

EVENING SITTING

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure  
Economic Development and Trade  
Ordinary Expenditure — Vote 19

Item 1

**Mr. Chairman:** — Order. The question before the committee is the estimates for Economic Development and Trade. I will give the minister a few minutes until his officials come in for introductions.

Would the minister introduce the officials.

**Hon. Mr. Andrew:** — The officials with us today is Bob Volk, acting deputy minister; Bryce Baron, director of industrial development services; Gerry Adamson, trade promotion; Dave Dotchin and Terry Tarowski and Art Wakabayashi and Paul Haddow on the trade negotiating side with bilateral trade, multilateral trade division.

**Mr. Romanow:** — Thank you very much, Mr. Chairman. Mr. Chairman, and Mr. Minister, if I might have the indulgence of the committee for a few moments, I'd like to begin the consideration of these estimates with a few observations that I hold and members on this side of the caucus hold about the government's policy on economic development and trade and how we have measured its performance to date . . . (inaudible interjection) . . .

Mr. Chairman, the Deputy Premier talks about all of the largess that the government has distributed to Peter Pocklington. I really hadn't intended to get off into that so early in my remarks, but perhaps later on during the course of the evening we can discuss about Mr. Pocklington as well.

But what I really want to discuss, Mr. Chairman, is in a large way from an overview point of view — the question of whether or not the administration, the current Government of Saskatchewan, has done a good job or a poor job in the question of economic development and trade. I'll try to document in a few moments the reasons for the conclusion that I've arrived at, which is that the government's record here in economic development and trade is a record largely of failure, broken promises, sloganeering, but very little factual evidence of success to the detriment largely of Saskatchewan small business and Saskatchewan business people.

Mr. Chairman, I submit that what we've seen since 1972 is an economic policy which is a policy fostered by political sloganeering first and abandonment of that slogan when it suits the interests of the government to so do, and in the consequence as I've said, very little jobs or very little economic activity. We all are familiar with such slogans as "open for business"; we remember the slogan "partnership for progress"; we remember the slogan "Saskatchewan builds." All of these are recycled slogans which crop up every 18 months or so, as the Premier and the Minister of Economic Development feel the need to try to rejuvenate their political fortunes.

An announcement is made of a new policy in Economic Development only to be abandoned not long thereafter, and this by the way, Mr. Chairman, from a government which prides itself on running things in a business-like fashion — a government which in that business-like fashion has run the province virtually to the ground with a \$3.2 billion cumulative deficit.

So we have all these slogans trotted out and abandoned. Open for business is perhaps the best one; you don't hear that phrase any more, Mr. Chairman. Partnership for progress, Saskatchewan builds — it talks slogans but in the meantime it does the reverse. It starts slashing back on those kinds of programs which can be used to attract or to aid business opportunities in our province: the industrial incentives program, eliminated; small business interest reduction program, aid to trade, the market development fund.

I argue, Mr. Chairman, that this government is great on political slogans but very, very poor in terms of actual hard performance for small businesses and for jobs and for our economic development.

Now only that, Mr. Chairman, but I go one step further. I say that it's more than a government of sloganeering only — it is a government of sloganeering to be sure — but it's also a government which has decided that if there is any corner-stone to its economic policies, it is one which in effect amounts to big money to a few big companies virtually from outside the province of Saskatchewan to the detriment of Saskatchewan business people, to the detriment of Saskatchewan entrepreneurs, to the detriment of Saskatchewan young men and women who are looking for jobs. The policy has been one of disaster for the local entrepreneur who wishes to try to experiment and take his or her hand in business.

But a largess as we started off the estimates this evening, partly in jest, but in dead seriousness. Largess for the people like Peter Pocklington and the others which we have cited here in the Chamber, and I'm not going to belabour at length at this moment, in any event, in my opening remarks.

I argue that the track record is clear, Mr. Chairman. The track record can be measured by a number of indicators and I want to discuss a few of them very briefly in my opening remarks. But let's take one which I think is very damning indeed of this government. This is the question of the bankruptcy rate for the province of Saskatchewan.

Mr. Chairman, bankruptcy in this province is sky-rocketing, I submit, sky-rocketing to unprecedented levels. For consecutive years, sir, in which business failures have topped the 300 level in terms of numbers. I draw to your attention, Mr. