seen here in this province, Mr. Minister, is that taxes have gone up as I said. Taxes have gone up astronomically, Mr. Speaker, and services have gone down. I could list off the details of that. But the people of Saskatchewan know that so I won't bore you with those details.

I think that there is another group that I can identify that might be happy with this government. I can think of one more group. The oil executives, I think they're happy, because I proved they're making a lot of money — a lot of money. I'll tell you there's one other group. I think they're the bankers — the Boyd Robertsons of the world, the boys that come in here and draw up the budget for you. Tax the little guy and give it to the big fellows; spend money and run up deficits — \$1.2 billion deficit in three years. What a record!

What confidence the people should have in you — \$1.2 billion in three years, and you say that this economy has been buoyant and that the industrial plan that you have put in place has expanded our tax base and our revenues of our province.

Well I'll tell you who it turned this here province over to: it turned this province over to the bond dealers and the investors in the market, the bankers. Just imagine — we pay \$143 million annually in interest alone. Can you realize the massiveness of that sum in three years? Our entire medicare, which is under threat by this government, could almost be financed by the amount of interest that we pay — the interest alone. Medicare costs \$188 million, and the interest under the administration, and the economic policies of this government, and the accumulation of the deficit, is so massive that we are paying annually \$143 million just in interest.

And you ask that the people of this province should have confidence in this administration. Can you really stand up here and look the people of this province in the eye? I'll tell you . . . (inaudible)

interjection) . . . I've got prime time this afternoon, that's why I saved it. I'll tell you, Mr. Minister, that we should indeed be having a lot of optimism because this province built itself in the Depression. We had a small base with small-business men and the farmers. And we put all the services throughout here. And it was a lot of sacrifice by the individual people. And I think that we could continue to have a great future. But what I fear about this government is that they're on an economic policy which has been so disastrous in some of the other parts of Canada.

You know, last winter, Mr. Minister, I had the occasion to go to British Columbia. And if ever a province, Mr. Minister, if ever a province was open for business, it was British Columbia. They turned their doors wide open and they said, what we need in this province in British Columbia is investment dollars, and it came from all parts of the world — from Japan and from Germany, and you name it, United States. And today British Columbia practically lays in ruins.

You go across to the island, Vancouver Island, and you talk to the people. Their forests have been raped — cut, gone; no reforestation. They put in a coal-mine in the sell-out to the Japanese of the coal — the great reserve of coal in British Columbia. And do you know what's happened now? Hundreds of millions of dollars where the taxpayer invested by that British Columbia government, and do you know what they discovered today? — that the coal mine was put in the wrong place. The wrong place. It's going to be non-functional. But the taxpayer is not going to lose any money, he says. Unemployment.

You look in Alberta. If anybody had an open for big business policy it was Peter Lougheed. I think that compared to what we have here in Saskatchewan, he stands head and shoulders above this administration. And I'll tell you that he tried to lure the investment dollar to Alberta, and he did. There was no staged or planned or managed development. There was no look at future generations, our children and then next generation. It was a boom and then a bust.

And today you go into Calgary and you find so many people — homes unoccupied. The CMHC have taken back so many homes that they won't even put them on the market. And the reason they don't is that there is no demand. If you go into the city of Calgary and Edmonton there's 14 to 15 per cent unemployment. And that was an open, uncontrolled, unplanned development of the economy.

And I say that there is a future for this province, and the future is that we rely upon the people of this province, that the first priority in any economic development has to involve our business community and the people of this province.

You know, I look at Saskoil which these people would like to cast aside. If you can feature, we have a president of Saskoil, Mr. Herb Pinder, who openly says we got to get rid of Saskoil, and he's president, chairman of the board.

And I just want to go on to say, Mr. Chairman, that here in Saskatchewan we have Saskoil, and it seems to me that we have a lot of expertise, a lot of knowledge, and there's a lot of business men out here in Saskatchewan which we could be establishing and allowing Saskatchewan people more and more to become involved in the exploration of our oil. What do these boys do? Ah, they say, you can invest a little bond, you know, throw in a few million dollars here, and we'll give you a guarantee of 10 plus 0.3 per cent of the total over 100 million. Yes, 0.3.

AN HON. MEMBER: — Three points.

MR. KOSKIE: — Okay, 3 points. Well, it came to about 13 per cent. But you can go down to the bank and get that. I've got — oh, not very much money, but I tell you I've got some that's invested for more than 13 per cent.

But what people of Saskatchewan, the business community . . . And when we were in office, and I admit this, we had a lot of development through the Crown corporations, and I'll tell you, they

gave a tremendous base to this province, and I don't think you can deny that. Well, I'll tell you they did. They gave a great economic base to this province.

And I have said before I think that Crown corporations should be an eye on industry. I say they should be an eye on the industry, and accordingly, that we can, in fact, monitor whether or not the privates who are developing alongside are paying, in fact, a reasonable return to the people for the development of these resources.

I'm trying to, trying to get you convinced to go a different direction because you've failed so far.

AN HON. MEMBER: — I give up.

MR. KOSKIE: — All right. And I say that what we need to do is to involve the people of this province in a more direct way. I could see a group of young business men using the expertise of Saskoil, even having seminars, and giving them the knowledge in allowing them to, in fact, make bids on Crown land, set up their companies, get into the business. But you know what we have? No, no, don't do that. Don't give Saskatchewan people — give it to the big multinational corporations. That's what you say? And of course their revenues have constantly increased.

Just in conclusion, I want to summarize, and I want to ask the minister how he feels that the large increase of taxation is conducive to stimulating and the development of the economy. How do you feel that high unemployment stimulates the economy? How do you feel that the people of Saskatchewan can benefit when you have a policy which gives unprecedented profits to the oil companies with less and less return to the people of this province?

And I want just to indicate one other thing, and that is in respect to the potash. I'm pretty concerned about what is happening so far as the development and the sale of potash by the Crown corporation. And I can indicate to you, Mr. Minister, that two years ago the Potash Corporation of Saskatchewan for offshore had sold something like 1.8 million tonnes. That was 63 per cent of all the potash sold from Saskatchewan. We sold . . . our share from the Potash Corporation of Saskatchewan was 63 per cent, and I can prove it.

(1515)

And you know what? This year they say, record sales of potash, 4.2 million, or 4.1. do you know how much the Potash Corporation of Saskatchewan sold this year? One point eight million. Not 63 per cent of the share, but 43 per cent of the share.

So what have they done? They turned it over to the private sector. They gave that market to the private sector. And you know what the consequences of that is? It reduced the profit of the Potash Corporation of Saskatchewan, and hence the direct amount of money . . . that 25,000 that should have been 35 or 45,000, that's what it should have been. And you gave it away.

And where does that go? Well I'll tell you; we don't know where it goes. It'll go to other parts of the world. And multinational corporations have an expertise, my friends, but I'll tell you they have no loyalty as a citizen of a province. They have one loyalty, and that is profit — to extract the best deal they can for themselves at the expense of those who own those resources.

So I ask you, Mr. Minister, in light of these devastating facts: do you want to resign now, or do you want to call an election, or do you want to throw your hands up, or do you want to try to explain why, if this economy is booming, we have had the highest increase in taxation in the history of this province; why we have services cut; why oil companies get massive profits and our returns are less? Would you elucidate briefly on that.

