

EVENING SITTING

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure
Science and Technology
Ordinary Expenditure – Vote 15

Item 1 (continued)

Mr. Koenker: — Thank you, Mr. Chairperson. Mr. Minister, I'd like to come back to the point we left off at which had to do with the increase in administrative staff for the Department of Science and Technology, the administrative program services. And you commented, as I understood it, that the increase from 6.3 person years to 11.3 was a reflection of you ministerial staff moving into the administrative services of Science and Technology. Can you elaborate on what that means a little bit more in terms of the functioning of the department?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, as I indicated earlier, in the past the Department of Science and Technology was included with a couple of other departments – Tourism and small industry and Economic Development of Trade – and for the current year that of course changed so that the Department of Science and Technology stands on its own. As a result it's necessary to include the office staff in my office within the Department of Science and Technology, and I have a complement of five people, and they are included in this particular number that you see here. Where there was 6.3, the 11.3 then, is indicative of the fact that my staff is also included in that figure.

Mr. Koenker: — And so in a practical sense, what will that mean for the functioning of the department? These staff are located in Saskatoon?

Hon. Mr. Meiklejohn: — No, the staff are working out of my office here in Regina. And as far as the responsibilities are concerned, they are responsibilities that are related to the office of the minister. It's my understanding that there are certain basic services that are provided by each minister's office and that's in keeping in line with what other departments have. So they are located here; they work out of my office.

Mr. Koenker: — This puzzles me a bit because what we then find with the remaining three areas of the departmental budget – government research, industrial development, and research co-ordination – we find that there is a shifting of staff there, particularly in industrial development. And I'm wondering what it means when we see, for example, in industrial development that the person-years allocated for that kind of work, for industrial development, have gone down, last year from five person-years, this year to two person-years. What kind of impact is that going to have on small technological firms here in Saskatchewan?

Hon. Mr. Meiklejohn: — Mr. Chairman, we do not see any cut-back as far as the services that are provided to clients in Saskatchewan. When you look at the two areas of governmental research and industrial development,

they have now been combined into one department and we've had a staff decrease of two people. But as far as the services to the clients are concerned, they are still being provided in the same way that they have been in the past. And there is the overlap. We've got people that are involved with both of those areas, the governmental research and industrial development. So they're now combined as one department.

Mr. Koenker: — Well if they were combined as one department, that would reflect a total of seven staff. Last year the corresponding combination would have produced a total of nine staff, so we still have a reduction of two staff people in that area. I'm wondering what work isn't going to be done that had previously been done in those two areas of government research and industrial development, now that you're two people short over last year.

Hon. Mr. Meiklejohn: — Mr. Chairman, as I pointed out earlier, the Department of Science and Technology had a 25 per cent reduction in the budget in so far as moneys for program. But there was also the corresponding decrease as far as staff was concerned, so overall in the department there was a decrease in the staff of four people. And two of those people happened to be in that particular area of governmental research and industrial development. But as far as the services that are concerned, we're simply carrying on the same services that we have, and I would point out too that even though we have many more companies in operation today that we're involved with, we have to consider the fact that there has been a shift as far as the responsibilities that are concerned and the amount of service that these companies need. So I suppose we can look at it then as a matter of fewer people carrying out the same responsibilities. And I feel that we have a very efficient department, and to my knowledge we don't have any problem with that. Contacts that I have on an ongoing basis with the industry, with the companies out there, is that there has been no change as far as the services as a result of any change in the number of people.

Mr. Koenker: — Well that will remain to be seen. I have a very high regard for your departmental staff, some of whom are still with the department and some of whom have been cut from the department and that is my concern. I've heard very, very good reports in the field about staff working for the department, particularly in the area of industrial development. And I refer to one individual whose name is Mr. Harvey Dickson, who was an industrial development officer, and I received a number of reports from people in the high-tech community who had dealt with him who are very concerned that this individual had been let go.

And I fail to see how you can continue to provide the same level of services when there are an increasing number of firms that are requesting assistance, potentially new firms looking to develop products, when you cut at the very core of industrial development, the ground floor of industrial development, on the street, dealing with nascent high-tech firms, and you simply have to have fewer people dealing with more firms. I just don't see how that can possibly work at the same time, at the very same time, that we find a 42 per cent increase in the budget for

the administrative portion of the department and almost a 50 per cent increase for the staffing of the administrative segment of the department. It seems like there are real constraints, fiscally, on you and your department, and this is the case that I had made earlier, that I think that the Premier here is to be held accountable for really tying your hands and the hands of your departmental staff.

How can you meet, realistically, the needs of small Saskatchewan high-tech firms, when you don't have industrial development officers on the street dealing with these people?

Hon. Mr. Meiklejohn: — Mr. Chairman, I certainly take exception to the fact that we . . . The hon. member is saying that we don't, or we can't really carry on some of these functions if we haven't got men on the street, as such. I would point out to him that we still have seven individuals within those two areas of governmental research and industrial development who are picking up the responsibilities that were shared by some, such as Harvey Dickson.

Harvey Dickson was an individual, and certainly a very credible individual, who was on a contract with the department, and his contract was not renewed after, I believe, June 6 of this current year, but that's not to say that the services that he was providing are not being provided today. They are being provided by my department staff.

We also have other services available to us and we're making use of them through other departments and also through the Saskatchewan Research Council. And as time goes on, if the need arises that we have clients whom we feel that we can't serve, we may at that point have to hire people on a short-term basis to meet those needs.

I would point out as well, and I said this a little bit earlier, that you must recall that some of these companies that are now in the high-tech industry have been around for a while and are into the commercialization stage or into production. And they certainly don't need the same type of support from my department that they did in the earlier stages. So we have to keep that in mind.

A lot of them now, of course, are operating on their own. And the only assistance that we might have given to them was early consultation, and in some cases, of course, there may have been a grant provided as well. But for the most part now, they don't need the same level of support from Science and Technology as they did in the past. But to this point, we have been able to serve all of the requests that we have had and there has been no one turned away. And so I feel that we're meeting the need out there even though we have few people around doing it.

Mr. Koenker: — Well this is certainly a concern of mine, and I hold it up to you as the minister to monitor because I think that in the people that I've talked to within the high-tech community, there's been a very keen appreciation of the work of your industrial development people.

And I would say, Mr. Minister, there's not simply a case of

dealing with firms that already exist. Certainly they are established and they've received assistance to help get them established. But if we're talking about developing a high-tech community here and a scientific community here in Saskatchewan, hopefully you will pay attention to make sure that if this kind of development, industrial development, is being compromised, it isn't being done by other departments, that you would take measures to put industrial development workers back on the ground to assist nascent firms.

Do you presently have any plans in terms of contracting out to supply some of these services that had previously been done by industrial development officers such as Harvey Dickson?

Hon. Mr. Meiklejohn: — Mr. Chairman, I would point out a couple of things in answering this question. The one major factor that you have to consider here is that our programs are operating on industry responses or requests. When we get requests from clients, that's of course when we take action. And as I indicated, we've been able to meet all of those requests up until the present time. If in fact we find that as time goes on that there are requests where we need additional help, certainly we will have the resources that we will move towards contracting some of those out.

I might also add that the very fact that the Premier of this province has put such a high emphasis on Science and Technology in appointing myself as a minister responsible only for one department, has also made it possible for me to be more directly involved with many of the companies in a direct way.

And prior to the legislature going into session, and to a lesser extent since, I called on many of these companies and was able to discuss with them the type of operation that they had going, and also any of the concerns that they might have had with regard to the department and the services that were being provided. And of course we've been able to use this information to possibly change some of our policies and some of the things that we are doing to make sure that we are effective to the maximum.

(1915)

Also there's been an opportunity for having meetings with different groups. There's a very active association in Saskatoon for example, of the advanced-tech people, and I have been involved with them and have had several meetings with them. It's given us an opportunity to find out more directly the needs of that particular group and also have played quite a role as far as the research facilities that we have.

A question that you had asked earlier wondering about some of our plans and if in fact we did have a strategy as far as advanced technology is concerned, and we are meeting with industry, we are listening to them. We include the representatives from the research facilities and from the university. And as a matter of fact, the end of next week we will be pulling all of the players together that are involved in the biotechnology field, and we will be taking a look at what the situation is right now and laying out plans that we can follow in making sure that

Saskatchewan continues with its leading role in this particular field.

We also have a very active advisory board for the Department of Science and Technology, and this group will be meeting within the next 10 days, and we will be taking a look at the services that are being delivered and seeing where there are loopholes and where we have to make some changes.

So these are things that have been possible because of the fact that I haven't had some of the other responsibilities, and some of my staff, of course, are also very involved with this. It gives us an opportunity for much more direct contact, and that, I am sure, has helped out in so far as the operation of the department is concerned.

So the services are being provided to the clients, and I would certainly entertain from you that if you know of any clients within the high-tech sector that have needs that are not being met or a service that they require, we would certainly appreciate hearing about it.

Mr. Koenker: — Continuing on the program services items in the estimates, I'm wondering about the figures provided for research co-ordination. I note that in this final area of departmental activity, there has been a decrease from four people assigned to research co-ordination last year, to two people this year, and at the same time we have an increase in funding for this activity. How can you explain that, where we have the staff for research co-ordination cut in half, and we have what would be a 48 per cent increase in funding for other expenses in conjunction with research co-ordination? Are we going to see more contracting out, or privatization of work, in this regard?

Hon. Mr. Meiklejohn: — Mr. Deputy Chairman, I would point out to the hon. member that, in talking about research co-ordination, that today we more properly call that, or identify it, as communications. And as far as the reduction is concerned, there was a shifting around within the department. For example, one of the people here with responsibility for computer operations was moved into one of the other areas, and I believe one secretarial position was also moved out of there.

As far as the increase in expenses, the other expenses, are concerned, we look upon this particular department or division as having a great deal of responsibility. For one thing, I find it quite unsettling, the fact that we have a very active advanced technology sector in this particular province but we don't have that awareness that this particular sector exists. I think in some cases you can probably find out more on the other side of the world — in other words, that people know that we've got some world-class facilities and people involved in advanced technology here in Saskatchewan, but many of the Saskatchewan people are not aware of that. So we put a heavy emphasis on this particular area and a lot of money has been allocated to that section because we feel that there's a need to develop this awareness with the Saskatchewan people on the importance of advanced technology because it's something that all of us are going to recognize sooner or later — that this is what is going to lead us into the 21st century and is also going to help to

make our industries more competitive with those other industries around the world.

At the same time, we utilize this area to produce materials that tell about the types of things that are happening in the high-tech field in Saskatchewan. We have just completed another tech transfer catalogue that has been very, very widely distributed. And this is one of the ways in which we can publicize the companies that we have here in Saskatchewan, and the types of services that are possible, and it's been very well accepted. I know from talking to my staff that there have been many, many letters received, commending the department for the publication that has just been circulated. And we feel it's important then that we get the message out as far as the companies are concerned because indirectly it's going to help them, but also we have to do our job of educating the general public and making them aware of what this high-tech field is all about. So it is an area that I think, Mr. Deputy Chairman, is very, very essential if we're going to continue to move ahead in this area and make sure that people understand what high tech is all about and the fact that Saskatchewan is playing a leadership role, not only in Canada but also for other parts of the world.

Mr. Koenker: — Well, Mr. Minister, I would say that you don't have to propagandize Saskatchewan people with literature on high tech if the job itself is being done. I think that we have to say that you cannot substitute paper and public relations for people. And I say one of the . . . Your earlier remark that you are now the minister solely responsible for the department, and you have been out in the field with the high-tech community, that you are engaged in consultation, speaks well for you but don't get sucked up in the trap that the Premier seems to be sucked up in. And don't let him — I say to you — don't let him suck you into that trap of propagandizing Saskatchewan people, because that's precisely what we've seen by your predecessor and the Premier. And for my money I say, then, when it comes to communication services, you'd be far better served to put that increase of some \$150,000, a virtual doubling of the communications budget, into human resources and people like industrial development officers, and let them do the work of communicating what the department is doing. And over the long run, you will get the credit that is due in far better fashion than engaging in public relations campaigns. That's a very, very dangerous precedent, I think, and I just have very serious reservations about it and hold them out to you for what they're worth, then.

Along this line, I note that you want to communicate with Saskatchewan people what the department is doing and the good things that are happening with respect to high technology here in Saskatchewan that sometimes aren't known.

And I note that in the departmental annual report it talks about part of the mandate of the department being to engage in consultative processes with the public on policies and programs, and to review these, and to debate issues and priorities within the department as a matter of public policy.

And yet to my knowledge, I've really seen very little of this kind of activity coming from your predecessors, and I'm

wondering if you're given any thought – or your departmental officials have given any thought – for a more public kind of consultation or sounding as to what the public would like to see happen in the high-tech community. So rather than just propagandize them and communicate the departmental vision of high tech with the public, how about the opposite – consultations with the public as to what their priorities and their visions and their hopes might be. Are there any plans in that regard?

Hon. Mr. Meiklejohn: — Well, Mr. Deputy Chairman, the member opposite has covered quite a wide range here.

I would simply indicate again that we do have a very active advisory committee as far as Science and Technology is concerned, and they meet from time to time and they advise the department. We'll be having another meeting, I believe, a week from next Monday, at which time we'll be looking at strategies.

But I would point out as well that you talk about propaganda as far as the Saskatchewan people are concerned, I think, though, that we have to look at the different groups of people within Saskatchewan, that we have to make sure that they have an understanding of what is happening here.

I'd point out again about the tech transfer catalogue that we've published, two editions of that one now, and that of course is being circulated all around the world and has had an effect on attracting other technologies from other countries, in some cases where we might be able to become involved with joint ventures. We certainly don't have all the technologies here. There are technologies in other countries of the world that we can benefit from, and I think that we're finding that in something you mentioned earlier, that we now live in a global community. And we know more about what's happening in some of the other countries, and countries are working more closely together. It's possible now for joint ventures to take place between, say, Japan and companies here in Saskatchewan. But it's quite possible, I believe, to think that some of this is coming about because of the information that we are circulating.

Another thing you have to keep in mind is that a lot of the publications that we are putting out are information for clients, indicating to them what types of programs that we have. People who are sitting out there with an idea, who might be an entrepreneur or an inventor of some kind, we often get calls wondering what kind of service we can provide, what kind of programs do we provide for these people. Well if we don't have the information available to give to them or if it isn't out there in, for example, the resource centres for small business and places like this, these people don't have ready access to it. And it's surprising in fact that many people in Saskatchewan, in spite of what you're saying, don't have an understanding of the high-tech industry that exists in this province.

One other area that I want to just mention briefly is the fact that we also have to ensure that we're developing that awareness with our students in so far as opportunities that exist in the advanced technology field. That of course can include people who may be considering going to

university and taking engineering or going into technical institutes or universities and taking computer science. We have to ensure that because of our growing industry that we're going to have the people prepared within our institutions who are going to come out and work with these companies.

So I think it's important to get that information out. I'd like to see much more information going out in that particular area into our schools, making the students more aware of the opportunities that exist. Because we well know that there are a lot of jobs today that are no longer available or may not be available for too many more years because of the changing times. And technologies are going to be around for a long, long time, and we have to ensure that students have that understanding and are aware of the fact that they exist and then can make plans to go into them.

So when we talk about publications, I don't think that we want to talk about using it as a propaganda for the people of Saskatchewan. There's a very definite purpose for putting out any of these publications.

(1930)

Mr. Koenker: — Mr. Minister, I don't think you quite got the drift of my question, so I'll ask it a little more directly. In the '85-86 annual report for your department, on page 5, you talk about the strategy for promoting advanced technological development. You talk about providing a full range of services. Part of that is, to quote: "evaluate public policy questions relating to advanced technology," and also, I quote, "serve Saskatchewan people by promoting a dialogue on the implications and issues surrounding advanced technology."

I don't know that I've seen that kind of public consultation taking place to date from your predecessors, and so I ask you again: do you have any plans of your own to engage in a public discussion of some of the very, very important issues facing Saskatchewan society, Canadian society, with respect to technological development?

Hon. Mr. Meiklejohn: — Mr. Deputy Chairman, there are many opportunities as far as public consultation is concerned, but for the most part I suppose that the consultation is with specific groups, but they represent the – what I would call – the public at large.

I could talk about some specific groups, such as the engineers. There are a couple of different engineering groups – association of professional engineers. I've indicated earlier about the Saskatchewan Advanced Technology Management Association in Saskatoon. That represents a very wide sector as far as the business community is concerned.

There's the advisory board on science and technology. The representation on that board are from all over Saskatchewan and from quite a variety of walks of life. But probably the most significant is the board of trade, and the board of trade in each of Saskatoon and Regina have groups that are quite active as far as advanced technology is concerned and I have met with representatives from these groups – or the committees

from these particular groups – on more than one occasion and I would think that the board of trade represents a fairly wide segment as far as the general public is concerned. I would point out as well that coming up, I believe in January, there is going to be a national conference on science and technology in Toronto and conferences such as this are open to people from the general public and they have an opportunity at that time, I'm sure, for input.

It's something that is being addressed but it's something that we certainly have to continue to look at and there is, I'm sure, much more that can be done to make sure that people do have the input that you are suggesting.

Mr. Koenker: — Mr. Deputy Chairman, given the scope and importance and the social consequences of the kinds of issues that society faces with respect to science and technology, I think it's important to give consideration to broadening the base of public participation outside just the small high-tech community, or the industrial associations, or the boards of trades. And so for example, I think I would encourage you to give consideration to getting a broader base and I think in that way you could make a real contribution to continue that unique Saskatchewan model for high-tech advancement if you can get that component in. Because given the kinds of things I've read about other programs, nowhere do we really find that kind of broad based building of public consensus as to what should be done with public funding in this area and I would encourage you to take a look at that.

And in a related vein I would be curious to know what kinds of departmental review have taken place in the last year with respect to an issue such as technological change in the work place.

Hon. Mr. Meiklejohn: — Mr. Deputy Chairman, I would indicate that we have to consider the fact that when we talk about advanced technology, that for the most part, we're talking about small businesses. In fact, of the 170-some-odd companies that we have in Saskatchewan at the present time, the majority of them are probably companies with fewer than 15 employees.

Now many of these businesses, small businesses, are also involved with the chamber of commerce and, you know, again, they're out there within the public at large. And I would think that probably there are opportunities in this way for input as to things that we might be doing a little bit differently.

And as I said earlier, we meet with these groups from time to time, and we get the feedback from them. We might be meeting with groups, or we might be meeting with the companies.

As far as the technological change in the work place, we know that there is a greater recognition of the need to change, and we've got to continue to work towards that. I think that probably the show that we had on in Saskatoon this past weekend and the meeting the minister was at in Yorkton yesterday gives a very good opportunity for people to see some of the opportunities that exist as far as high tech and other business areas are concerned. And I

think that the response has shown that there is good deal of interest out there, and that's good. That's good for the province of Saskatchewan.

But I would point out in one final statement here, that as far as the review that has been done, or is being done, our department, through the council of ministers, that has been set up within the last few months, are participating in a social impact study. That's an impact study in so far as advanced technology has on society as a whole. And we're involved with this study at the present time, and we expect that that will be completed around the middle part of February of 1988. And that should provide us some information that we can work on or work with in setting our direction as far as the department is concerned here in Saskatchewan.

And I might add that that's only one committee that we're involved with. There are other committees that are also at work from the council of ministers, and we'll be able to draw on the information that is put together by the other committees as well. And that will, I think, be a more direct indication from the general public. They'll have an opportunity for input and we'll be sharing this information and we'll be able to go on from there.

Mr. Koenker: — Well, Mr. Minister, I have, I guess I need to say, some reservations about relying simply on the new council of ministers to come through with a sounding of what Saskatchewan people are thinking. I think that's your responsibility, and I would encourage you and your department to engage in your own independent reviews of what's happening here in Saskatchewan so that you can make all the better contribution in the national forum.

And I think, again, you have an opportunity to provide some leadership with your counterparts, in terms of getting a sounding for what Saskatchewan people are thinking about these issues. And when it comes to an issue like technological change, that doesn't just affect small businesses, that affects people in all sorts of Saskatchewan work places.

A technological change affects farmers, in a massive kind of way. And I think given the importance of the agricultural economy, you might make a contribution by taking a sounding of how technological change impacts on the work place in the farm community and some of the social changes that flow from this.

We'll wait to see what the national council has to say, but I note that in their policy agreement, they do commit themselves to consultation with all segments of the economy, not just the research community, not just the advanced technological community, but with the service-based segments of the economy, and labour as well. They don't really mention farmers per se, but I think that here in Saskatchewan we might want to consider that kind of thing.

Continuing on your comments that the bulk of Saskatchewan firms are, in fact . . . well we have to understand, you said, are very small businesses, when all is said and done. This concerns me when it comes to the kinds of financing that the department has put into contractual services.

I note that BDM Systems has received \$760,000, and SED Systems received \$997,000 – that figure alone accounts for 40 per cent of the total values of contracts assigned by the department in this past year – 40 per cent for one firm. Then if we add the BDM Systems, the 760, and the SED Systems with the 997, we get \$1,757,000 worth of contracts from your department – 71 per cent of the total contracts let going to two firms.

Now there may be a compelling logic for that, but I note that that leaves only 29 per cent of your funding available for 48 other firms that are listed as receiving grants. And this isn't to mention the other firms that aren't listed in the annual report that didn't receive grants or funding from your department. And so I point this out.

We have a problem, a potential problem unless you can provide a reasonable explanation for this. We have a situation where 71 per cent of the contractual funding is going to two big players, and 29 per cent is going to 48 per cent of the other firms that are funded; not to mention other firms that don't even qualify for government funding or haven't approached the government for funding. Do you have any comments on that kind of balance? Do you hope to correct that kind of balance? Was that an anomaly? Could you provide some perspective on that for me?

(1945)

Hon. Mr. Meiklejohn: — Mr. Deputy Chairman, while it's true that we have two companies that have received a fair bit of money, I would point out again, as I indicated earlier, that most of the companies that we have in Saskatchewan are quite small, fewer than 15 employees. They're growing firms. And as a result, for the most part, the grants that they request are very small in size.

As far as BDM is concerned, that's a very active firm dealing in pharmacy systems and hospitals. This was a joint venture with City Hospital in Saskatoon and a private firm, along with the Government of Saskatchewan.

Now I think that's one of the points that makes our science and technology or our advanced technology so successful in this province, that we have been able to move and share the risk with companies like BDM, and also pool resources with other players, like in this case, City Hospital. But for now, this company, I'm not just sure what their sales are for the current year, but I know that they're very, very active. Their sales amount to several millions of dollars; they're selling their programs in countries pretty well all over the world.

As far as SED is concerned, \$997,000 is a large amount of money; there's no doubt about that. But SED on the other hand is the largest firm that we have in this province and are growing really, as far as their revenues are concerned, by leaps and bounds. I believe, for example, that their total revenues this current year is something in the neighbourhood of 25 million, and I think are going to nearly double in the next year. But that's a company as well that is employing, I think now they're up to about 425 employees. And some of these, of course, are longer

term contracts too that we have with them. So we're getting good return on any money that we have given to companies such as BDM or SED.

SED, as you know, is going to be very involved with the Canadian space program over the next four to five years. And the moneys that are going to be generated by their particular activity are going to be large and it's going to provide many jobs for Saskatchewan people, and that's of course what we're all about.

Mr. Koenker: — Do you, Mr. Minister, feel that these figures that I just was talking about – 71 per cent to only two firms, 29 per cent to the other 48 firms – do you feel there is a sense in which that is skewed and that you would like to try to achieve a little bit more of a balance? Do you anticipate this repeating itself?

Hon. Mr. Meiklejohn: — Well I'm sure that each year we're going to have this type of a balance and that there will be some of the larger companies that will be getting the larger amounts of money, similar to what you're got here.

I would point out that since the department was formed that 80 firms have received commitments of assistance covering 127 projects and totalling a little over \$6 million. So we've been able to assist many, many companies – 80 different firms, but with a 127 different projects. So because of the make-up of our advanced technology sector in this province, I am sure that you're going to see this same type of thing occur.

On the other hand, I'm not aware of any companies, large or small, that were not able to get the type of assistance that they requested from the department over the last three or four years. So we apparently are meeting the needs as they've arisen. And so there will be that discrepancy.

Mr. Koenker: — Well this concerns me a bit, quite frankly, Mr. Minister. It seems to me, as you say, that SED Systems is now a very big player here in the province, and in fact, in terms of the country in aerospace development, it's very profitable now, by your own admission. And it concerns me, then, that the department might continue to give inordinate consideration to the large established high rollers in the technological community, the high employers.

Certainly you have a responsibility there, but I would argue you have at least as much responsibility to the nascent, the struggling, the small firms, those that aren't even born yet, in embryonic stage. And I think that's where you can make your real contribution in terms of technological development. And I urge you not to do that, to fund the big players at the expense of the smaller players or those that aren't even formed yet but are trying to get grouped and to form, and look to you for funding.

SED Systems, I would argue now, not just because of what you've said but also because of its connections to Fleet Aerospace, ought to have the ability to stand on its own two feet more than it has. Fleet is going to be investing a lot of money into SED Systems. You yourself argued that that was the case and that that was only properly the case

back on December 18 when we talked about this issue. And so I'd urge you to give due consideration to that and to not tie the hands of the smaller Saskatchewan firms, to sacrifice them to the giants of the high-tech community.

Cut the apron strings to some of the bigger firms. Open up the funding for some of the smaller, struggling firms, and I think the base of technological development across the province will likely be at least as strong as it is funding the high rollers.

I'd just like to ask a very brief question as to who is on the advisory committee that you've mentioned. If you could just . . . You don't have to supply those names now, but I just request that you would forward those to me.

Hon. Mr. Meiklejohn: — Yes, Mr. Deputy Chairman, we have that list and we'll see that you get a copy of it.

I would point out, in answer to one of your comments, that in so far as SED is concerned and the take-over by Fleet Aerospace, they have not received any money from the Department of Science and Technology since that take-over has occurred. And I'm sure that because of the nature of the business and the success that they're having at this time, that in all probability the requests for funds from SED may well diminish as time goes on.

Mr. Koenker: — Well that's much more encouraging. I'm glad to hear you say that.

I'd like to turn now to some questions concerning research and development in the province. I noted in the Speech from the Throne this past December that your government announced its intention, quote:

. . . to harness the competitive excellence and international reputation that are the hallmark of the Saskatchewan grains . . .

Excuse me here:

. . . my Government intends to harness the competitive excellence and international reputation that are the hallmark of the Saskatchewan grains, biotechnology, potash and uranium industries to pursue the establishment of research institutes associated with these industries in Saskatchewan.

I'm wondering if the minister could tell me what the status of these research institutes is.

Hon. Mr. Meiklejohn: — Mr. Deputy Chairman, I would point out, in answer to the question, that in so far as the research institutes are concerned, we are very actively involved right now in discussing the biotechnological institute, and I would hope that it will not be too much longer before we can have an announcement in regard to that.

We're also very involved with the communications field, and because that's at the discussion stage, and because of the fact that it's a very competitive field, I don't feel that at this time that I can give you too much more information on that one.

Mr. Koenker: — Mr. Minister, I won't ask you about the communications field; I didn't ask you about the communications field. I'm really not concerned about that right now. I'm concerned about what was announced in the Speech from the Throne, by your government, that a grains institute would be established, that a biotechnology institute would be established, that a potash institute would be established, that a uranium institute would be established. And can you give me an indication of the status of the grains institute, the potash institute, and the uranium institute?

You've given me a vague answer about the biotechnology institute. It's been almost — what? — nine months since the Speech from the Throne. Presumably the government was thinking about these things before it's announced them in the Speech from the Throne. I think it's time to have some substance to flesh out these announcements.

Hon. Mr. Meiklejohn: — Well, Mr. Deputy Chairman, I would point out to the member opposite that the main ones that my department is involved in right now is the biotechnological area and communications. In so far as the grains, the potash, the uranium, those of course come under other departments, but it's my understanding that they're being discussed as they relate to the western diversification fund and the possibility of getting something going through that channel — but grain, potash, uranium, are in other departments.

Mr. Koenker: — Well, Mr. Minister, as Minister of Science and Technology I think you could bring a very good perspective to bear if we're talking about research institutes in these areas. I can scarcely envision how your government would be dealing with a grains institute, or a potash or uranium institute, and you as Minister of Science and Technology would not be involved, given the critical importance of these segments of the economy. Certainly other departments are involved but where does the . . . Why is it then that the Department of Science and Technology isn't involved? How can that be?

Hon. Mr. Meiklejohn: — Well, Mr. Deputy Chairman, I didn't indicate that we weren't involved. We are involved with the discussions but we're not going to be involved as far as the funding of them is concerned.

Mr. Koenker: — Good. That's fair. I don't expect you to be involved in the funding. Can you give me a status report, then, if you are in fact involved in the discussion of these institutes?

Hon. Mr. Meiklejohn: — Mr. Deputy Chairman, I can't give you anything further than that at this point.

Mr. Koenker: — Ah, Mr. Minister. This is what I said in the very beginning, that we have a verbal commitment to science and technology. And you do as good a job as Executive Council and the Premier allow you to do. And I don't fault you for that. I fault the Premier for that. And that was my point as I opened these remarks.

Because based on what you haven't said here and based on what you have said here about these institutes, basically they're paper fluff, puffery from the Speech from

the Throne. And in fact, the Minister of Science and Technology can't give any status report. I think that speaks for itself. We can only assume then that there are no plans unless you can give some kind of perspective or comment as to the shape of these institutes and what they will mean for the Saskatchewan economy.

Hon. Mr. Meiklejohn: — Mr. Deputy Chairman, I would simply reiterate what I said earlier, that we're involved as far as the discussions are concerned. There will be another meeting held before very long. But at this point I'm not prepared to divulge the status of these particular institutes and I'm sure that at an appropriate time in the near future there will be an announcement.

Mr. Koenker: — Who is responsible for the grains institute in your government?

Hon. Mr. Meiklejohn: — The obvious answer, Mr. Deputy Chairman, is the fact that the grains research is under the Department of Agriculture; potash and uranium are under Energy and Mines.

(2000)

Mr. Koenker: — Thank you. That's more than we knew about these institutes before. And I guess it's another case of just having to wait. It's already been a year that we've waited to learn what these institutes are about. It's a year that we've waited to see what the \$50 million for high-tech assistance to Saskatchewan firms are about — another initiative talked about in the election and the Speech from the Throne. We'll just have to wait and see, seems to be the stance when it comes to the Premier's commitments to science and technology.

Mr. Minister, I note from the survey results on the scientific activities of the Government of Saskatchewan that at the University of Saskatchewan, government expenditures for research and development for all sciences was down in '85-86 from 5.756 million to 4.332 million. I'm wondering if you can comment on that, particularly since this level of expenditure is below '82-83 levels of expenditure for research and development in all sciences at the U of S.

Hon. Mr. Meiklejohn: — Mr. Deputy Chairman, I think it's one thing for the member opposite to talk about the impatience that he has with regard to some of these institutes getting going and saying that it's been nearly a year since they were announced. I think the unfortunate part is the fact that he doesn't talk about all of the successes that we have in this province. If we take a look at the companies and the successes that they're having in areas like telecommunications or space technology or robotics, medical research, instrumentation — many new things, exciting things, that are happening across the province, providing not only many jobs but also providing a tremendous amount of revenue for the province. Some of these things take time to pull together, and we can't have them all as soon as we'd like sometimes, but let's be sure that we look at the positive things that are happening.

I indicated the fact that we started out about five years ago where we had only about 39 companies involved, where

today we've got over 170. We had probably in the neighbourhood of 1,700 people employed in advanced technology five years ago, where today that's nearing 3,000. But something that's maybe even more significant, Mr. Deputy Chairman, is the fact that the revenues from these companies have grown from around \$81 million in 1982 to over \$500 million for the current year, and the possibilities exist that before too long — before very long — it will be in excess of \$1 billion.

So there are a lot of positive things that are going on out there. So while the member opposite might feel that some of these other things should be happening a little bit faster, let's not overlook the importance of all of those companies that are out there, very active and turning out new products and new processes for doing things, whether it's in the field of agriculture or if it's in the field of telecommunications or space technology, whatever the case might be.

In so far as the expenditures at the University of Saskatchewan and why some of those have been reduced, I think that we have to consider the fact that sometimes there's a change in emphasis as far as the moneys that are being expended. What about mentioning the fact that this government has made the commitment to building a new college of agriculture which will, of course, house all kinds of research facilities that will be utilized in the area of agriculture which is primary to this province. Why don't you talk about that as well?

Even though we may not be as involved with science and tech, up until this year . . . Well for the current year we have still funded offices of research at both the University of Regina and the University of Saskatchewan. That was a term arrangement which is now completed. We might be down in some of those areas but consider moneys that are going forward from other areas of government; and a good example, of course, is the agricultural college.

We still continue to fund research chairs at both universities. And also there is money that is being expended as far as research into programming, I suppose, if you will, at the institutes of science and technology. So there sometimes has to be a change. We have to make sure that we are meeting the needs of today, and because the needs were one thing five years ago doesn't mean that they're the same today, and there's no area where it's changing faster than in the area of research and development. So we have to try and keep pace with the times and provide the programs that are geared to meet today's needs.

Mr. Koenker: — Mr. Minister, that's precisely my concern and that's why I raised the issue, because unless we're funding research and development in the university community, we aren't going to have research and development taking place across the rest of the province.

It has been said that students are to the spread of high technology as mosquitoes are to the spread of malaria. It means that there's simply no substitute for funding research and development work in the university community, and that's a disturbing trajectory that I pick up from the statistical information compiled by your department. And it's not just with respect to the university.

I do give credit to you. The same table indicates that funding is up for hospitals and health organizations and that's only as it should be. Thank God, with the kinds of cut-backs we've had in health care, that you've managed to keep funding for hospitals' and health organizations' own research and development work up.

But then when I . . . I can also give credit where credit is due, in terms of funding being up quite dramatically from some \$4 million to \$6 million at the Saskatchewan Research Council. And that's a positive development. But it's down in other sectors. And if we, if we add the total up, we note that in '85-86, less was spent on research and development activities by the Government of Saskatchewan in all sciences than in the previous year, '84-85 – only marginally, I'll admit to that, but I raise it as a disturbing trend.

And I urge you to fight tooth and nail with your cabinet colleagues, and with the Premier himself, to arrest these kinds of dangerous trajectories which are really a reversal of the kinds of increases that have occurred over the last decade. We now see a reversal of that trajectory and that, I think, is very disturbing.

You mentioned that your department had done some funding in the area of agriculture, you believed, at the two universities. Yes, I've noted also that that was the case. That in terms of the objectives of Science and Technology departmental expenditures for all sciences, the objectives, that there's really been a massive consolidation by the department to the point where funding now is provided, if we're looking at the global arenas which the department funds – projects. For the general advancement of science, that's one arena. The only other arena is manufacturing for '85-86.

Gone from the previous year is any funding for energy conservation, for fossil fuels, for renewable resources and other energy and fuel research. Gone is agricultural research from the departmental budget. And I simply ask you, why is it that the departmental expenditures on all sciences have been consolidated into two arenas – the general advancement of science, which has declined in funding, and the enormous inflation of figures for manufacturing. It's table 14 on the survey results. I should have mentioned that earlier to you.

So we have a situation where three-quarters of the total of all government expenditure by the Department of Science and Technology go to the manufacturing segment of the economy. And I wonder if you could comment on that, why you've abandoned these other areas.

Hon. Mr. Meiklejohn: — Mr. Chairman, in answer to the member's question, there's no doubt that there have been some cut-backs by other departments. And when you consider the economic situation that we have right now where you know full well what effect it has had on my department as far as some of the cut-backs, 25 per cent cut-back as far as moneys available for program – we certainly know that most other departments have been affected to some degree as well. And that obviously is going to have an impact on the amount of money that's available for research. But it's a matter of taking fewer

dollars and spreading it around to get the maximum impact from it.

I would indicate though that some of the areas that you have raised concerns about when you talk about fossil fuels research and a resource technology, that we have the Saskatchewan Research Council that is very involved in doing research in those particular areas. And there's no doubt about it that when you have one agency involved in providing that kind of service, that we certainly cannot afford to have duplication. So simply because we are maybe not involved in it doesn't mean that somebody else isn't doing it, but there is no doubt that other departments, as I said, have been affected, and there is not as much money being spent on research this year.

I would point out as well that a good deal of the funds, as far as research and universities is concerned, is from the federal government – and I'm sure that you're well aware of that – and as I understand it, that the research funding is up 23 per cent as far as the federal government is concerned, so that has a very definite spill-over to universities that we have here in Saskatchewan.

Mr. Koenker: — Well I'm certainly aware that the federal government is involved in research spending, too. I think the arena for our immediate concern is provincial funding, of course. And my concern is that the department . . . it's not just the Department of Science and Technology alone that seems to be pulling away from the funding for these other sectors. I noted from the same tables found in the '85-86 survey results of scientific activities, that the decreases in funding for areas like agriculture and energy have in fact not been picked up from these statistical tables, and from what I've been able to determine, by the Department of Agriculture or the Department of Energy.

(2015)

Neither can we look to other government departments, the aggregate of government spending in these areas, for increased spending to pick up that slack.

So we have a situation in which the Department of Science and Technology is spending less for agricultural and energy research and development; we have the departments of Agriculture and Energy themselves spending less; and we have the aggregate of all government spending in these areas down from what it was in '84-86. And these are very dangerous trajectories – that's simply my point – given the importance of these arenas for the provincial economy.

I'd like to take a bit of time and to talk about what's happening at the University of Saskatchewan, since that's such a vital institution for the research community and the scientific community in the province. You will know, of course, that high-tech communities tend to gravitate and build around metropolitan areas that have one principal characteristic, and that is a strong post-secondary system. Without that kind of strong educational system, you simply can't have a high-tech community. That was the case in Silicone Valley, the building around Palo Alto and Stanford University; that was the case in large measure with the

Massachusetts Institute of Technology and Harvard in the north-east. It's the case in Eastern Canada with the University of Ottawa and Carleton, and the Kannata high-tech firms.

But can you tell me, Mr. Minister, when we don't just have cut-backs from the Department of Science and Technology or the Department of Agriculture or the aggregate of government spending for research and development, but at the same time we have massive cut-backs in funding for the University of Saskatchewan, how can we possibly hope to sustain and stimulate high-technological development here in Saskatchewan when we're starving our post-secondary educational system.

Hon. Mr. Meiklejohn: — Mr. Chairman, I'd just like to point out to the hon. member a couple of things.

We've been very involved with the offices of university research at both Regina and the University of Saskatchewan as I've indicated, and I know that the positive impact that this has had at the University of Saskatchewan alone is that over the period, that their funds have increased over \$30 million, as far as research coming into the university is concerned. Now the understanding of course was that this was a three-year program that we participated in. That time has now expired but I think the ideas that the office can now stand by itself and that there will still be a very strong effort put forward to attract those badly needed, as you say, research funds.

In looking at some of the tables, in talking about some of the expenditures that there have been as far as research is concerned over the years, I would point out to you that for 1983-84 that the total expenditures were in the neighbourhood just a little over \$54 million. This is by all departments and agencies. In '84-85 it was in excess of \$61 million; '85-86 was in excess of \$76 million. So you're talking about decreases, and yet the information that I have here would show that the total research expenditures by the various departments and agencies in the province have indeed been increasing each year.

And I think the information that I have here is that for the current year, that we would be looking at total expenditures in the neighbourhood of over \$90 million. So in that period of time, Mr. Chairman, from '83-84 up until the current year, we've seen expenditures going from \$54 million to an estimate for this current year of over \$90 million. So there's still a very strong commitment by the government in so far as research is concerned.

Mr. Koenker: — Well I'm open to be corrected, and I would very much appreciate it if you have that kind of information. I don't want to be misinformed, and if you can supply that kind of information to set me straight, I would certainly welcome that.

Quite frankly, I found it a bit surprising that funding was down. I would like to believe that you're right, that funding is up. I say this because I've read a number of reports, such as the report put out by the association of professional engineers, which expresses great concern

about the lack of adequate funding at our two universities here in Saskatchewan. Are you aware of that report, Mr. Minister?

Hon. Mr. Meiklejohn: — No, we're not. We'd appreciate it if you could send us a copy over.

Mr. Koenker: — I don't have a copy that I can share with you right now, but I certainly will give you a copy.

I'll just summarize the results then. The Canadian Engineering Accreditation Board has formally advised both the U of S and the U of R engineering programs, and I quote from a *Star-Phoenix* article of July 4, 1987:

. . . that the Canadian Engineering Accreditation Board has advised both the Saskatoon and Regina university engineering programs that standards are declining and that continued decline at the current rate will place their programs below minimum levels required for accreditation in as little as four to eight years.

The report from the engineers goes on to say essentially that engineers are the principal implementors of technology, and we can ill afford not to fund our university communities; particularly in this instance, the engineering segment.

And I would go on and quote another study. Is the minister aware of the Canadian Manufacturers' Association study, "The importance of post-secondary education — keeping Canada competitive"?

Hon. Mr. Meiklejohn: — Mr. Chairman, we are aware of that study. We don't have it here with us, but I would like to pick up on something that you were indicating with regard to a report back in July with regard to the College of Engineering at the University of Saskatchewan. And I believe that this was a concern that was raised and addressed during the estimates of the Department of Education. But I'm sure the member opposite is well aware of the fact that university spending in this province has increased dramatically over the term of this government. And having served on the board of governors for four years, I can assure you that as far as the allocation of funds to the various colleges, are at the discretion of the administration.

Certainly we would all like to have more money to spend in various areas, and I'm sure that each college on the campus at the University of Saskatchewan would like to have more funds. But the fact of the matter is that there's only so much money to go around, and the people have to do the best that they can with what they've got, the same as the rest of us do.

Engineering, undoubtedly, is a very, very important sector as far as advanced technology is concerned. And we must ensure that there is as much money as possible made available to that particular college and the types of research that go on there. But there has been a commitment by this government to provide additional funds for post-secondary education, and the University of Saskatchewan certainly has been the beneficiary of those increased funds.

Mr. Koenker: — Now I don't want to get into arguing educational funding. Rather than do that, I guess what I'd like to do, Mr. Minister, is encourage you to fight with your colleagues tooth and nail, and I know that you have educational interests and experience working within the educational community and with the board of governors in the university. All the more reason for you to be the individual to stand with the Minister of Education and fight against further erosion of our educational standards at the U of S. It's very, very revealing, when I read a report by The Canadian Manufacturers' Association put out in March of this year, that it points out the other importance, the critical importance of government funding for post-secondary education, and goes on to talk about the kinds of liaison that needs to be developed between the academic community and the industrial community. And I think that . . . I'd urge you and your departmental staff if you haven't had a look at this, I think you could glean some good initiatives for the departmental agenda in the months ahead.

Just touching base for a moment with respect to a different aspect of the university community, one of the summary suggestions coming out of the National Science and Technology Policy Forum in Winnipeg in June of last year was:

That universities and colleges should play a larger role in diffusing innovation and technology. Student exchange programs were cited as a useful diffusion mechanism. Students are to technology as mosquitoes are to malaria, as one participant put it.

I'm wondering, Mr. Minister, have you or the department looked at ways of keying in on this critical suggestion made at the policy conference, looked at ways of using students for technological diffusion.

Hon. Mr. Meiklejohn: — Mr. Chairman, I would thank the member opposite for his suggestions in so far as the type of collaboration he's suggesting and consultation. And I, in fact, think that at some point in the near future, it would probably be a good idea to bring, if you will, a group of people from the general public together and discuss some of the concerns that they may have as far as high tech is concerned, I would also point out that we're very proud of the fact that the Saskatchewan model of advanced technology has built into it some of the very things that he's been raising.

We talk about university and industry collaboration that's taking place today. We know that there's a place for government and industry and the universities to be involved in developing programs and working towards newer ideas and areas that . . . where there can be a transfer to business at large.

So we're very pleased with that model. In fact, that's the model that has been used by several other provinces across the country. And I would point out as well that, as I indicated earlier, that we have been involved with funding chairs on the two university campuses, and this of course is where you bring industry on campus, and that has had a very positive effect.

One other area, of course, that there has been a certain amount done, and that's with graduate students, and going out and working with the industry. And I think that's an area that could be expanded, probably, giving graduate students — whether it be in engineering or computer technology or science, whatever the case might be — if they could have that opportunity to go out into the work place and become involved in an internship program with some of the advanced-tech companies, I'm sure that that would be very advantageous.

So there are areas there that we can look at and expand a lot further into. I would indicate in closing that representatives from the Department of Science and Technology here in Saskatchewan did participate in the Winnipeg conference and played a leading role in some of the discussions there.

Mr. Koenker: — I think what remains, Mr. Minister, is to act on that suggestion, though. And in terms of the students in industry, graduates in industry program, it really doesn't fall directly under the purview of your department, but it had to do with the Saskatchewan Research Council and the Employment Development Agency.

(2030)

I'm sure the minister is aware that funding for that program has been cut. A valuable program, as you indicated, if we're talking about the same program, but that program is now history. It needs to be reinstated. And I say to you that you and your department are the people to fight with this government to see that it's reinstated. I can advocate that but I can't effect that change. That would be my priority that I would commend to you. And we need that kind of program, so that's one positive suggestion I could make. Engage, first of all, the department . . . Let's say this. First of all, engage in consultation in the academic community, with students themselves, as to what kind of program might help diffuse technology. Don't just talk to the technological sector. Follow the lead of the national policy forum.

Secondly, reinstate the students in industry, graduates in industry program again. Reinstate funding for that.

Thirdly, I would suggest another practical, positive step toward equipping Saskatchewan young people for a technological future. I would suggest, very specifically, that you and your department use these next two or three months, before the end of the year, to research and to plan and prepare a summer employment program for students, specifically in the area of science and technology to assist small firms, as you say. I can think of no better way for your department to spend money than to invest it in the education of young people and at the same time assist Saskatchewan firms.

We have a base to prepare young people for a whole lifetime career, potentially, in science and technology, and to give them first-hand experience with Saskatchewan companies, hopefully, so that they won't leave the province when they graduate — that they themselves help to build that technological community.

And I know that you and your staff are able and committed to the research community. Use the next months to prepare that kind of program. Consult with the people in the academic community, in the student community, in the research community, and put together a program for students, especially over the summer months.

And I think that in this regard, there are some Saskatchewan firms that might be able to use students on more than just a summer basis, and look at ways and means — imaginative ways — of integrating them into the mainstreams of technological development and research work here in Saskatchewan. The dividends will be repaid a thousand times.

I think this is all the more important, Mr. Minister, when we note that your government cut funding for summer jobs from \$13.7 million last year to just over \$4 million. So there's a crying need to do something in this area. There's a positive role that you and your department can play in fostering an environment for technological development.

I don't know if you have any comments on that.

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, there's no doubt about it that as far as the education is concerned and the importance of it, that will continue to be a commitment of this government, and keeping funds in place that will meet the needs of today's young people.

I would point out that I feel the member opposite is raising some very good concerns, and one area that we've been very concerned about and are discussing it and looking ahead to programs for next summer. I feel that we do have a definite role to encourage companies to participate, again a part of this industry-university collaboration, encouraging companies then to take some of these graduate students — or they may not necessarily be graduate students; they could be possibly second- or third-year students as far as engineering or computer science is concerned — and giving them that opportunity to work with their companies in the summer. And in all probability some of them are doing that right now.

But we talk about the moneys that we're spending on the research chairs of the university. This is, as I said, a type of university-industry collaboration. I would think that as time goes on, there would be a possibility that this department could take some of those funds and use them for the type of thing that you're suggesting and getting students involved in a summer program. We can participate, help to participate in some ways with giving some funding to the program, but I think the greater part will be encouraging companies to get involved.

One of the programs that we're looking at is the Shad Valley program that is being operated quite successfully in several of the other Canadian provinces, but hasn't to this point been active in Saskatchewan. And that's one that we're certainly looking at for next summer. The advisory council on science and technology is a body that we would want to have involved in this area too, in making recommendations to us as to how this program could be the most effective in Saskatchewan.

So I think you raised a good point, and it is something that we're aware of and are putting plans in place so that we can get something operating next summer.

Mr. Koenker: — Good show. Good show. That's wonderful.

Turning away from students for a moment, I'd just like to touch very briefly on the prairie agricultural machine testing institute in Humboldt. I know that it's not directly your responsibility as Minister for Science and Technology, but I also note that in departmental literature, PAMI (Prairie Agricultural Machinery Institute) is referred to as one of the 16 research and development centres in Saskatchewan. It's noted, for example, that PAMI is the only test centre sanctioned by the Organization for Economic Co-operation and Development — the only, the only independent farm equipment testing agency in North America, and as such represents a tremendous contribution, not just to the Saskatchewan economy, but the Canadian economy as a whole, in terms of certifying the export of certain kinds of machinery to countries all over the world. Have you, Mr. Minister, been able to make any representations to the Minister of Agriculture with respect to the termination of funding for PAMI?

Hon. Mr. Meiklejohn: — Mr. Chairman, no one can argue with the fact that the Prairie Agricultural Machinery Institute in Humboldt has played a very major role as far as testing of various types of agricultural equipment is concerned. And they do have a world-wide reputation.

As you well know, the announcements were made earlier this year that the province of Alberta was getting out of the program and that Saskatchewan was also looking at that as far as the Department of Agriculture is concerned. And I would simply indicate to the member opposite that discussions are ongoing between the Department of Science and Technology and the Department of Agriculture reviewing the situation as it exists, looking at different options, looking at the types of programs that should be continued, and that we can still maintain as a viable operation.

But to this point, there has not been any definite decision reached, but discussions are going on and there is the recognition that there are very valuable services being provided by PAMI. And so that will be carried on in the months ahead, and I would think that before too much longer there should be some type of an announcement as to how the programs are going to be funded.

Mr. Koenker: — Well hopefully the announcement as to how they're going to be funded will be that PAMI will continue to receive its full share of funding by the Government of Saskatchewan, and that the Government of Saskatchewan should have lobbied long and hard with the Government of Alberta to maintain their funding.

We can't overestimate . . . It would be very difficult to overestimate the kind of contribution that PAMI makes to the technological community, the industrial community, the agricultural community, the export community in Saskatchewan. This is another score as on which you — I

think it needs to be said – will need to link arms with the Minister of Agriculture and really go to bat for PAMI and try to maintain some sustaining level of funding for it to allow it to continue the work it's doing, if not to build on it.

Now, Mr. Minister, I'd like to talk about one particular company, and that company is Joytec. And I'd like to begin by saying, for the record, with no equivocation, that I wish Joytec well. I hope to see Joytec succeed. I hope to see production begin there. I hope to see Saskatchewan people employed there in assembling the golf simulators. I hope to see Saskatchewan benefit economically from Joytec.

But I do have some questions, and I do have some concerns, and I don't know whether you share these questions or concerns, but I think that it behoves both of us to protect the interest of Saskatchewan taxpayers and the people who have invested – the Saskatchewan people – who have invested in this company, and the people who are presently working for it, the people who hope to work for it in the months and hopefully in the years to come.

And so I ask you, Mr. Minister, do you have any perspectives as to why no production has taken place yet at Joytec?

Hon. Mr. Meiklejohn: — Mr. Chairman, this is something that has been discussed with the hon. member before, and I certainly am as anxious as you are that Joytec will be successful. But at the same time, I think we have to recognize the fact that there's a great deal of risk as far as the advanced technology sector is concerned.

We have a company here that's involved with a very specialized type of equipment, and as you well know there's a lot of research and development that is necessary in fine tuning a piece of equipment such as this. But from the information that I have, Joytec is at the present time looking into all of the options that they have as far as the distribution is concerned.

It's my understanding that they have been successful with reaching an agreement with a Japanese firm to produce the machines in Japan for sale in that particular corner of the world. They have also been in discussions and, as I understand, have also reached an agreement with Computech to provide the machines, probably manufacturing them and distributing them, in eastern Canada and the eastern United States. As far as western Canada and the western part of the United States, the machines are going to be manufactured in Saskatoon, and the latest word that I've had on that is the fact that they will be going into production some time in November.

But for the last couple of years they have been doing research and development, getting rid of the bugs. And there's not much point in going into production until you have the piece of equipment in the type of condition that you want, that is going to be attractive to buyers wherever they might be. So that's the latest information I have. The company is going ahead and I don't have any further information.

Mr. Koenker: — My concern, Mr. Minister, is when we are really going to see production begin, and I sincerely hope that it will begin in November. I note however, that we were told initially that Joytec would be producing some 600 machines in the first three months of 1977. In December of '86 the Joytec business plan indicated that by March 30, the first run of 25 units would be completed followed by another 75 units. On Monday, June 22 of this year at the Joytec annual general meeting the president of Technigen, the parent company of Joytec, told shareholders, by the end of September, 15 machines a month would be produced out of the Saskatoon facility.

(2045)

A June Technigen VSE (Vancouver Stock Exchange) filing statement noted that production was to commence in October of '87. And now my understanding is, from the people at Joytec, that it will be late November before we see production. Do you have any assurances that production will be beginning in fact by the end of this year?

Hon. Mr. Meiklejohn: — Mr. Chairman, I don't have any assurances that production will begin, other than what I've already indicated. But I would point out to the hon. member that when we're talking about companies that are involved with advanced technology, and where there's a tremendous amount of risk involved, that there's never any guarantee that a particular product or process is going to be successful. In fact, I'm sure that many good ideas have probably died on the drawing board, and other ideas may have reached the stage where a prototype was developed. But beyond that, there may have been a product that was produced that was a very good product, but because of other factors, whether it was poor marketing or poor management, or whatever the case might have been, the product just never really got off the shelf.

So it's pretty difficult when we're talking about an industry where we have the amount of risks that there is, to give any kind of assurances or guarantees that a product is going to be ready for market at any particular time. I don't have any doubts but what the people involved with Joytec felt quite sincerely that they would have their product up and going months ago, but as sometimes the case may be, snags can develop.

We're talking about a very sophisticated type of equipment, and many little things can go wrong, and a lot of details have to be worked out. But I'm sure that it's very frustrating for people that develop machines such as this, that they can't always get them out just as soon as they would like. But certainly I can't give you any assurances and I don't imagine that they can, that they will be into production, whether it's the middle of November or the end of November, or just exactly what the date will be.

Mr. Koenker: — Perhaps this is something a bit closer to home, Mr. Minister. Can you clarify for us tonight the funding that Joytec has received from the Government of Saskatchewan? Let's start with the Department of Science and Technology. What funds has Joytec received to date from the Department of Science and Technology?

Hon. Mr. Meiklejohn: — Mr. Chairman, the funds that Joytec has received to date: in March 1984, they received a grant from Science and Technology in the amount of \$7,000; in January of 1985, they received another grant for \$6,454; in January of 1986, they received a grant of \$38,546; and October 1986, a grant through ERDA (Economic and Regional Development Agreement) of \$24,588; for a total of \$76,588.

In addition to that, in January of 1986 they had received bridging capital in the amount of \$60,000 from the provincial government, through my department. But that, of course, is the same as a loan, and since that time that money has all been paid back. So as far as the funding is concerned that they have received, it was an amount of \$76,588.

I would simply indicate to the member opposite as well, that I know that he has sincere concerns about the company of Joytec. But I can assure the member that the amount of attention that the company has been receiving over the last few months, on the part of the opposition, certainly has been very, very negative, and I'm sure that it has no doubt had a negative impact on the investor confidence in that particular company. And I think that you have to consider that fact when you're dealing with a company like Joytec. I think it's unfortunate that a particular company is picked on in the way that this one has over the last few months, and really I can't really see the reasoning behind it, in that we are talking about a high-tech firm in the same that way we'd be talking about any other of the 170-some-odd companies that we've got in this province.

And some certainly are much more successful than others, and some of them had their products on the market sooner than others, but they're not all 100 per cent successful in the time that they would hope to be successful. So I think it is unfortunate that there has been negative attention put on this company over the last number of months, because at this point in time, we have no reason to believe that they will not be into production within the next short while and the fact that it will be a very successful company and they will have generated a fair bit of revenue for this province, and will also provide a fair number of jobs for people in the Saskatoon area.

Mr. Koenker: — I have one point of clarification. I note that in the '85-86 annual report for the Department of Science and Technology, page 24, Table 1, Joytec has received \$45,000 in two industrial research contractual grants. Now that's the only figure that doesn't match with what you indicated earlier, unless somehow that full amount wasn't allocated. What's the explanation in that regard?

Hon. Mr. Meiklejohn: — Mr. Chairman, the figure that the member opposite is quoting, the \$45,000, was made up of the two IRAP (industrial research and assistance program) grants, one of 6,454 and the other of 38,546. The other one that I indicated here, the ERDA grant, they had originally put in for \$32,263, but, in fact, only drew \$24,588 of that original request.

Mr. Koenker: — Am I to understand then that that 45,000

that's referred to on Table 1, page 24 of the '85-86 annual report, is taken care of or detailed again in the public accounts reckoning of funds received from the Saskatchewan Heritage Fund, research and development division? Because I note that in *Public Accounts*, Volume 3, page 613, we have the figure from the Saskatchewan Heritage Fund, research and development division, of 38,546 for Joytec. So is that simply a duplication of those two figures? Or are they, in fact, two separate grants that were given to the company?

Hon. Mr. Meiklejohn: — I think for clarification that in all probability the . . . When I indicated January '85, the 6,454 was probably when the money was committed by the department, but it was not drawn until after April 1, 1985, so that would have put it into that fiscal year. So if you add those two figures together, even though they had applied for it and it was committed by the department in January, if they didn't draw on it until after April 1, it would have then been included in the '85-86 fiscal year, and when you add those two together, that's where you get the \$45,000.

Mr. Koenker: — Well, I note then that apart from the \$60,000 that Joytec received in bridging capital, which was a loan from the Government of Saskatchewan, another \$60,000 from the federal government which was a loan under the bridging capital program, both of which were repaid, that the company has received in the neighbourhood of \$200,000 when you add together the federal funds that have been received under IRAP programs and Department of Regional Industrial Expansion programs.

I note that, just to begin with, the company received a tax . . . The taxpayers have lost over \$1 million worth of tax revenue, given the venture capital nature of this firm where \$3.75 million was raised with a 30 per cent tax credit, which means that \$1.125 million was lost to the provincial treasury in order to form this company to begin with. And so my case is that the Saskatchewan taxpayer has a rather substantial investment in this company in terms of lost potential tax revenue under the venture capital program, in terms of direct provincial government funding, but also in terms of federal government funds that have been put into this company. And therein stems a good measure of my concern as an elected representative answerable to the public.

And I'll simply leave the financial figures at that and move on to some questions about the participation of Joytec in the Premier's trip to Japan. Can you tell us which members of Joytec's firm were involved in the high-tech mission to Japan?

Hon. Mr. Meiklejohn: — Mr. Deputy Chairman, I would point out to the member opposite that it was purely coincidental that Joytec and the Premier happened to be in Japan at the same time. Joytec representatives, Joytec representatives went on their own to Japan, I think a couple of weeks prior to the Premier being there, and it's my understanding that at least one of them was there for another two or three weeks after in negotiations, involved with negotiations with the Japanese. So, I mean to link the two of them together, there is no relationship in so far as Joytec representatives being within the Premier's group at

all.

Mr. Koenker: — This is odd, Mr. Minister, because I note in the Science and Technology publication *Frontiers*, from July '87, page 7, that under the article on that page entitled, "Saskatchewan firms sell technology to Japan," under the list of — how many firms do we have here? — seven advanced technology firms, Joytec is listed as the first one that partook in a recent high-tech mission to Japan, April 9 to 17. And I'm wondering, then, how it is that you can say that there is merely coincidence when the article goes on to say that the profile of the high-tech mission to Japan — and I'm quoting now:

... was increased when it overlapped with the Premier's visit to Japan April 3 to 15. Premier Devine was in Japan to promote Saskatchewan's trade and economic interests in that country.

Was it sheer coincidence? Or was it not a result of the Government of Saskatchewan high-tech mission to Japan that Joytec participated in that, and not as coincidence but as a direct consequence and component of the Premier's trip to Japan, that Joytec happened to go to Japan?

(2100)

Hon. Mr. Meiklejohn: — Well, Mr. Deputy Chairman, I've already indicated to the member opposite that it was purely coincidental. The delegation that you point out to here in this particular pamphlet was headed up by Economic Development and Trade, and it was purely coincidental that the Premier was there at the same time. And as it indicated in the same article, that the Premier was promoting trade with Japan, and certainly one of the areas that he was promoting was high technology. So there was, other than that, no link-up. This was a delegation headed by Economic Development and Trade.

Mr. Koenker: — Can you tell us, Mr. Minister, who participated in that mission sponsored by Economic Development and Trade? Which Joytec representatives participated in that mission?

Hon. Mr. Meiklejohn: — Mr. Deputy Chairman, we don't have that information with us this evening, but we can get it and provide it for the member opposite or he can, as indicated, wait until estimates for Economic Development and Trade.

Mr. Koenker: — Well I'd certainly appreciate it. It would be easier if you could get that information for me and supply it. That would certainly be easier. Does the minister know whether there were representatives of that mission, the total mission of seven companies visiting Japan, accompanying the Premier in his visits to various Japanese companies? Were they, strictly speaking, two separate missions, or were there points at which they linked up?

Hon. Mr. Meiklejohn: — I'm informed that the only function where there was any overlap with the Premier's group was the function that was hosted by the chamber of commerce. But we can certainly get that information and

send it over to the member. We don't have it with us here.

Mr. Koenker: — I note, Mr. Minister, that when he was in Japan on April 9, the Premier did discuss the Joytec golf simulator with the people from Marubeni. I'm wondering if you know the gist of those discussions and can comment on the kind of development that flowed, the kind of contact that was made as a result of those discussions.

Hon. Mr. Meiklejohn: — Mr. Deputy Chairman, I have no doubt but what there were discussions between the Premier and the Marubeni corporation because the province of Saskatchewan is involved with different ventures with that particular company.

But as far as Joytec is concerned, I'm fully aware of the fact that at least one of the representatives of the Joytec company did have meetings with the Marubeni corporation, and I believe the information that I have that Marubeni will probably be involved with the distribution of the machines in Japan. But that's information that we can probably check out further and pass on to the hon. member.

Mr. Koenker: — Does the minister know whether in fact a distribution agreement has been signed with Marubeni?

Hon. Mr. Meiklejohn: — Mr. Deputy Chairman, I believe that this particular question would be better put forward to the officials from Joytec to find out what arrangements have been made, what contracts have been signed, and that sort of thing.

Mr. Koenker: — Well, Mr. Minister, I note that the Premier seems to have a rather keen interest in this firm, Joytec. Are you aware that the Premier toured the Joytec plant in Saskatoon on February 26, 1987?

Hon. Mr. Meiklejohn: — Mr. Deputy Chairman, I'm well aware that the Premier toured Joytec on that particular date because I was there on the same date. And I would also point out to other members of this House that I'm fully aware that the Opposition House Leader and yourself have been invited to visit Joytec and see the facilities and to try out the machine as well. And I hope that you have an opportunity to do that or take advantage of the opportunity within the near future so that you'll have a better understanding of the product that we're talking and the type of potential that does exist in that particular product.

Mr. Koenker: — Is the minister aware that on the day after his visit to the Joytec plant in Saskatoon with the Premier, that on February 27 Joytec laid off seven production employees?

Hon. Mr. Meiklejohn: — Mr. Deputy Chairman, I'm well aware of that fact, and as I understand it, that it may be possible that some of those employees have been rehired since that time. And when they get into production, of course, there will be a need for many more workers. But during the last few months the majority of the people that have been required at Joytec are people in the area of research and development. And as a result, then, they found it necessary to lay off some of their other

employees.

Mr. Koenker: — Is the minister aware of employees at Joytec contacting either himself or the Premier's office with respect to the laying off of these employees back in February 1987? Had you been contacted? My understanding is that the Premier has had representations and was told that they were going to be laid off the very day that he toured the plant. The people have called attention to some concerns, and they haven't been responded to.

Hon. Mr. Meiklejohn: — Mr. Deputy Chairman, I am certainly not aware of any representations that have been made to the Premier's office, and I can assure you that there have been none made to my office.

Mr. Koenker: — Mr. Minister, the reason I ask about the Premier's involvement is because there are some questions surrounding some of the claims that Joytec has made with respect to its deal with Marubeni. I'm sure you're aware that back on April Fools' Day, April 1, in 1986 . . . that on February 17 Technigen corporation announced a deal, a distribution agreement, a sales agreement with Marubeni that subsequently was the result of investigation in April by the Vancouver Stock Exchange; that on April 21, Technigen trading was halted on the VSE, in large measure because of claims that Technigen had made about having a deal signed, sealed and delivered with Marubeni, when in fact that was not the case; when in fact Marubeni officials stated that Marubeni was only doing marketing research and had not yet decided to actually market the machine; that the VSE regulators were concerned about some of these claims made by Technigen in terms of its overestimated evaluation of the deals with Marubeni. Are you aware of those kinds of developments with respect to the Marubeni deal?

Hon. Mr. Meiklejohn: — Mr. Deputy Chairman, I'm well aware of the information that the member opposite is putting forth with relation to Technigen. But I also am aware of the fact that there have been a lot of allegations made about the president of Technigen that have been denied. And in fact it's my understanding that a court case is also pending with regard to some of those allegations. So I think that it's something that there's much more there that has been put forward for reasons that are probably more political in nature than anything else. And I think it's unfortunate that the member continues to raise this as it relates to Joytec, because some of it, of course, has been denied, as I say, by the individual, and in fact he can't really indicate at this point that all of this information is factual.

Mr. Koenker: — Well, Mr. Minister, I simply raise these questions to alert you to some of the concerns that are in the public arena about Technigen corporation and Marubeni. I'm glad to hear that you are aware of some of the circumstances surrounding the Marubeni deal, or announcement by Technigen last spring, because we still have yet, as I understand it and apparently as you understand it, to have a firm distribution agreement between Technigen and Marubeni. And that has been in the works now since — what was the date — February 17 when it was first announced, and didn't in fact exist at

that time.

I'm wondering if the minister can tell us anything about the Technigen deal with Christec corporation.

Hon. Mr. Meiklejohn: — Mr. Deputy Chairman, as I understand it, Technigen is involved with many, many other companies. I am not aware of the company that the member opposite is referring to. I would think that our main concern at this point in time is Joytec, which is a Saskatchewan company which has a product that it hopes to be producing within the next short number of weeks, and I would think that as soon as that happens that the member opposite will see that this is a good company, it's a viable company, and I would certainly wish it every success as it moves ahead.

Mr. Koenker: — Mr. Minister, in light of the fact that you don't appear to know anything about Christec, I can share with you a bit of information, factual information. On January 20, 1987, Christec was incorporated in British Columbia. And on January 29, 1987, Technigen announced a \$2.5 million distribution agreement to deliver 300 machines — that's nine days after it was incorporated.

If you were to try to locate Christec Marketing, the address is at 700 — 815 West Hastings Street in Vancouver. And if you were to walk by there, 700 — 815 West Hastings, you would find Evergreen Business Centre.

(2115)

Evergreen Business Centre, from my investigation, handles business mail and phone calls for 13 different firms such as Notorious Records, and the Great Aussie Football Tour. If you look at the 1987 Vancouver criss-cross reference directory under the address 700 — 815 West Hastings, you'll find that Christec Marketing Limited is not, in fact, listed. So this is the second company that Technigen has a distribution agreement with. And I point out to you that it's only a distribution agreement. We have yet, as I understand it, to have any sales resulting from any of these distribution agreements.

Is the minister aware of any of the details surrounding the Technigen distribution agreement with Computech?

Hon. Mr. Meiklejohn: — Mr. Deputy Chairman, I'm not aware of the details, and I would suggest that these negotiations, of course, between two companies are generally quite confidential. But I would suggest to the member opposite that this kind of information, if Joytec wants to release it, that you contact the officials at Joytec.

And I certainly am not aware of the details now, but even if I were, I don't think that I would be in a position to release that type of information. If they want to release it, then I'd suggest that you contact them . . . (inaudible interjection) . . . I would like to point out to the hon. member from Saskatoon Nutana that if she wants to get into the debate, I'd welcome it.

I would also like to indicate that even though Saskatchewan might be a leader as far as advanced technology is concerned, that it would appear from the

hockey score that I've just received that Canada is also well ahead of any other country in the world, that they have defeated the Soviet Union, six to five.

Some Hon. Members: Hear, hear!

Mr. Koenker: — Mr. Minister, I realize that you aren't in a position to provide extensive information on the internal workings of Joytec itself. My concern is that you are in a position to provide funding and taxpayers' money to any number of Saskatchewan firms, and that I have a related responsibility to share with you any information that I have relative to the welfare of Saskatchewan taxpayers and the health of the Saskatchewan business community.

If I can share some information with you on Computech — I have a Technigen news release dated August 18, 1987, that notes that Computech is a computer product; I quote:

Is a computer product company as well as a value-added distributor of many of the leading mainframe and minicomputers.

I interject that no one in the computer industry that I have talked to has ever heard of Computech, including the, according to my information, the business manager of the *Mississauga News*. Computech is located in Mississauga; he has never heard of Computech. The press release goes on to read, and I quote:

Computech has been in the high technology field for many years and has established a broad base distribution network with offices located throughout the world.

I interject that Computech was incorporated on November 23, 1984, less than three years ago; I hardly think that qualifies it for having been in business many years.

The further point that Computech has a broad based distribution network with offices located throughout the world — in contacting Computech, my understanding is that they have an office in Vancouver, two offices in the States, and one in South America. That is their world broadly based distribution system with offices throughout the world. My research shows me that the Vancouver address, in fashion similar to Christec, is simply a mailing address and phone number in Vancouver. In attempting to find out from Computech their offices in the States, they're only able to say that one of their offices is in Buffalo, New York. They can't say where their other office is. When you phone directory information for Buffalo, New York, and ask for Computech, there's no such firm listed. They are able to tell us, however, that their office in South America is located in Ecuador, although they can't tell us where.

Back to their office in Vancouver. That appears to be at a place called the Mail Room, listed in the Vancouver phone directory yellow pages with the information, "Make Vancouver your permanent mailing address on Robson Street; postal boxes, business services . . ." "It's hardly the office for a world-wide distribution network, and apparently it's only been opened the last two months

or three months, perhaps, in Vancouver.

And I point this out to the minister because this is the firm that Technigen has signed the deal to sell 4,000 machines at \$72 million within the next three years — and perhaps that will happen within the next three years. But the way that I understand the deal, there's no time line for that, so it could be three years from now before any machines are actually sold to the company.

I'm wondering, to move on, if the minister has any information on Corporacion Relacio, S.A., a fourth company that Technigen has a distribution agreement with.

Hon. Mr. Meiklejohn: — Mr. Deputy Chairman, I'd like to point out to the member opposite that we're dealing with a Saskatchewan company here, Joytec, and I would simply add that Joytec put forth a series of applications to my department for grants over the last three years. And at the time that those applications were submitted, they met the criteria as set down by the Department of Science and Technology. They qualified for those grants. The grants were being given for the purpose of research and development. That research and development has been taking place and is taking place.

So I think for the member opposite to be raising all these hypothetical cases and all these various companies is really not the issue at all. We have given money to Joytec in the same way that we have given to other Saskatchewan companies who have met specific criteria.

We have faith in these Saskatchewan companies; we have faith in the companies such as Joytec and the other 170-some-odd companies, and it's unfortunate that the member opposite does not have some degree of faith in Saskatchewan companies.

It's one thing for you to talk about the fact that Technigen, which is the parent company listed on the Vancouver Stock Exchange. You've listed three or four other companies where are somewhere off there in the distance as well. I would suggest to the member opposite that you simply, if you want to get more information from Joytec, that you visit their shop, see what they're doing, ask them, if you will, for some of the details with regard to the agreements that they have, whether it's with Computech or Marubeni or who it is. And if they wish to give you that information, I'm sure that they will.

But as far as meeting the obligations of this department, they certainly have met those obligations. And our commitment has been met to them, and we wish them success the same as we would any other high-tech company.

When companies come to the Department of Science and Technology for grants or for consultation, we help them out in the best way that we can. And I would wonder, too, are you going to be conducting as an intensive an investigation into all of the other 170 companies within the province of Saskatchewan? I mean, why are you picking out one particular company?

And as far as our department is concerned, they've met

their obligations to us, and we wish them well in the future, the same as we would any of the other companies. But we don't follow up; we follow up in so far as finding out how the company is doing and if the mandate that this department has met their need. But we certainly don't follow up as far as all their sales and this sort of thing is concerned. If you want that information, I'd suggest that possibly you should go and visit the company.

Mr. Koenker: — Mr. Minister, again I share this information with you because of our role as stewards of the public purse, and I think it behoves us to be good stewards. You are in a position to grant funds to this company, as are other ministers of Crown. I think it's only responsible for us to be as informed about these activities as we can.

It's my sincere hope, as you say, that these companies are not hypothetical. They may be; I hope that they aren't, so that Saskatchewan will see jobs and production beginning at Joytec so that there will be benefits. I sincerely hope that these just aren't some other companies, as you say, off in the distance somewhere.

The fact is, Mr. Minister, that these are companies that Joytec, Technigen has distribution agreements with. Distribution agreements — they aren't sales agreements — they're distribution agreements which means that these companies will have to go out and beat the bushes and come up with actual sales agreements. And I think it behoves us both to know about this information, particularly when it's my understanding that Joytec has applied to receive funding of up to \$200,000 under the industrial incentive program, and undoubtedly will be receiving other funding and making other applications to the provincial and the federal government. And here in Saskatchewan, when a company applies for funds in the technological sector, implicit in that is consultation between provincial and federal counterparts in your departmental office in Saskatoon.

I want to share some information with you on Corporacion Relacio, since apparently you don't seem to know much about it. The first thing to be said is that they've pulled back from their original letter of agreement, or understanding, with respect funding Joytec, which was for over . . . just let me check here. I can't find the total right offhand, Mr. Minister. But the fact remains that the original agreement has been cut back from some \$4 million in terms of the letters of credit that were to be there for the company. Now Corporacion Relacio only has to post a half a million dollar letter of credit and sells 3,000 fewer machines for Technigen.

I note further that Corporacion Relacio is reported by Technigen to be a Swiss company. This big Swiss buyer for Joytec's golf machines is in fact a Panamanian company registered in Panama which has a Swiss bank account in Zurich and an office in Zurich. Panama, as we all know, is the dirty money capital of the world.

I note, in attempting to find out more about Corporacion Relacio through the Canadian consulate, that they were able to ascertain that Corporacion Relacio is not a member of the Panamanian Chamber of Commerce.

Corporacion Relacio is not a member of the American Chamber of Commerce in Panama. Corporacion Relacio is not listed anywhere in the computer records of the Panamanian Ministry of Commerce under that name. Corporacion Relacio is not listed in any telephone directory in Panama. And no one in the Canadian consulate in Panama, or anyone they contact in Panama, seems to know anything about who Corporacion Relacio is. And this is the firm that Technigen Joytec has a large distribution agreement with.

(2130)

There is one other very important piece of information which I think it's important for you to understand, or to know, and that concerns the individual who is acting as the representative for Corporacion Relacio with respect to their half million dollar letter of credit. That individual is David Charles Stuart and, Mr. Minister, I think you'll find it very interesting to know — and you might want to investigate this for yourself — that this individual, David Charles Stuart, has a criminal record, convicted for fraud in stock promotion on the Ontario Securities Commission, and he has other criminal convictions as well for related charges, and that as recently as November 8, 1985, had criminal charges laid for possession of stolen property.

Now those charges were withdrawn with the understanding that he would make restitution. But I say, this is the individual who is representing the interests of Corporacion Relacio in its dealings with Technigen Joytec. And it gives pause, I think, when it comes to you or other ministers of the Crown, sharing funds with this company from the public purse, without subsequent investigation as to what in fact is happening — maybe not with Joytec, but with respect to the parent company in some of the distribution agreements, or we may have good money chasing bad.

So I simply leave it at that, and I commend this situation to your consideration and your examination. I think it behoves us both, in terms of protecting the taxpayers' interest, given the amount of money that this Joytec, Technigen company has received from the public purse, given the kind of political advocacy that this company has had the advantage of, both from the Premier and from the constituency president of your constituency association, and, in fact, other individuals related to ministers of this government.

I think that there are a host of questions surrounding this company that beg for answers. I don't have access to much of the information. What I have access to and causes me concern, I share with you and lay on your table tonight with the hope that you will investigate it, and that, together with your officials, we can see a Joytec corporation that does not just survive these kinds of questions but comes out of it and thrives and provides jobs for Saskatchewan people, that produces golf simulators and benefits, not only the original investors here from Saskatchewan who invested in this venture capital company, but the public as well; that there will be a day when Joytec will be able to repay from its profits, by way of taxation and employment, the investment that Saskatchewan taxpayers have made in the company.

Hon. Mr. Meiklejohn: — Mr. Chairman, I appreciate the remarks by the member opposite, and I would simply say that we also share a concern about the taxpayers' dollars and how they are being spent, but we also have a very definite commitment to the high-tech industry in this province, and I would assure the member opposite that if companies come forth, whether they're individuals or groups of individuals, that if they have ideas that they wish to pursue, that they meet the specific criteria set down by the department, that we will simply . . . we will certainly give them encouragement, and we will support them in whatever way that we can.

And as you pointed out in your opening remarks, you are very supportive of the high-tech industry in Saskatchewan, and I know that you're sincere when you say that. But I would suggest to the member opposite that it is rather unfortunate that we take a company such as Joytec, which is still in the growing stage and is still at the research and development stage, that you have done an awful lot in the last few months to try and destroy this company before it really gets under way. So I would just ask you to be patient. I will certainly follow up with them as I have and with other companies and give them what encouragement that we can and that we are also anxious to see them getting into production.

I would just close with one other comment that you speak about Computech and some of these other companies. The article that you were quoting from, you should have also included the statement in there that Computech has agreed to a \$72 million deal to pick up the slack from Relacio, pledging to sell 4,000 golf simulators over the next three years.

So I certainly have no reason at this point to doubt but what they will keep that commitment. But until the company gets into production, I think that we should give them an opportunity to finish off with their research and get into that production.

Mr. Koenker: — Mr. Minister, just by way of a slight oversight, I'm wondering if you could comment on any other Government of Saskatchewan funds that Joytec has received other than from the Department of Science and Technology. What other government departments have given funds to Joytec, and what would those grants consist of?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, in answer to the hon. member's questions, I would simply indicate that we don't have any knowledge at the present time of there being other funds put forward. We will check that out, and we'd be happy to provide that information for him as soon as possible.

Mr. Koenker: — I'd sincerely appreciate that, Mr. Minister, and thank you for that. Just a couple very brief, sort of clean-up concerns. We haven't . . . There's a host of things we haven't talked about tonight.

I'm wondering if the minister sees any priority — or within the department or within his government — for the funding of science and technology with respect to the environmental industry sector of the economy. And I

think of specifically of waste technology and environmental detection and monitoring technology. I'm wondering if you see any window of opportunity, or if you've developed any strategy with respect to supporting Saskatchewan involvement in the high-tech community in terms of environmental protection?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, I would advise the member opposite that science and tech is involved at the present time with companies that are doing research in those areas. There's certainly a good amount of research being done by the Saskatchewan Research Council in those areas, and we certainly will be — will continue to be — involved in whatever way we can because we recognize the importance of that area and the new research that is essential today.

Mr. Koenker: — I'm certainly glad to hear that. That's very encouraging because I've noted that the federal Minister of the Environment, Tom McMillan, has said as recent as this spring that the environmental industry is, he says, “. . . one of the major growth sectors everywhere in the world.” And it seems to me that we have the potential here to develop a technological sector which meets the immediate, real needs of Saskatchewan people, and at the same time develop potential markets world-wide because there is such a growing demand for products that deal with environmental control, clean-up, and quality.

And I certainly hold that up as a positive suggestion for you, for you and your officials to try to take some new initiatives there. But it seems to me that that's one area of the high-tech cycle, or the economy, that if the world community goes belly up with computers or microelectronics, we're such a small player we really don't have much protection.

But to invest our meagre resources here in Saskatchewan in that kind of enterprise has the potential to serve us regardless of what happens in the larger economic environment, because we're still dealing with Saskatchewan needs first, and the implications flow to other jurisdictions across North America and in fact the world.

Mr. Goodale: — Thank you very much, Mr. Chairman. Mr. Minister, regarding the importance of this area of public policy, science and technology, I have consulted rather closely with a number of knowledgeable people in this field, especially in Saskatoon, in preparation for these estimates. And what I've found is that we probably have here a very willing minister who wants very much to do a decent job, but a government, unfortunately, that has relegated science and technology to the back burner, giving it a lot of lip-service, but precious little else.

And, Mr. Minister, I want to take a few moments this evening to examine some of the arithmetic in your estimates with you, to make sure that I understand it accurately. Because I think that arithmetic puts you, unfortunately, in a rather awkward position of having to deal with a lot of PR without a lot of substance. And I would hope that through this debate tonight we might encourage the government to be more supportive for science and technology, to give you, as minister,

something more substantial to work with.

As I read the *Estimates*, Mr. Minister, one very thin page – page 86 in the blue book – it seems to me that there is an increase in Science and Technology, the Science and Technology budget for this year that's in the order of 4 to \$500,000, or about a 30 per cent increase. And all of that, it would appear, is because of administrative cost increases, and about half of that goes to the property management corporation. The bottom line, it would appear, is a 30 per cent increase, all of it in terms of administrative costs.

Now, Mr. Minister, that compares again to what appears to be a 25 per cent decrease in the total funds made directly available by the government for research and development – a decrease of some \$1 million in 1987-88 compared to 1986-87, and that's down 25 per cent. If I'm calculating that decrease correctly, Mr. Minister, it follows in the fashion that I'm about to describe.

The startling fact is that virtually none of the necessary information is provided on page 86 in the blue book; that you have to ferret it out from other sources in other parts of the *Estimates*. First of all, you have to look at the Heritage Fund and the report on the Heritage Fund contained in the blue book. That particular report shows \$601,000 as payments from the Heritage Fund for research and development, and again that would appear to be down from 2.8 million last year, or a reduction of 79 per cent.

(2145)

Also with respect to the report on the Heritage Fund, Mr. Minister, it would appear that there are \$228,000 provided as grants pursuant to the ERDA (Economic and Regional Development Agreement) . . . That is E-R-D-A, the ERDA agreement with the Government of Canada, and that too is down from \$1.2 million last year, or a decrease of 81 per cent. That's the portion of the *Estimates* relating to the Heritage Fund that deal with Science and Technology.

And then, Mr. Minister, you have to find the economic diversification and investment fund that is reported elsewhere in the estimates, and there you find grants for advanced technology development for something close to \$2.2 million compared to a nil entry for last year, as the fund did not exist at that time.

Now, Mr. Minister, I'm going to ask you to, if you would, confirm that arithmetic, and when you add it all together you get the following: the 1986-87 total R&D investment by the Government of Saskatchewan, in the various forms that I have just mentioned, totalling some \$4 million; and in 1987-88, the total R&D investment by the Government of Saskatchewan, again in those categories that I've just mentioned, of \$2.999 million. That's a difference of \$1 million essentially – \$1 million less this year compared to last year, or the 25 per cent reduction that I mentioned a few moments ago.

So we have a 25 per cent cut in actual useful R&D funding by the government, and we have a 30 per cent increase,

as I mentioned earlier, in the administrative costs of the department. And just for the sake of clarity, Mr. Minister, to make sure that that arithmetic is accurate, I would ask you to confirm at least the essence of that calculation and indicate if that's basically the state of affairs as reported by these estimates.

Hon. Mr. Meiklejohn: — Mr. Chairman, I would like to point out to the hon. member that there is no question about the commitment of this government as far as science and technology is concerned, and I pointed that out in my earlier remarks; support on the part of our Premier, support certainly in the commitment on the part of the government as far as funding is concerned, and the fact that there is a minister in charge of only this particular department.

I did indicate earlier to my critic that indeed there had been the 25 per cent cut in the research funds from \$4 million last year to 3 million this year. And as you've indicated, that's found in two different places. You've got \$2.171 million under the economic diversification and investment fund, and you have the other 829,000 under the Saskatchewan Heritage Fund on page 120. So the total of \$3 million that we have for this year.

But I think at the same time you have to recognize the fact that with the economic diversification and investment fund we have an amount of \$22 million which is available for economic development, small business, and science and technology. But for the most part, if you consider that the advanced technology companies are indeed small businesses, we are talking about economic development. So I would think that in some cases there could be a little bit of an overlap there in that there could be more funds available for small business that are into economic development through advanced technology.

So even though our overall budget has been cut by the million dollars, I would hope that out of the \$22 million that we could possibly have some additional funds because they do spill over to those other two departments.

Mr. Goodale: — Well, I appreciate the minister's optimism, but quite frankly I don't see good grounds in these estimates to share that optimism.

In relation to the economic and diversification investment fund, for example, while the minister speaks of a budget commitment this year of some \$22 million in total, that is down from \$25 million last year, and only 2.1 or 2.2 million of the total is specifically committed for advanced technology. And it seems to me to be a little bit of wishful thinking to hope that something else from some other fund may somehow kind of spill over and inadvertently help in the technology field when it has not been specifically budgeted for that purpose. I hope the minister is not just being naïve when he hopes that that kind of indirect spill-over can occur to his advantage.

In terms of specific positions in the department, Mr. Minister, I know you've covered a good deal detail earlier today, and I won't go over that ground, but I note that in total there's 20.3 person-years provided for within your department. I wonder if you could tell me specifically: are

all of those positions at the present moment filled? And if they're not fully staffed up to the 20.3, what is the actual staff complement at this moment in time? And secondly, because we are dealing with a relatively small department with a limited number of people involved, would you be in a position to provide us with a listing of your entire staff complement that would make up that 20.3 figure, including their titles and their duties and the specific locations of their offices?

Hon. Mr. Meiklejohn: — Mr. Chairman, we'll be happy to provide you with that list. Something you had asked earlier and I didn't deal with that — the increase as far as administration was concerned was due to the fact that the minister's office of Science and Technology is now included with the department, so that involved another five positions. With regard to the number of people or vacancies that exist at the present time, I believe we have four positions that are vacant at the present time, two of which were a result of early retirement, and the other two of people that have moved on to other areas.

Mr. Goodale: — Mr. Minister, could I ask you: apart from the people who are directly involved in relation to your ministerial staff which you have discussed earlier today in the House — apart from those people who are directly ministerial assistants — how many people from your department would be employed in Regina and how many in Saskatoon?

Hon. Mr. Meiklejohn: — Mr. Chairman, of the 15 positions we have one position that's in Regina; we have 11 in Saskatoon and . . . we have 10 in Saskatoon at the present time, one in Regina, and four positions vacant.

Mr. Goodale: — Mr. Minister, I had received some information earlier that I would like to raise with you and to see if you could confirm it. Is it true that in your Regina office, your strength in person-years has been in fact reduced to just that one single official; that that person operates here essentially without support staff and is occupying — or at least was until very recently — occupying space that was originally designed for 16 to 20 people. Is there that kind of discrepancy between the actual numbers of people involved, namely one, and office space designed for 15 or 20? Is that the sort of state of affairs that prevails? and if it does, I presume you have plans to correct that. And I wonder if you could indicate what those plans are.

Hon. Mr. Meiklejohn: — Mr. Chairman, as the hon. member across knows, the department was moved for the most part to Saskatoon on September 1, 1986, and the remaining positions were here, in fact were taking up that space that was occupied by the total department before.

At the present time, we do indeed have one person who is here. There is one vacancy that has not been filled here, and those offices of course are still maintained. And we would hope that in the very near future that there can be some change there because, as you well know, we're now paying rent on space that we in fact don't need.

So we're looking forward to getting something negotiated there as soon as possible. So we do have the one person here, as you've indicated, but in so far as support staff is

concerned, this individual is involved with clients not only in the Regina area in the southern part of the province but also in Saskatoon. So indeed he does have support staff, but the support staff at the present time would be in Saskatoon.

Mr. Goodale: — Mr. Chairman, when the minister says he is looking to correct that imbalance between people and space in the next short while, does he have in mind that the government would in fact unload that extra space, or would the four positions that the estimates provide for which have not yet been filled be allocated to Regina to occupy some of that space, or is it a combination of both of those things that the minister has in mind?

Hon. Mr. Meiklejohn: — The space that we're talking about, Mr. Chairman, would be allocated back to the property management corporation, and they would be the ones that would be probably reallocating it to other departments or whatever the case might be. But they would be the ones that would be looking after that.

Mr. Goodale: — Thank you, Mr. Minister, for that information.

I'm anxious to ask you a couple of questions about the operations of that portion of the economic diversification fund that deal with science and technology matters. And I'm concerned that their . . . at least the reports that I have received would indicate that there are, to date, no clear or public guide-lines, no administrative guide-lines, no statutory regulations pertaining to how money from that particular fund, the economic diversification fund of the provincial government—I don't mean to confuse that with the federal effort — the provincial fund will be allocated.

I have received those reports, Mr. Minister, and I would like to ask you first of all: are there any such guide-lines or regulations for the administration of those moneys? If not, why not? And if they do exist, if there are in fact such guide-lines or administrative guide-lines or regulations pertaining to how moneys from that fund will be allocated, if they do exist, when do you, Mr. Minister, plan to make them broadly and well-known to the science and technology industry in Saskatchewan and to this House?

I raise the point because when rules and regulations for the access to government funding are not well-known or well understood or seem to be somehow secretive or perhaps ad hoc, that of course raises all sorts of possibilities for doubts about political involvement in government decision making. I'm sure the minister would not want to leave that impression, and I wonder what specific plans he might have in mind to dispel any impression that might be there at the present time about that problem?

Hon. Mr. Meiklejohn: — Mr. Chairman, I would simply point out to the hon. member that our guide-lines, in so far as the advanced technology field is concerned, are quite clear and have been laid out, and they are available for people who are interested in this particular field to follow through on.

(2200)

We have many calls at our offices both in Regina and Saskatoon each week, and many people dropping in that have new ideas and processes that they want to follow up on. So I think all it takes is a call to any one of our offices to find out what our guide-lines are.

We discussed earlier about some of our communications that make this kind of information readily available. So I wouldn't see any problem there.

I would assume that probably in so far as the other departments, the other economic departments are concerned, that the guide-lines are also available and that people can make contact with either one of those departments. But in so far as the high tech is concerned, I think our guide-lines are quite clear.

Mr. Goodale: — Mr. Minister, I'm referring specifically to that portion of the estimates which create the funding for the economic diversification and investment fund, which fund, in relation to advanced technology development grants, did not exist in the previous fiscal year. And because this appears to be a new innovation, and perhaps something that has not been touched upon specifically before these estimates, I wonder if you could send over to me, for my information, and for the information of those who have been in touch with me about this matter, a copy of the written guide-lines by which moneys from that fund will be allocated by the government. You say those guide-lines exist. I'm delighted to hear that, and I wonder if you could provide me a written copy of those guide-lines so that I can answer the inquiries that I've received.

Hon. Mr. Meiklejohn: — Mr. Chairman, we'd be happy to provide the hon. member with that information indicating all of the guide-lines, and so we'll get that to you as soon as possible.

Mr. Goodale: — Thank you very much, Mr. Minister. I'd like to turn then quickly to the ERDA agreement, the E-R-D-A agreement. Just for the purposes of the record, Mr. Minister, that is a federal-provincial agreement on economic and regional development. That portion of it relating to science and technology matters was signed on the August 31, 1984 by Saskatchewan and Ottawa. It was to run for a four-year period from 1984 until 1989. It was to be a 50-50 cost sharing deal between the two governments. Its maximum level of R&D spending was to be \$33.2 million over those four years. The province's 50 per cent share of that total was to be \$16.6 million or about \$4.2 million per fiscal year.

Mr. Minister, to date under this agreement, if my information is correct, Saskatchewan has invested the following moneys: in 1984-85, nothing; in 1985-86, 1.19 million; in 1986-87, 1.19 million; and then in 1987-88, according to these estimates, the smaller sum of 228,000, down to a full 81 per cent from the previous level of funding established in the two prior fiscal years.

Mr. Minister, you said in answer to an earlier question

that the commitment of the government in respect of science and technology is profound and real and it can be relied upon, but it seems to me that that level of commitment that I've just described in those figures in respect to the ERDA agreement, that level of commitment is obviously well below what the 1984 agreement contemplated, and we only have one more fiscal year to go before that agreement expires altogether. And I would like to read into the record, Mr. Chairman, and Mr. Minister, section 2.2 of the ERDA agreement between Saskatchewan and Ottawa, which states the objectives of the agreement. And I quote:

To create the appropriate institutional environment necessary for the development and commercialization of advanced technology opportunities and industries; to encourage the strengthening and enhancement of the advanced technology industrial base through the exploration, development, and commercialization of technology and product opportunities in viable market niches; and to focus efforts on present and emerging areas of human and technical expertise and competence in the province.

Those, Mr. Minister, are the objectives of the ERDA agreement. And it seems to me that you must surely agree that Saskatchewan has been falling far, far short of maintaining the spirit of this ERDA agreement with Ottawa because the level of funding has obviously been far below what that agreement contemplated.

And as a consequence, Mr. Minister, I would ask you to confirm that Saskatchewan has in fact been falling far short of its originally contemplated funding commitment under the ERDA agreement, and that as a result of that, we are also missing out on some very large and available federal dollars that could be levered into the province if the corresponding political commitment were there. And it's because of that kind of issue, Mr. Minister, and that kind of question, that some of us are concerned that the government's commitment in relation to science and technology may be more rhetorical than real.

And I wonder if you could comment on that level of funding under the ERDA agreement and indicate whether you personally are satisfied with a level of spending that is obviously far, far below what the original 1984 deal contemplated.

Hon. Mr. Meiklejohn: — Mr. Chairman, in answer to the hon. member's question, I would point out that for this current year of '87-88, that the estimated expenditure under this category is probably closer to the neighbourhood of \$1 million rather than the 228,000.

The funds that are given out under this program are based on company response. And when the original agreement was signed back in 1984, it was difficult to indicate at that particular time just what amount of money would be needed. But I can assure the hon. member that in 1984 when this agreement was signed between the two governments, that we in this province did not have any indication that the price of potash was going to be what it is today, or the price of uranium or oil or wheat. And,

quite frankly, we have to get by on the funds that we've got.

Obviously, it would be nice to have the full \$16 million to put into this program over the five-year term, but I think it's quite obvious at this point that we're not going to come anywhere near to that, and it's simply because of the economics that exist. We have to do the best we can with what we've got, and that doesn't take away one little bit as far as the commitment of this government to advanced technology. But that's reality.

Mr. Goodale: — Mr. Minister, I guess it's a question of priorities in the \$16 million over a four-year period is less than what the government has spent in past years in one single year for tax-paid government advertising. It's an issue of where you set your priorities and whether you think advertising by the government is more important than spending it on R&D.

I want to ask you, I want to ask you the specific question about the 228,000. Are you indicating that that number, in fact, reported in the blue book is inaccurate? It appears on page 115, and I think you suggested that the actual spending under the grants pursuant to the Canada-Saskatchewan Subsidiary Agreement on Advanced Technology, as the language in the blue book goes, that the figure is likely to be closer to \$1 million than 228,000. And if so, where would that correction appear in the estimates of the department?

Hon. Mr. Meiklejohn: — Mr. Chairman, the figure that's in the blue book is accurate. But as I indicated as well, these grants are based on company response, and they will be drawn from the figure that you see on page 26 from the economic diversification and investment fund. From the information that we have now and the projects that are under way, we will be closer to the \$1 million figure, but the balance, as I say, will come out of the economic diversification and investment fund. So the figure that is here is accurate, but the balance will be drawn out of that fund.

Mr. Goodale: — So those two numbers can be added together, that is the Heritage Fund numbers on page 115 and the diversification fund numbers on page 26, they can be added together to get the total spending number and there would not be any overlap or duplication between the two figures. I take it that's what the minister is indicating.

Could I ask then, Mr. Minister, in relation to the \$228,000 figure referred to on page 115, is that money already committed at this moment in time? Does that represent, in fact, funds that your department has already spent or has specifically earmarked for spending in a specific way?

Hon. Mr. Meiklejohn: — Mr. Chairman, yes indeed, there are a lot of these dollars that have been committed because of the fact that some of the projects run over an 18-, maybe to a 24-month period. The \$228,000 that's indicated here from the R&D area will be used up first, and beyond that the moneys will be drawn from the economic diversification investment fund. And I'm informed that our commitments probably are in the neighbourhood of \$500,000 — that's money that's

already been committed to projects that are ongoing.

Mr. Goodale: — Then of that 500,000, Mr. Minister, the first 228,000 would come from the item on page 115, and the balance would come from the item on page 26. I wonder, Mr. Minister, if that information is generally public, and if you haven't been asked earlier today to provide a list of the beneficiaries of those granting programs, I wonder if I could ask you now — not, obviously, tonight — but in the next few days if you would be in a position to provide us with a list indicating which companies or which individuals in Saskatchewan would be benefiting under any of these granting programs and indicating the amounts that each of them would be entitled to receive.

Hon. Mr. Meiklejohn: — Mr. Chairman, we'd be happy to provide that information within the next couple of days.

Mr. Goodale: — I thank the minister for that and I wonder, just for greater clarity and in order to make it clear what I'm asking for — that would be the information with respect to grants, provided under that item on page 115 of the *Estimates* that refers to payments for research and development; that item that refers to the ERDA agreement; and then on page 26, that item which refers to advanced technology development grants. Those three items, Mr. Minister, is what I was referring to, and I see you're nodding your head. I thank you for that, and that will shorten up proceedings this evening if we can receive that in writing at a later time.