HON. MR. BERNTSON: — Well I'll be as brief as I can, Mr. Chairman. I'm tempted to say, I give up, but I want to offer some . . . I want to offer at least some small defence for what we've done.

And in order to do that, of course, I'm going to draw a little comparison to the time when the member opposite was sitting this side of the House; to a time when uranium was selling on the international market for \$60 a pound as opposed to 17 today; to a time when potash was selling for \$100 a tonne as opposed to \$65 a tonne today; and to a time when we had low farm input costs and buoyant export markets as opposed to today.

And talk about optimism, Mr. Chairman, during that boom period. Mr. Chairman, in 1978 . . . I'm going to take four years here and compare it with the last four years, from '82 on. In 1978 — and these are StatsCanada numbers — 1978, we had a net out-migration of 3,701; in '79, 3,510; in '80, 4,382; and in '81, 521. During the last four years of the NDP government, in buoyant times with \$60 uranium, 4100 tonne potash, good farm economy, we had 12,000 of our finest young people leaving the province.

In 1982 we had a in-migration net of 1,744 ; in 1983 an in-migration of 3,283; and in 1984 a net in-migration of 3,015 for a total in-migration in the three years of this government of 8,042 as opposed to a 23,000 out-migration during the boom times of my friends opposite.

Now I know, as the member opposite does, that both of us can find numbers and jiggle them around to support our arguments. So I'm going to give you numbers that aren't mine, and I've already given you some indicators that tell us that the Saskatchewan economy in relative terms — we've had the lowest unemployment rate in Canada for the last three years consistently.

And here are some indicators, Mr. Chairman, that aren't mine. This one comes from the Conference Board of Canada. The Conference Board of Canada said, assuming normal weather and average grain yields, agricultural production will expand by 16 per cent . . . (inaudible interjection) . . . Well, how can you assume otherwise? You can't make it rain; you can't chase — well, maybe you could chase after grasshoppers, but I can't.

The board also said that Saskatchewan's economy will grow by almost 4 per cent — almost 4 per cent, while other provinces languish at zero or 2 per cent. Four per cent for Saskatchewan, zero or 2 per cent for the other jurisdictions in Canada.

The Royal Bank regional economist says: our forecast is that Saskatchewan will rebound from the drought, and there will be a 3.5 per cent increase in real growth in the province.

And then we have another organization from outside of the province, Informetrica Limited, an Ottawa-based group, suggests that Saskatchewan's economy may be as high, or Saskatchewan's growth maybe as high, as 7.2 per cent. It's almost inevitable that in 1984 Saskatchewan will have a strong growth, given the course of a normal harvest; the company's chief regional industrial analysis says the sheer mechanics show us that. The same organization — and these are their numbers — have identified \$6 billion worth of what it calls "major inventory projects" that will go ahead in Saskatchewan.

And you know, I know we can kick numbers back and forth all day and on into tomorrow, and the next day, and the next day. But, you know, you have yours and I have mine. I happen to believe that mine are based in fact. Thank you.

MR. KOSKIE: — I specifically, though, want to ask you, consistent with your policy, and I agree that what you want is further economic development — you want it; I want it; governments want it. But how is it consistent that here that you would lay on the backs of the people of Saskatchewan, as I indicate — and I don't think you can deny — \$350 million increase in income tax over five years, and the property improvement grant you've taken away, which was money in their pocket, from the resource revenue. We used to pay it to the business community and people as sort of like a dividend from their resource development — you're taking another \$400 million. When you add it all up over a five-year period, it's a massive amount of money that you're taking from every community in Saskatchewan.

And who is most hard-hit today is our local-based businesses. Why are we handing out huge benefits to the oil companies? I admit that you had some activity there. But why such a huge benefit to them and sock it to the ordinary Saskatchewan people? How is that consistent with getting what is traditionally our economy growing?

HON. MR. BERNTSON: — And I don't intend to do either Finance estimates or Energy estimates today, except to say that as it relates to the property tax, or the property improvement grant. The property improvement grant, everybody knows here that a third of that benefit was eaten up in the administrative costs of delivering that program. For every \$3 that was sent out, \$1 was eaten up in the administrative costs, number one. Number two, we also know that the property improvement grant was all of a sudden — two years ago I believe — taxable under federal income tax Act, and again, had been reduced and reduced.

So we said to the people of Saskatchewan: you want the burden of education taken away from the property tax, so let's bring some efficiencies to this PIG and get rid of it and we will redirect that money straight into education. I think it's something like 300 million over the next five years. And what have we seen, what have we seen as a result? Well, I haven't got it here before me, but I've got colleagues that are telling me that they've got R.M.s and local communities that are coming with a three or a five or a zero reduction in mill rate because of this new thrust. And I think that a lot of people out there are very, very pleased with that particular direction.

We have eliminated sales tax on prototypes, and we have eliminated sales tax on power rates. And we have eliminated the gas tax — in 1982 — and it wasn't there in '83, and it wasn't there in '84, and it's not there in '85. I think in balance, Mr. Chairman, we haven't done all that bad.

MR. KOSKIE: — Well I'm not going to belabour it because the people of the province will be the judge. And I certainly depend on their good judgement, and will do everything possible to make the information available to them.

In respect, you know, to your objectives, you have indicated that you want to get more economic investment. You have made several trips throughout this globe supporting that proposition. And I won't run through all of the holidays that you've had since you've been minister, but that is the position that you put forward, that you were wanting to get foreign investment, and you want to get markets.

I wonder, in a general way, can you indicate how much success you've had in attracting outside investment into the province. I'd like to do it . . . if you could break it down, sort of in the area of manufacturing, service industry, different categories, if you have it in that way — just a general outline of how well you're doing.

HON. MR. BERNTSON: — That presents some small difficulty, you might appreciate. I gave several examples yesterday in a general way when I was setting it out here. And, you know, it's not fair to proper for me to make the announcements of some private sector organization coming in to set up business. I'm sure they want to do those kinds of things themselves.

But capital investment intentions for Saskatchewan are . . . (inaudible interjection) . . . Well, it's suggested here that Saskatchewan will lead the nation in growth of private investment spending in 1985, and Saskatchewan in 1985 is projected to be 9.8 per cent, as compared to 6.7 per cent for Canada.

MR. KOSKIE: — Without indicating, you know, the firm and name of the firm and those who you're negotiating with, or whether it's from Germany or otherwise, this capital investment that you're talking about, the 9.8 per cent increase in capital investment — can you break that down as to how much, one, would be Saskatchewan; two, how much of that would be Canadian; and, three, how much of that would be international?

(1530)

HON. MR. BERNTSON: — I think that's a little difficult too, because some of the projects, I would guess with precision, don't have a price tag on them yet. But the examples that I gave yesterday were things like a U.S. plastic pipe company setting up in Saskatoon, and I think you'll hear the announcement next week on that one. And it's significant. I think 80 jobs there . . . (inaudible interjection) . . . Well, it might be out, but if you it through the normal channels that the opposition use, some of those we plant, you know. So be careful how you use them.

Another one of course — and I can tell you this one — is the Hoechst chemical company from West Germany, and they're already well under way in their expansion. And I don't know what the capital investment is there by the West Germans. And I suppose I could find out, but I also guess that it's none of my business.

And, you know, several of those . . . About 200 projects approved under our Industrial Incentive Program, and I think 68 communities or something like that that are touched by the Industrial Incentive Program, and they vary from very, very small to very, very large.

MR. KOSKIE: — That is about as ambiguous an answer with a less degree of precision so that you can continue to roll around and no specifics. Again, it's primarily numbers and rhetoric rather than . . .

So I guess I ask you: in the three years up till now, could you outline the amount of international — I use that term international — investment in the province? Have you got any up to date? By that I mean, European, Japanese, Chinese investment. Have you got any record of that?

HON. MR. BERNTSON: — No, we haven't. And the only thing that we would have a record of, I guess, would be those kinds of things where we or the Crowns are in joint venture, say in a uranium mine or something like that. And you will know that the Premier has talked with people in France and Great Britain and Germany . . . (inaudible interjection) . . . Soon.

I don't know how you get a handle on the absolute numbers. The numbers are all brought in through survey of private sector and public sector. And I don't know how you get a handle on it with precision.

MR. KOSKIE: — Well with your economic policy of attracting outside investment, Mr. Minister, do you have a time frame when we might be able to see some of the fruits of the efforts? Are you banking on a 10-year plan, or is this yet another five-year plan?

HON. MR. BERNTSON: — I think this is a 25- or 30-year plan, because we're going to be around for a very long time. But in the next year or so, I would hope to cut about 80 ribbons and, you know, some sooner rather than later, and it will go on and on beyond that.

MR. KOSKIE: — In respect to the other thrust, and that is marketing, can you sort of outline any new initiatives that you are planning . . . Well, let me put it this way: what your present marketing initiatives are, and whether you have any new marketing initiatives for the coming year.

HON. MR. BERNTSON: — Well, you know, if you let me out of here, I'm leaving on another one tomorrow. But I guess we'll see. But this very day we had several high-tech companies participating in Saskatchewan's . . . I mean, in the Canadian High Technology show, and that was in Ottawa, Saskatchewan's 3,000-square-foot display was the largest among 450 exhibits and attracted an estimated 5,000 high-tech buyers and manufacturers from Canada and the U.S.

The people that were there from Saskatchewan were people like CAPA, people like Advanced

Datasystems, Business Data Management, SCI-TECH, Horizon Robotics, Develcon, SED Systems, Inventronics, University of Regina, and university of Saskatoon. There are 25 here, I think — 25 people, high-tech companies, universities, etc. — representing Saskatchewan at this high-tech show.

We also have . . . As a matter of fact, there's a group from Jilin province in China this very week, selecting a 747 load of Holstein cattle. And we have trade shows; we have all of the publication promotion that you've seen; we answer thousands and thousands of inquiries each year, spend quite a bit of time travelling around the world promoting Saskatchewan. I don't know how much detail you want on these, but I'm sure if you want more you'll ask.

MR. KOSKIE: — Yes, just continuing with the marketing. I'm not critical of these display pavilions in marketing the products, and I encourage you to continue that. But, you know, what is happening in British Columbia, which we have a pavilion there, is Expo '86. That's not a new idea. They had one down in New Orleans which set that state or that city back millions and millions of dollars. The overrun in Expo '86 in British Columbia . . . I'm not preaching doom and gloom, but the overruns on the costs have been astronomical. So I caution you in respect to some of the major displays in the world.

But in respect to marketing do you have any — what are they called? — international operations? That is, have you got representatives located in various parts of the world? I know you had old Eric Bedson down there on a retirement . . . (inaudible interjection) . . . Derek, yes. I don't deny he was a nice old gentleman, but I would not send him out to sell refrigerators to the Eskimo, I'll tell you that. Nor would I sell him as a representative selling Saskatchewan products. But be that what it may, I understand that he has now retired with a lucrative salary while he sun-tanned in one of the best countries of the world, that socialist country called Austria. And what I ask you: can you indicate where you have them, and can you outline the staff complement, and the cost of these operations, and if you have any future plans?

HON. MR. BERNTSON: — Yes. Our future plans for way long way into the future — 20, 25, 30 years. Before I get to your last question, in addition to the previous question, the trade fairs that we were represented at were 24 around the world. And they varied from the Hanover Fair in West Germany; to Minot Agra-Future in Minot, North Dakota; to Bangkok; to Big Iron Show in Fargo, North Dakota; the Husker Harvest Days in Grand Island, Nebraska; to Santa Domingo, Dominican Republic; to Canton Trade Show, Canton; Montana Agricultural Trade Expo. And we had people at 24 of these trade shows or trade fairs around the world last year. And the cost of sending the companies or officials over to those trade fairs for the year was \$144,445.

Incoming missions. We had incoming missions from Belgium, from Beijing, Peoples Republic of China, people from Jilin province, from Chile, Indian government, an economic and technical group . . . (inaudible interjection) . . . Our trips were separate, different parts of the world . . . (inaudible interjection) . . . Okay. And France-Canada Chamber of Commerce for a total of, I don't know, about 20, 25 — \$45,412 spent on those incoming missions. Outgoing trade missions looks like one, two, three, four, five, and the support given there was \$6,882.

Okay. The three offices that you asked for: In Minot, North Dakota, the office there is Norm Andrews, and I think most of you know him. He's been around for a long, long time — well not that long, he's still a young man. He's under contract to us, representing us in the northern states. The total cost of our Norm Andrews operation, if you like, was \$146,748.

In Hong Kong we have a fellow under contract by the name of K.S. Loh — that's L-o-h. he looks after our Pacific rim interests at this time. And the total cost to date of that last year, \$121,107 Canadian.

The London — Saskatchewan House in London — we have in that operation one trade officer and that trade officer is an officer of our department. The total cost to our department is \$51,217.

Now plans for the future. I think I mentioned last night in my remarks that soon (and by soon I mean within the next few months) we will be announcing an office in the real sense as opposed to a contract agent in Hong Kong.

MR. KOSKIE: — Those are the three offices that you have in respect to your portfolio. You also have one other office over in Vienna . . . (inaudible interjection) . . . Yes. And does it do any work on behalf of this department, or is it just a nice place to live?

HON. MR. BERNTSON: — Only in the spirit of co-operation, you know, we work hand and glove. The department and Agdevco have the same boss.

MR. KOSKIE: — Fortunate, eh? In respect to the trade fairs, you indicated some 24, I believe, and indicated, I think, where some of them were. How does your department assist the business community in respect to the trade fairs? Just a general outline as to how you go about the selection, and I suppose it'll depend upon the fair — you know, whether it's agricultural, or high-tech, or whatever. But the way in which manufacturers, for instance, can qualify and how do you make up the list, and what financial support that you give them.

(1545)

HON. MR. BERNTSON: — We have a roster of all exporters in the province, and we know their interests. We know where the trade fairs are, and what they are, and when they are. And so we notify our exporters well in advance and, you know, try to stimulate interest. And often the interest is there without a great deal of stimulation.

There are a few things we can do, including we have the Saskatchewan display that we send around to most of these trade fairs, and we can rent a block of space at the trade fair and provide the space for the Saskatchewan exporters, or whatever. At these trade fairs, we can give them some funding under the Aid to Trade program, and I have an Aid to Trade pamphlet here that I can send over for you if you're interested in getting into the export business . . . (inaudible interjection) . . . Send them in. Maybe we missed a couple of yours.

MR. KOSKIE: — I think so. You must have looked on the membership list.

In respect to Saskatchewan House in London, you have a trade officer there. Can you provide us who that is and the qualifications?