Mr. Minister, I want to deal with just one other category of question this evening, and that has to do with general departmental performance, and I'm concerned about the potential that I detect for exaggeration or overstatement by the government when it comes to selling its record in relation to science and technology. This is a new field; this is an exciting field; we all want to be proud of it and talk well of it and so forth, but I think it's also critically important that we be accurate and we don't overstate, or exaggerate, or try to portray things as they are not.

And I note, for example, in 1983, before any Science and Technology department even existed in Saskatchewan, there were four advanced technology firms of major consequence in Saskatchewan; those four firms, obviously, if people remember the history of that time: Northern Telecom, AEL Microtel, Develcon Electronics and SED Systems.

(2215)

Today, four years later, with the Department of Science and Technology, there are only three of what might be called the major firms. We had four; it's down to three. And I'm sure the minister would agree that that's not a good sign when we have fewer major firms now than we used to have even before the department existed.

I think of another example, Mr. Minister. You have suggested in some of your written material that the science and technology industry in Saskatchewan could achieve revenues of \$1 billion in 1987. To achieve that level, I'm advised by the industry, exclusive of

universities and government, the industry would have to employ a minimum of 12,500 people. The department says that at maximum, industry-wide employment in Saskatchewan will be 2,500 people this year. Obviously there is a big gap between the rhetoric and the actual performance, and I think it's important to be accurate and again not overstate the case.

I'd like to offer another example, Mr. Minister. You have said that since 1982 the number of advanced technology firms in Saskatchewan has basically quadrupled in Saskatchewan from around 40 in 1982 to about 170 or thereabouts now. But, Mr. Minister, if you examine the names of those firms that are listed in the technology transfer catalogue which you have referred to earlier today in this House, you'll find that that list of those firms – apparently setting out all of the information about these 170-odd firms – that that list includes some of the large and some of the small technology companies in Canada, or in Saskatchewan rather, specifically in Saskatchewan, plus farm equipment manufacturers, plus Ipsco, plus inventors who have yet to have a marketable product developed, plus value added resellers, plus engineering companies, plus companies which have ceased operations, plus part-time, one-man operations, and some firms which are at best in a pre-start-up stage.

Mr. Minister, all of that is lumped together to get the figure of 170 or so. And so the real list is not 100 or 170 *bona fide* advanced technology firms in Saskatchewan; in reality, Mr. Minister, I wonder if there would be more like 30 or 40 companies which could stand up to a factual test.

And again, there's a real gap problem here between what's said and what's real. We would obviously like the larger story; we would like the bigger picture; we would like more and more of the success stories. But I think, in terms of dissemination of information, it's important to stick to the facts.

The minister talks about the need to be upbeat and to be positive about this industry, and I agree with that, Mr. Minister. And you talk about the need to sell ourselves both to ourselves and to others, and I can certainly agree with that. But the salesmanship has to bear some resemblance to reality, and it has to be based on fact.

And I'm concerned when I learned that the OECD (Organization for Economic Co-operation and Development) report on science and technology in western Canada commissioned by the four western provinces in 1986 concludes that Saskatchewan has fallen behind British Columbia and Manitoba in technological development.

And, Mr. Minister, I simply want to urge you to be careful in the PR side of your responsibilities; to be a good salesman, yes, but not to overstate or to exaggerate or to oversell the Saskatchewan situation, which could in future come back to rebound against us. Because obviously credibility is a very critical part of the whole science and technology atmosphere that we want to foster in a healthy and accurate way in our province.

And I would be interested to know, Mr. Minister, if you have any comment on those few remarks before I finish

with two very specific questions about departmental personnel.

Hon. Mr. Meiklejohn: — Mr. Chairman, I would point out to the hon. member that when we're talking about 170-some-odd companies that they well could range from one individual to several hundred, as we know exist in some of the larger companies. But we've got a good number of companies, we have to remember, that start out in their basements with an idea that they're working on.

You have to consider, when you're talking about advanced technology or research and development, that you have to go right through the innovative change from that original idea; and there are so many steps all the way along the line with it until you get to the other end where you've got the production in place and you've got the goods being marketed out there.

Indeed, you can look through the tech transfer catalogue; you don't see all the companies listed there because there are some companies prefer not to be in that catalogue to protect their invention. So we can't deny them that freedom.

In so far as your comparison of Saskatchewan with other provinces, I would think that this of course could be disputed as to whether or not we're falling behind. I think, as far as the amount of growth that there has been in this province in the last five years, that that's incomparable probably in any other province in the country. And I think when you consider the leadership role that this province has taken and this particular department, that in fact our model has been copied by several of the other provinces and is now being utilized there. The province of Saskatchewan also played a very instrumental role in developing the national policy for science and technology, which was signed last March out in Vancouver.

So there are areas that we may not be as far ahead as other provinces, but I would point out to you that we rank third behind the provinces of Ontario and Quebec when it comes to the areas of space technology and telecommunications. We certainly have the potential to be the leader in Canada as far as biotechnology is concerned, and that's an area that we're pursuing right now.

There's certainly recognition on the part of the other provinces in the country that Saskatchewan is way ahead as far as some of the other . . . some of the technologies are concerned.

I think it's important to note the fact that SED just recently was taken on as the subcontractor for the Canadian space program with Spar Aerospace, and they will be involved with the whole prairie basin, so there is recognition on the part of people all across Canada that we are leaders in some fields, but certainly we're not leaders in all fields, and I don't think we would expect to be. But I think we have to look at the strengths that we have here, and we have to build on those strengths, and that's certainly what we're attempting to do.

Mr. Goodale: — Well I appreciate the minister's comment, and my remarks earlier were simply a plea for accuracy in all of the salesmanship that we try to develop for ourselves, so no one later on can challenge us or conclude that we tried to sell a case that was not, in fact, accurate and factual.

A couple of technical points, Mr. Minister, that I would conclude with. I have, again from the industry in Saskatoon, received the suggestion that, in fact, within your department lists of companies are maintained in terms of their categorization by the constituency which represents the residence of senior officers. And I wonder, Mr. Minister, if that kind of list-keeping is, in fact, done within your department. I can imagine you keep all sorts of lists for all sorts of purposes, but do you actually keep a list that indicates the residence location or the office location of senior officers within high-tech firms? Because if such a list does exist, or if there is the common belief that it does exist, it obviously brings some political implications into the department, Mr. Minister, that would not be healthy or useful.

And my final question, which I think you could answer at the same time with the previous one: can you indicate to me the status of one Mr. Don Richardson, who, I understand, was formerly the director of the Saskatoon cabinet office, and prior to that was a media buyer in the private sector, that he is now fulfilling a role in the department that may be generally described as executive assistant to the deputy minister? I wonder if you could offer in your written answer to the questions that I've asked previously some specific definition of Mr. Richardson's role and where he fits in with the delivery staff, the middle-management staff, or the executive staff within your department, and does he fulfil any function as a political person within the department, an overseer in some form, because again I think that function by that particular person could leave indeed the wrong implications with the people of Saskatchewan, and it's important to dispel that.

I raised those points now, Mr. Minister. You may not be in a position to answer that precise question tonight, but I have asked you earlier for a list. You have agreed to provide that list, and it would be satisfactory for my purposes if you could give me the commitment to provide that information with respect to Mr. Richardson as a part of that list.

Hon. Mr. Meiklejohn: — Mr. Chairman, in our response to the first question, I'm certainly not aware of any list that we have that would indicate what constituencies the officers of the various companies live in. Certainly I'm not particularly concerned about which constituencies they would live in. I'm interested in the operations of their companies and the fact that if they're going to be involved in industry economic development that is going to benefit the people of Saskatchewan, that's our main concern.

In regard to the second part, we'll include that information that you'd asked for.

Mr. Koenker: — Mr. Minister, I just like to conclude by thanking you and your staff for your time this evening. I think it's good that we've been able to discuss some of the

concerns about smaller, fledgling, nascent, basement high-tech firms here in Saskatchewan. I hope that you do give consideration to see that they get their fair-share from your departmental and governmental allocations; also that they do shortly see something from this Premier's \$50-million fund for high technology, that small firms see some real assistance from this fund.

I think we've talked sufficiently about the concerns for educational funding, and as an educator yourself, I hope that you will strongly advocate reinstatement of proper funding to the U. of S. and the U. of R.; that you will reinstate proper research and development funding and speak strongly for that; that you will see that we do have a grains institute and other institutes here in Saskatchewan.

I believe that Saskatchewan people are looking to the Department of Science and Technology for programs and policies that address their real needs, that promote human well-being, environmental safety, and a sustainable economy; the kind of scientific and technological development that is indigenous to Saskatchewan, predicated on Saskatchewan's need, but applicable to the world on an international scale; science and technology that consults with a broad base of Saskatchewan people, with students and working people, and with farmers, and not just the research community and the high-tech community; a science and technology policy that does not put the public treasury at risk or burden taxpayers; and finally, science and technology policy that makes a positive commitment to global peace, disarmament, and security.

We have that kind of opportunity here through the Saskatchewan Research Council and the PACSAT and the RADARSAT programs.

I commend your department for its many, many positive initiatives. I think that when you've commented on those tonight that you've been very accurate in saying that there are many good things that the department has done. At the same time I say again, I think that your hands are tied; that you work at a serious disadvantage given your predecessor's political use of funds and the Premier's propensity to engage in fantasy and fiction rather than fact and finance when it comes to science and technology.

(2230)

Yours is a tall order. I wish you and your department officials well. I pledge myself to work with you toward a scientific and technological future for all Saskatchewan people that is sustainable, that is affordable, and that really does serve the interests of ordinary Saskatchewan people.

And so I close by thanking you very sincerely, and thanking all of your departmental officials, those who are here tonight, and those who are at work in offices and out in the field and unable to here. So I thank you very much.

Hon. Mr. Meiklejohn: — Mr. Chairman, just a brief comment. I would like to thank the hon. member for his comments and thank the members opposite for forwarding the questions.

I certainly look forward to suggestions from you in the future, and I can assure you that we are strong believers in the high-tech industry in this province. I think that we have exciting times ahead, and certainly we're going to continue to do what we feel is right in the province and to do our best to promote economic development in whatever way that we can. So thank you very much.

Item 1 agreed to.

Item 2

Mr. Brockelbank: — Mr. Chairman, perhaps I could draw the minister's attention to the request that I made earlier in writing, one part of the request dealing with the consultants employed by the department. And I wonder under what subvote I might seek that information.

Hon. Mr. Meiklejohn: — Mr. Chairman, I would point out that we provided some of that information to your colleague, but anything that is still required there we would be quite happy to forward that to you in the next while.

Item 2 agreed to.

Item 3 agreed to.

Item 4

Mr. Brockelbank: — On item 4, Mr. Chairman, I have been looking over some of the information that the minister was good enough to provide to my colleague with regard to Science and Technology expenditures in the previous year, and I noted for the advertising and printing and related expenses in '85-86, totalling \$99,000, that about 64 per cent of that went to one supplier, namely The Marketing Den.

And it says, "Development and pre-production work on brochures, newsletters, catalogues, etc.," and I thought to myself that \$64,000 is a significant amount of money out of the 100 or \$99,000 in this particular item.

And is this . . . I wonder if this, Mr. Minister, if you could answer: is this The Marketing Den that is the company owned by Joel Teal, who ran for the PC nomination in Saskatoon East, and by Murray Osborn, a prominent PC and friend of Rick Folk and Paul Schoenhals? Is that the same Marketing Den?

Hon. Mr. Meiklejohn: — Mr. Chairman, I would simply indicate to the hon. member that I don't know who owns Marketing Den, other than I believe that the manager is one Murray Osborn.

Mr. Brockelbank: — Is . . . other than that you're not aware that Mr. Joel Teal, the PC person seeking nomination, was also the owner?

I wonder, Mr. Minister, if you could indicate whether this type of material, \$64,000 worth of it, would be tendered or how would it be obtained by The Marketing Den?

Hon. Mr. Meiklejohn: — Mr. Chairman, I'm informed that they are our agent of record, and they are the ones

that are assigned. They do the work for Department of Science and Technology.

Mr. Brockelbank: — I understand you correctly. Mr. Minister, they're assigned it. They don't tender it. Thank you.

Item 4 agreed to.

Item 5

Mr. Brockelbank: — Mr. Chairman, I assume the minister's comments with regard to providing me with information also applies to the information I've requested earlier in writing about the department space allocation from the property management corporation. If that is to come over in the written form, that'll be satisfactory to me.

Hon. Mr. Meiklejohn: — Mr. Chairman, we'll be happy to forward that information to the hon. member in the next short while.

Item 5 agreed to.

Item 6 agreed to.

Vote 15 agreed to.

**Consolidated Fund Budgetary Expenditure
Economic Diversification and Investment Fund
Science and Technology
Vote 66**

Item 5 agreed to.

**Saskatchewan Heritage Fund Budgetary Expenditure
Research and Development Division
Science and Technology Ordinary Expenditure – Vote 56**

Items 1 and 2 agreed to.

Vote 56 agreed to.

**Supplementary Estimates 1988
Consolidated Fund Budgetary Expenditure
Science and Technology
Ordinary Expenditure – Vote 15**

Mr. Chairman: — Any questions? Carried.

**Consolidated Fund Budgetary Expenditure
Economic Diversification and Investment Fund
Science and Technology
Vote 66**

Item 5 agreed to.

Mr. Chairman: — Any questions? Carried.

**Supplementary Estimates 1988
Saskatchewan Heritage Fund Budgetary Expenditure
Research and Development Division
Science and Technology
Ordinary Expenditure – Vote 56**

Mr. Chairman: — Any questions? Carried.

**Consolidated Fund Budgetary Expenditure
The Saskatchewan Research Council
Ordinary Expenditure – Vote 35**

Item 1 agreed to.

Vote 35 agreed to.

**Supplementary Estimates 1988
Consolidated Fund Budgetary Expenditure
The Saskatchewan Research Council
Ordinary Expenditure – Vote 35**

Mr. Chairman: — Agreed? Carried.

I'd like to thank the officials.

Hon. Mr. Meiklejohn: — Mr. Chairman, I would also like to take this opportunity to thank my officials for providing the information tonight and all the support in the past, and I certainly look forward to working with them in the months ahead. Thank you.

The committee reported progress.

The Assembly adjourned at 10:43 p.m.