HON. MR. BERNTSON: — Who it is and what? His name is Alex Duffy. It's actually Duffy. It's D-u-f-f-y, and it's French. And I don't know if we have a . . . But he has vast experience in the world of marketing in Europe. He is a native of France, fluent in French and English and German, and was recruited on the London side. And he was statistical assistant at OECD in Paris from '67 to '68. From '71 to '72, he was contract researcher at NEDC in London. From '72 to '75, business representative Bowmaker Ltd., London; '75 to '78, economic and political advisor overseas to Fisons Ltd., London; 1978 to 1980, area manager, marketing and credit analysis. Balfour Williamson and company, Ltd., London; '80 to '82, area manager, trade finance and project finance, Meridian International Credit Corp., London; '82 to '84, consultant on trade finance. Education: Bachelor of Science, economics, industry and trade, and an MBA.

MR. KOSKIE: — In respect to a couple of projects that you have been announcing, or someone has been . . . I don't know if it comes under the purview of your department or not, but it's in economic development, and I'm interested to know: in respect to the announcement that was made in Humboldt of a major malting plant to be established there — it was headlines in the *Humboldt Journal* — and I wonder whether you could indicate whether that is under advisement yet, whether it was ever feasible, whether it was just dreamed up by the Tory mayor in Humboldt. Because shortly after the announcement that there was going to be a major malt

plant in Humboldt, what happened is that your government expanded substantially and increased your investment in the malting plant at Biggar. The two did not seem to be consistent. When I checked it out, I find that there was a number of malting plants throughout Canada which are underproducing because of the demand for the product.

Could you indicate whether that was part of your experience of going over to Germany — as I understand it, it was a German firm that was coming into the Humboldt area; a good German area, by the way — and whether that plan is still going ahead?

HON. MR. BERNTSON: — In fact as I understand it, the person that was promoting the malt plant in Humboldt was in fact one of the minor shareholders in the Biggar plant. And the expansion for the Biggar plant was, as I understand it, planned well in advance of any proposal or suggestion of interest in Humboldt. And when Humboldt asked us — when I say asked, I mean government generally — we provided them with the market studies etc., that were at Crown Management Board, and what decision they have taken as a result of those market studies, I have not been privy to, exactly.

MR. KOSKIE: — Are you aware of the . . . Can you further indicate as to the nature of the study, the likelihood of that proceeding?

HON. MR. BERNTSON: — No, I can't. I'm simply not familiar with the study. But if they do proceed, if they do proceed they will be eligible under our IIP (Industrial Incentive Program) program to the extent of 25 per cent of capital cost and \$7,500 per permanent job.

MR. KOSKIE: — The reason I ask you that is, we had a government previous to the 1970s, '71, and they had exactly the same philosophy. In fact, you had the son of the premier in your caucus, who helped design your open for big business strategy. And what we found during the era of that government is that there was a lot more announcements at opportune times than there were commitment to proceed with the projects.

AN HON. MEMBER: — You remember the heavy water plant.

MR. KOSKIE: — Yes. We had a heavy water plant announced several times in the past; and now what I ask you is: I think that the people of Saskatchewan don't wish to be deceived in respect to your implementation of your economic policy. I think building up unnecessary aspirations without a commitment to the fulfilment of it is not in the best interests of the government or the people of the province and the community.

And I really turn to another concern, and you may have been involved here too, although I don't know. But we have an announcement of a feasibility study in respect to the potassium phosphate plant in the Kandahar, Wynyard area, and I welcome that, providing that it's going to proceed. And I am amazed, when I went through Crown corporations with the minister, and there's a demonstration plant, Mr. Minister, you'd better listen carefully. There's a demonstration plant established at Cory mine to determine the feasibility of commercial production of potassium sulphate. And in questioning the minister in respect to it, I asked whether or not the pilot or demonstration project had been commissioned. And he said no, it's just being commissioned. We have not, in fact, gone through the 30,000-tonne demonstration . . . (inaudible interjection) . . . Yes, I do.

But no, I'm just asking you as the concern of the general public because there was a major hype in the Humboldt area of the likelihood of it coming. And I think that anything that you put out there should be in a serious vein, rather than the announcements and then the let-down.

And so what I'm saying here is that the demonstration plant hasn't even been put onto base prior to an announcement. And what is said is that the announcement was made in respect to the 300-tonne potassium phosphate plant at the Kandahar-Wynyard area. And I wonder why,

whether or not it's the policy of the government to really firm up, to firm up a commitment to proceed with these, rather than in the past, under the late premier Ross Thatcher, where we had three or four times, in three or four different communities, getting a heavy water plant.

And so I just ask you: generally, as the head of Economic Development and Trade, what is your policy so far as the commitment to the communities relating to industrial development?

HON. MR. BERNTSON: — I'm thinking that the member would be hard pressed to find a project that was announced by this government that wasn't proceeded with or isn't being proceeded with. And if we look at the Humboldt situation, there was no announcement, there was no announcement by this government.

And I happen to agree with the member opposite that it is wrong. It's simply not fair to raise expectations and then see the thing evaporate. And that's exactly what I told the mayor and the city council and the economic development group from Humboldt when I met with them, that what they ought to do is make sure that feasibility, feasibility was there before they raised — to raise expectations in the community. And I think that advice was taken. And I don't know where they are now as it relates to the project in your community. And I'm trying to be serious because I think it's a serious project, but I'm not sure whether we want you back here or not. It might be a plus for us if you're back here, so maybe we'll give it to you to get you back here.

But in any event, the decision, the decision was made because there were plans, as I understand it, in potash to do this project assuming viability of all the tests, etc., etc. in the pilot. And some of the rumours were getting around and there was getting to be some pretty wild speculation going on in your community, so the decision was made to go public and come clean so that everybody knew what was going on there. As to whether it goes forward or not, I am in no position to say at this time.

MR. KOSKIE: — The only other concern that I raise with you is that there's a fair number of people (I know this is not in your department, but I just pass it on to you), that with industrial development the environmental impact studies is of concern to a number of people, certainly to my council down in the Wynyard area. I've been in discussion with them, and I have had the co-operation of the minister who will make an arrangement in order to explain better to the public . . . (inaudible interjection) . . . I'm just talking, I just want to draw to your attention the other area of concern in various communities, is the impact on the environment as a result of it, because to many of the communities, that nature of a development they aren't clear on.

And I would hope that you as heading up the industrial development area of the province would assure that the communities do have an opportunity to discuss with the officials in an intelligent way the impact, and to allay their fears. And as I say, I commend the minister in charge of the potash corporation. I've talked to him. He's indicated that he will in fact arrange to have officials to discuss it with the town council and the municipality and any interested people.

(1600)

I want, Mr. Minister, in respect . . . I was supposed to be out of here by now, but in respect to the Chinese purported investment, can you indicate whether the Chinese are any further progressed in respect to any investment in the province, more particularly relating to the Lanigan potash mine? I know there was meaningful discussions going on, and whether as the international representative of this government in no mean way, whether you could update us on that?

HON. MR. BERNTSON: — I can't really, because those discussions have gone on between potash and the Chinese, and I may know something more about that either when I'm briefed by potash or when I come back from China.

MR. KOSKIE: — It would be of assistance on item 1, Mr. Minister, if you could provide me with a

list of all your personal staff that you have, personal staff: the names, the position, whether they're ministerial assistant, or whatever they are, salary. And if you could do that throughout all the little other portfolios that you have so I have a total collection of them I won't ask you again. Like, if you have any in the Provincial Secretary. If you can do that now. I don't know if you can . . . (inaudible interjection) . . . You'll pull that together?

HON. MR. BERNTSON: — Yes.

MR. KOSKIE: — All right. And in the administration, I would appreciate too if you could provide me with . . . I note that you have nine persons employed in the administration. I would like to, if you could provide me — it doesn't have to be today but certainly faster than you've provided most of the other information in the order paper — the names, the positions, and the salaries of the nine employees under item 1, administration.

MR. ENGEL: — Thank you, Mr. Chairman. Mr. Minister, I wasn't clear when you were giving the amounts and what it costs to run the various operations. I was quite surprised that Japan's operation would be cheaper than Minot's. I thought the real estate and the rent and everything would be more money. I understand that we run a little operation in Japan for about 120,000 a year, and in Minot for 160. I was wondering why the difference? Why should Minot be higher than Japan?

HON. MR. BERNTSON: — Okay. The Minot office is an office with a man and a secretary, full-time position. Okay? The Hong Kong office is not an office. It is an individual under contract, part-time. But as I said, we are planning to open an office in Hong Kong within the next few months, and the annual budget or the budget that we've projected for '85 for that office is in the neighbourhood of \$450,000.

MR. ENGEL: — How does that compare with the operation in Saskatchewan House in London? Do we have some numbers on what that costs us to run?

HON. MR. BERNTSON: — I don't have any idea. Our cost, my department's cost in London is about 52,000. We have one man there.

MR. ENGEL: — Does the Executive Council finance . . . The rest we can talk with the minister's operation there. But as a ballpark number, I guess the rental rates and so on in London would be comparable to Japan. I was just wondering how that compares. Is London more money or less?

HON. MR. BERNTSON: — I don't know. Our office, I should point out, is going to be in Hong Kong, not Japan. But I have no idea. I have never lived in either one for more than couple of days at a time.

MR. ENGEL: — How many people, on behalf of your Premier, how many people is Mr. Duffy working with? How big an operation is it in Saskatchewan House now, total — the London operation? Do you know whether there's six people there, five, two?

HON. MR. BERNTSON: — If I answer — I don't want to get off on this track of defending the Premier's estimates, because I don't have his officials here. But as I recall, there's the agent general and one secretary and one number two person, and our trade guy — so that's a total of four, as I recall.

MR. ENGEL: — Thank you for that clarification.

MR. KOSKIE: — Mr. Minister, just in respect to item 1 again — other expenses. I wonder if you could give me a general breakdown and the amounts of other expenses under administration. Specifically, is that where your travel allowance for ministers' travel expenses are included there? I noted last night in Tourism and Small Business he indicated that he had some 15,000 set aside. I

was wondering if you could give me a general breakdown of the other expenses under that item and whether or not your travel expenses are included in that?

HON. MR. BERNTSON: — Okay, the estimate is \$40,000, ballpark, for travel for me and my officials in that subvote, yes.

MR. KOSKIE: — How does that compare with what you spent the previous year?

HON. MR. BERNTSON: — About 36 the previous year, ballpark.

MR. ENGEL: — Just one more question. As far as your department is concerned, do you concern yourself what general trade relationships with Saskatchewan and our neighbouring countries?

Like, you have the office in Minot. What really concerns me is that constituents and pork producers across the province are very concerned about the trade barriers that have been put up by the United States. You know, it's making a difference whether a constituent of mine that spent 350 or \$00,000 on a nice new plant in the last six or seven years — it might even be 10 years old already — and he's to the place now where he's not sure whether he can keep it operating the way he has.

What work are you doing out of your office to aid the little Minister of Agriculture that just doesn't seem to be getting the message across that the farmers are hurting? Are you helping out in this serious economic squeeze that the Americans are putting on us? And have you a way that can help our Saskatchewan farmers out?

HON. MR. BERNTSON: — Yes. I talked about this a little bit last night. But essentially what is happening: as you know, there's a first ministers' conference going on next week and this is one of the topics on the agenda.

At this very moment there is a deputy ministers' trade ministers' conference going on in Ottawa — assistant deputies, I'm sorry — and this is one of the topics of discussion. You know that these kinds of relationships are worked out at the federal level. But in addition to that we use whatever persuasion we can because of the relationships built up between us and North Dakota and Montana and other governments that we deal with on a regular basis.

And you know, I share your concern as it relates to our pork industry here in the province, and it's something that has to be resolved. But I think it is resolved at the table and not getting into a media battle, as it were, over the thing.

MR. ENGEL: — In a press clipping today, your federal minister, Mr. Wise, indicated that possibly part of it was because of a subsidy program is in place. Is the Saskatchewan SHARP (Saskatchewan Hog Assured Returns program) program being questioned by the Americans as an insurance program, or is that looked at as a subsidy program? Or what negotiations are going on in relationship to the reasons why the Americans have put this embargo on our pork producers?

HON. MR. BERNTSON: — Well we look upon it as an insurance program and we, you know, are giving our best effort to convince them that it is an insurance program. Premiums are paid and pay-outs are made when certain triggers are hit. We believe that it is an insurance program and we're hopeful that we can convince them that that's just what it is.

MR. ENGEL: — I appreciate the remarks of the minister because I wanted to get that underlined. I think the program that was implemented was very well received and I'm happy to note that there's one minister that doesn't look with evil eyes at a program that was implemented by a former administration, and will defend the farmers and will defend this program internationally in your travels around the world, use your influence to bring pressure to bear on your counterparts

in Ottawa who consider programs like that subsidy programs.

I was very distressed by Mr. Wise's comments to the agriculture committee in Ottawa where he referred to them as, these subsidy programs have to be cleared up so that the Americans won't include what the people are getting and pork producer isn't.

I'm sure he was referring to Saskatchewan's SHARP program which levels the price out nicely for our pork producers. It costs them a little when they're making money, but when the price drops they are picking up that difference. I appreciate your defence of a program that was implemented by a former minister of agriculture and that it's a program that works well. I want you to take that message to Ottawa so that they, too, will see the light and recognize that not all programs that were implemented by the former administration were necessarily bad and need to be put away.

I think we have examples of that and that's where you're making your mistakes, and that's where you're really seeing your political slippage because you think that anything that was implemented in the past has to be destroyed. I hate to get political on a serious matter like this, but I appreciated your answer and I want to make that comment.

Item 1 agreed to.

Item 2

MR. KOSKIE: — Just in respect to item 2, Mr. Minister, the budget has increased by almost \$200,000. The staff complement has remained the same. I ask you: in respect to industrial development, the 17 people in that subvote, are they all in-house, in other words, within your department? Or are some of those located in other parts of the world? That's the first question, so I ask you that.

HON. MR. BERNTSON: — Okay. The most of it can be covered by a small reorganization where investor information service was transferred into this division, okay?

(1615)

And the balance is funding for the Industrial Incentive Program audits that will be done by outside folks — you know, auditors, accountants, whatever. And that accounts for the lump, I guess, of that increase.

MR. KOSKIE: — In respect to personnel, Mr. Minister, the 17, are those within your department?

Item 2 agreed to.

Item 3

MR. KOSKIE: — Again, the same number of personnel, a significant increase in the amount of personal services, and a substantial increase in the other expenses. And I'd like an explanation in respect to international operations. That is, personal services, why it has increased from 640 to 787; and again, in respect to personnel, does that include those that are located in Hong Kong and London and Minot?

HON. MR. BERNTSON: — Okay. There's again a little juggling on our reorganization, bringing the entrepreneurial immigration program into this subvote.

The answer to your question on the people in Hong Kong and Minot: no, they don't show up here. They're under contract. Okay? And the bulk of this new funding is for the establishment of the Hong Kong trade office.

MR. KOSKIE: — Could you just clarify for me the little juggling that you were talking about? I don't follow the impact of what you indicated there, because it jumped from 991 to \$1.195 million.

HON. MR. BERNTSON: — Okay, that other expenses, the 991 to the 195, that's all made up by the funding for the Hong Kong office. Okay? And you'll notice that that doesn't quite add up to the three, whatever it is, we've budgeted for the Hong Kong office. It's something less. And we've carved and cut and shaved elsewhere to find the budget for the Hong Kong office.

MR. KOSKIE: — Well if these contacts . . . You say some of them are under contracts, Minot and so on. Under what section are they paid if they're not paid under the subvote, international operations?

HON. MR. BERNTSON: — The money is in this subvote, right? But they're not included in the position numbers.

Item 3 agreed.

Item 4

MR. KOSKIE: — Back to communications. What I would appreciate, if you would provide me with the names, the positions, and the salaries of the personnel in the communications, if you could do that.

And in respect to other expenses, there's a very substantial amount of money. It's down slightly from the previous year. I was wondering whether you could indicate, in the past year what were the essential accounts and the amounts that were spent on communications and the nature of expenditures for communications.

HON. MR. BERNTSON: — Okay. The main item here is Dome Advertising, and this includes all money paid for displays, printing, preprinting, translation, creative art, and to the Dome media buying, for media insertions. And the total there is 1.1. million in ball park figures. The balance of 400,000 in ball park is to about 20 other organizations for video displays, and there's one, a data bank, labels for implement buyers' guide, smaller items.

MR. KOSKIE: — You will supply the names of the personnel? You'll send that over?

HON. MR. BERNTSON: — I'll send them over or I'll read them, whatever you like.

Item 4 agreed to.

Item 5

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, just a few questions on policy and planning. I noted that the Saskatchewan trading corporation had changed its terms of reference and its powers and has been given very, very wide powers, really quite startling ones.

This is pursuant to an order in council of March 21st . . . (inaudible interjection) . . . Well yes, I'm talking about Agdevco. That's the current name. It started out with that name; I just read the wrong portion in the order in council.

The corporation has been given power not only to do all the things it did in the past, but:

. . . to operate importing, exporting, and trade undertaking in all their phases, either as a principal agent on commission, consignment or otherwise dealing at such

agricultural or industrial products wherever produced as the corporation may deem appropriate.

Thus may buy or sell in all kinds of business. This makes Canagrex look like a pale, pale shadow because this one can — not restricted to agricultural commodities, but all kinds of commodities can be imported, exported, either as a principal or an agent on commission or consignment or otherwise, and dealing in agricultural industrial products.

Doubtless the planning part of your department had something in mind when Agdevco was given these sweeping powers that hadn't been previously needed. I'm wondering what you had in mind, what your planners had in mind when they solicited, obviously, these very, very broad powers for Agdevco which hadn't been needed in the past.

HON. MR. BERNTSON: — Well firstly, I'm a little reluctant to get down this path as well, because it's more properly addressed in Crown corporations. But to answer the question: the planners in my department had very little to do with it because Agdevco is somewhat autonomous from the department, although they co-operate in the international market-place, you know, where advisable and necessary.

The basic thought behind . . . And since Agdevco now operates as a private sector commercial operation would operate — by that I mean it's not funded by government — it's expected to show a bottom line. And it is involved in things like a counter-trade in joint venture projects internationally, and it was deemed advisable to expand the mandate so it could be involved in these things to promote Saskatchewan source products and equipment and technology abroad.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, some of these might have been asked under industrial development, but I think they equally can be asked under policy and planning. What sort of planning are you doing to deal with the industries brought to Saskatchewan and the trade brought to Saskatchewan by your predecessor, Mr. Rousseau, the hon. member for Regina South?

We will recall his trip to Europe when he held that portfolio, saying that he was going to sell potash in Europe and going to sell coal in Europe. I thought these were rather remarkable pronouncements when he made them, and I wondered whether you have had any good fortune in selling in Europe any potash and coal, pursuant to the trip which he made.

HON. MR. BERNTSON: — The markets in Europe for Saskatchewan potash and Saskatchewan coal, you might guess, are not great. But as a result of the trips by my predecessor and by the Premier and by myself, we have talked with people in those markets who have some expertise in the technologies relative to those industries, for instance, coal gasification, coal liquification. And these discussions are ongoing in a very preliminary sort of way. And I'm sure that the hon. Member knows that it takes a while to develop those kinds of projects.

HON. MR. BLAKENEY: — Just a few quick questions. It's a little more than a year ago, perhaps almost as much as 18 months ago, when you advised a group in Saskatoon that the provincial government had held talks with the industry officials about the possibilities of a plant that produces parts for Japanese cars being established in Saskatchewan. And I wonder — this is back in November of '83 — whether you can tell me whether planning is proceeding on that basis and when an announcement respecting the plant might be expected and where the plant would be located.

HON. MR. BERNTSON: — Firstly, at no time did I ever announce that there was a plant for parts for Japanese cars coming to Saskatchewan. I did talk about, at one point, being desirous of having such a plant here and we did have discussions. But I think the bottom line is, we got outbid by Ontario.

HON. MR. BLAKENEY: — This one, Mr. Minister, just talks about your speech to the Progressive Conservative convention at Saskatoon and doesn't talk about a bidding war with Ontario . . . (inaudible interjection) . . . Yes. You didn't deal with that at least so far as the press report is concerned. A further item indicates that . . . This has to do with the CSP plant at Saskatoon, the canola crushing plant, the rapeseed crushing plant. Is there any prospect that that might be able to reopen in the immediate future? . . . (inaudible interjection) . . . In Saskatoon.

(1630)

HON. MR. BERNTSON: — My understanding is, in talking with the folks from pool and Ken Sarsons from CSP in Saskatoon, that the problem with the Saskatoon plant, specifically, is one of ageing technology. And I simply don't know whether there's any prospect of it opening soon. The one in Nipawin, however, has later technology and I understand that it's their desire to keep that one up and running and profitable.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I'll just ask a very . . . Simply for information now, is the plant at Harrowby, the rapeseed crushing plant operated by the pool, or CSP, just on the Manitoba-Saskatchewan border at Harrowby, Manitoba, is that now operational?

HON. MR. BERNTSON: — Today? I don't know. I'll find out.

HON. MR. BLAKENEY: — This, Mr. Chairman, and Mr. Minister, deals with the prospect of an office chair factory. And can you tell me whether that prospect is still . . . I'm dealing with the reports of perhaps six months ago of the possibility of an office chair company wanting to build a manufacturing operation in Saskatchewan. And can you tell me whether that prospect is still alive, or it is no longer alive?

HON. MR. BERNTSON: — I think I can find out for you fairly easily. Our involvement with that was only to the extent to explain the programs of the province. It was, I think, a Norwegian firm dealing directly with the economic development officer of the city.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I deal with another plant, and this deal has to do with industrial minerals, and deals particularly with Avonlea Minerals Industries. And you will be familiar with the story which appeared in the press just about a month and a half or two months ago, indicating that Avonlea Mineral Industries is close to opening a plant to make floor tiles from clay deposits, the clay coming from the Rockglen area. But the plant won't be in Saskatchewan but will be in Thunder Bay. And the report goes on to say: "We would have liked it to be in Saskatchewan, but we needed 8 to \$10 million. Other sources indicate Avonlea officials tried to interest the Saskatchewan and federal governments in helping such a plant here, but were not successful."

Would you care to comment on that? I'm not suggesting that you should necessarily have laid out 8 or \$10 million — that's not my argument. But is' an interesting comment.

HON. MR. BERNTSON: — We would have liked to have had the plant in Saskatchewan as well. And the competition was just beyond reach, quite frankly, because what they did was bought an existing plant in thunder Bay, and here they would have to start from green fields.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I ask a question here which has to do with the SaskExpo 86 Corporation which I take it is, in essence, managed by your department. And if this is not the appropriate place, I will attempt to find one. But what I'm going to ask is whether or not, when the pavilion was built, whether tenders were called to find out what construction company was going to build it, or whether it was an assigned tender.

HON. MR. BERNTSON: — I think this is not the appropriate place, but to answer your question,

tenders were called. Smith Brothers and Wilson were the successful bidder. They are the oldest construction company in Saskatchewan, and they are headquartered, I believe, Saskatoon, in Saskatchewan, and they also have an office here in Regina.

HON. MR. BLAKENEY: — I think I'm aware of Smith Brothers and Wilson, and aware I think of the person who heads up their operations in Saskatoon.

Item 5 agreed to.

Items 6 and 7 agreed to.

Vote 19 agreed to.

SUPPLEMENTARY ESTIMATES 1985

CONSOLIDATED FUND BUDGETARY EXPENDITURE

ECONOMIC DEVELOPMENT AND TRADE

Ordinary Expenditure – Vote 19

Item 1

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I looked at this amount and . . . (inaudible interjection) . . . That's right, and furthermore was struck by its size. I'll just try to relate it to the previous items.

The grants were . . . If I understand the program right, the grant last year, the amount voted last year, was \$308,000. And you needed a supplementary to add slightly to it by \$2.75 million which was . . . Your vote suffered from some shortfall if the supp was even times the original vote. Could you throw some light on that?

HON. MR. BERNTSON: — Yes, I will attempt to do just that. You will recall several months ago there was an announcement of a \$5 million grant to Agribition for the building of a new building out there. That is spread over two years, so that 2.5 million of that 275 is accounted for in that way.

In addition, there is 250,000 going to match the federal grant to Athol Murray Notre Dame college to build a facility there. So there's 2.5 plus 250 is 275.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I'm not, I think, perhaps quarrelling with the facility, but . . . Now these are for investment and trade development. Could you be a little more helpful in how the facility at Notre Dame college will be properly funded as a grant for investment and trade development, as opposed to education?

HON. MR. BERNTSON: — Only to be half facetious, I suppose, bringing in hockey players from Japan and so on to develop those cultural ties. To be completely honest, it had to be put some place. I was the guy that was contacted by the federal government to see if we would match their dollars to provide for this during election fever of a year or so ago, and so it ended up under my subvote or under my department, and it's also part of the Employment Development Agency. That's where the moneys are voted this year.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, are you particularly familiar with staff members down at Notre Dame, or something of that nature, that allows you to have this close liaison?

HON. MR. BERNTSON: — It's becoming less and less familiar, unfortunately. There's one out there that I have a particular fondness for, and I'm hoping that that relationship will continue, but we're going to have to do something to make it flourish beyond the next few months.

MR. KOSKIE: — I was wondering whether other educational institutions, say, St. Peter's College, would get similar consideration by this government, as did Notre Dame, where your wife teaches at. And in the heat of the last federal election, I was wondering whether . . . They have some plans, I know, and they have indicated them to me, and I was wondering whether similar generosity would be indeed extended to St. Peter's College.

HON. MR. BERNTSON: — I suppose the generosity was born out of the fact that the feds had a thing at that time called the special employment grant fund, and we matched their special employment grant fund, and the school, as I understand, came in dollar for dollar as well. So as I recall, it was a three-way matching arrangement, and I suppose each project would have to be looked upon on its own merit. Since there is . . . this fund no longer exists, I doubt that we would be called upon too much to match federal dollars for these kinds of things.

MR. KOSKIE: — Well in fairness, in one community you saw fit to give a substantial matching amount of money. I think if you did, indeed, match it, and the need I know was required out there . . . But what I'm asking you is: I have another community, the community of Leroy, that was looking at a major project — a great hockey town and they have organized it. And what we would like to know: whether this is just available, whether you have continuing generosity, whether the feds are in it or not, and whether you would match the local contributions to projects which I enunciate.

HON. MR. BERNTSON: — I mean, the kind of programs you're talking about should properly be addressed, I expect, to Culture and Recreation — those kinds of people or Education, or whatever. This is a one-time matching grant to more or less accommodate the generosity of the federal government of that day. You know, you hate to see \$1 million flying away when you have a chance to grab it. So after long and thoughtful deliberation we decided to facilitate, as it were, the federal generosity, and came up with this grant.

MR. KOSKIE: — Just in respect to talking about the federal generosity, I take it that this was under the previous government in Ottawa that the grant program was available. I was wondering whether the minister felt that it was a worthy type of program, and whether he has made any representations to the new federal Tory government, which apparently has wiped it out — whether you would make any representations in order that other communities, worthy communities like Leroy or St. Peter's College in the area that I'm aware of, whether you'd make representations to put that back on board.

HON. MR. BERNTSON: — What I said to the federal government was this: the employment development grant program under the previous government was designed to win an election, and based on the results of that program, I would advise you not to get into it.

Item 1 agreed to.

Vote 19 agreed to.

(1645)

CONSOLIDATED FUND BUDGETARY EXPENDITURE

PROVINCIAL SECRETARY

Ordinary Expenditure – Vote 30

Item 1

HON. MR. BERNTSON: — Mr. Chairman, sitting beside me is Marj Jermyn, deputy provincial secretary, and behind me kitty-corner is Elizabeth Smith, director financial services branches, Revenue and Financial Services.

MR. KOSKIE: — Yes, Mr. Minister. I was just wondering whether you could indicate under item 1 whether there has been any new policy initiatives by the department . . . (inaudible interjection) . . .

HON. MR. BERNTSON: — No.

MR. KOSKIE: — The staff complement under executive administration: is that the same as was the previous year, the same people?

HON. MR. BERNTSON: — Yes. 6.5, I think, in both cases, and I believe they're all the same people.

HON. MR. BLAKENEY: — Can you give me the names of the senior prior in the Department of the Provincial Secretary?

HON. MR. BERNTSON: — Marj Jermyn, deputy provincial secretary, excellent credentials, long-time apolitical; Jim Martin, information services officer 4; and Dianne Leib, ministerial assistant B. How far do you want me to go? Nancy Thomson, ministerial assistant C.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I think perhaps I didn't make myself clear. I didn't mean necessarily under subvote 1, but just how are the senior people? Who runs whatever is run by that? All of the companies and that sort of thing is all over in Consumer and Corporate now. What does this department do that it needs an information officer?

HON. MR. BERNTSON: — We have information services headed up by Bob Leonard, and I think you might know him — an excellent individual, does a great job for us. You know him . . . (inaudible interjection) . . . oh, terrific guy. And Ombudsman, and Lieutenant Governor's shop, and that's about it. And of course the great seal of the great province, of the province of Saskatchewan.

Item 1 agreed to.

Item 2

MR. KOSKIE: — In respect to the provincial inquiry, I noticed the same complement of staff. There is an increase in other expenses. I take it would be possibly . . . I guess I'll let you explain it, rather than give you the reason, but I would expect a part of the reason is that the increasing number of complaints that are flowing in as against the policies of this government that initiates more equipment in order to process the massive amount of public denunciation and concern with the basic policies.

However, you may want to elucidate and give your version.

HON. MR. BERNTSON: — In 1983 there was a minus 2.3 number of calls coming in to the inquiry centre; in 1984, minus 2. And although it doesn't show up in these statistics, I'm told by those all-knowing folks that work over in the Provincial Inquiry Centre that all of the calls that came in were inquiries in a very positive way as it relates to the new and positive programs put in place by this government.

MR. KOSKIE: — Are you aware of whether we received any in respect to the public position in

respect to tax increases? Have you had many of those?

HON. MR. BERNTSON: — None that I'm aware of.

MR. KOSKIE: — I want to ask you: in so far as the Provincial Inquiry Centre, in respect to the Provincial Inquiry Centre, seriously, has there been any major increase or can you give me roughly a comparison with last year?

HON. MR. BERNTSON: — . . . (inaudible) . . .

MR. KOSKIE: — I see. Fine . . . (inaudible interjection) . . .

MR. CHAIRMAN: — Order. I would ask the minister to answer from his feet, so it would be recorded.

HON. MR. BERNTSON: — Do you want me to answer on the record?

MR. CHAIRMAN: — Yes.

HON. MR. BERNTSON: — Okay. Last year there was 2 per cent fewer inquiries than the previous year. The previous year was 2.3 per cent fewer than the previous year.

MR. KOSKIE: — I can see that this is a direct relationship that inquiries . . . Less and less results from the inquiries, and as a consequence there's less and less people obviously using the inquiry centre. And that's what I expected, is that there'd be less people even wanting to communicate because of the inability of this government to respond, because I think the record, in my experience, has been — through the ministers' office particularly — has been one of the worst I've ever seen. You can have an inquiry . . . That's not all-inclusive of all ministers, but some of them you wait for months in order to get a reply directly. Not from the Provincial Inquiry Centre. I'm talking about directly to the minister's office.

And I would have thought that this flows over into the difficulty that the Provincial Inquiry Centre would have with the proper communication of ministers in replying to their correspondence or inquiries that we as opposition make, and the general public.

HON. MR. BERNTSON: — It's a little difficult for me to carry on with the positive sort of attitude that we've had all afternoon when my good friend and colleague starts kicking around the very competent people in my Provincial Inquiry Centre, who happen to be very competent people and I think are doing an excellent job. And the reports that they give me are very positive indeed as it relates to the nature and type of inquiries that are coming in.

And, you know, we can agree to disagree on this point, I guess, but I support the provincial inquiry and the concept that was brought in, I think, by your administration. I think it's a good one and we're going to keep it around. And I was going to say in spite of the grumblings of the hon. member, but I won't do that.

MR. KOSKIE: — Just to close this comment, I don't want to lead you to believe that I was in any way critical of the Provincial Inquiry Centre. That is not what I was saying. I was saying that in my experience in dealing with the ministers, which often the Provincial Inquiry Centre will have to deal, that is where a lot of the problems have occurred, directly in the minister's office — nothing to do with the efficiency of the inquiry centre.

We initiated it. We had an open government when we were in office, and good communication with the people of this province. We provided and answered their . . . And I'm glad to see that you have continued to adopt in one aspect, at least, what we set in motion.

Item 2 agreed to.

Item 3 agreed to.

Vote 30 agreed to.

CONSOLIDATED FUND BUDGETARY EXPENDITURE

LEGISLATION

Ordinary Expenditure – Vote 21

Item 2

MR. KOSKIE: — In respect to the Ombudsman in subvote 2 under Legislation, I just note, Mr. Minister, that the number of staff has held constant and the other expenses have been decreased. In fact, the overall expenditure for the Ombudsman's office has decreased.

And what I'd like to ask you: can you give me an idea as to the number of inquiries, the record of inquiries from 1982 to '83 to '84, just to indicate the nature of the increasing work-load, which I think is accurate?

HON. MR. BERNTSON: — I don't have it here, but can I send it to you?

MR. KOSKIE: — Do you know in a general way whether the work-load, in respect to inquiries and so on with the Ombudsman, has increased? Do you have a general idea?

HON. MR. BERNTSON: — Well my guess is that it's kind of flat.

MR. KOSKIE: — My basic concern is the reason for decreasing the amount expended under the subvote for the Ombudsman, because it seems to me that you're going to cut the amount of money available; that the consequences of it would be a cutting of the amount of service that could be provided. And unless you have some evidence that the number of inquiries and so on is reducing, I wonder can you indicate and give me justification for the cut-back?

HON. MR. BERNTSON: — The suggestion is true. Your conclusion is right. Now why don't we both go and look at our annual report that has already been tabled and find out, both of us, whether there has been a cut-back or a decline in the number of complaints?

MR. KOSKIE: — Well I thought we came in here to get that information from you. But in all seriousness though, I wouldn't want to see an office like the Ombudsman being cut back if indeed there is an increase in the demand for his services.

And certainly when we were in government, one of the demands, one of the aspects is that there was an increasing awareness of the Ombudsman, and more and more people were addressing their grievances to the Ombudsman. And will you send that information over to me, and give me the rationale for cutting back in the amount of the expenses?

Item 2 agreed to.

SUPPLEMENTARY ESTIMATES 1986

CONSOLIDATED FUND BUDGETARY EXPENDITURE

LEGISLATION

Ordinary Expenditure – Vote 21

Item 3 agreed to.

CONSOLIDATED FUND LOANS, ADVANCES AND INVESTMENTS

SASKATCHEWAN POWER CORPORATION

Vote 152 — Statutory

MR. CHAIRMAN: — It's statutory.

HON. MR. BLAKENEY: — No, if we're going to be in Sask Power we'll be here for a little while, and I just prefer to take it within the hours of the House . . . (inaudible interjection) . . . No, but that's . . . The Crown corporations unfortunately deals only with the year under review, and this deals with the general policy of the corporation.

And what I want to ask for openers, if we're doing Sask Power is . . . (inaudible interjection) . . . Fine, I'm in the hands of the chairman.

HON. MR. BERNTSON: — I'm suggesting if the Leader of the Opposition is anxious to haggle about whether we should proceed here or in Crown corporations on this subvote that we don't have time under the rules of the House to do it today. So do we have anything else under my bailiwick that we can deal with today?

CONSOLIDATED FUND BUDGETARY EXPENDITURE

SASKATCHEWAN WATER CORPORATION

Ordinary Expenditure – Vote 50

MR. CHAIRMAN: — Page 87.

MR. ENGEL: — Mr. Chairman, if I may speak to that. When we were doing agriculture estimates I had some questions and concerns about drainage and problems that farmers are facing, and that's more than a five-minute operation dealing with the water corporation. It's a new mandate.

The committee reported progress.

The Assembly adjourned at 5:05 p.m.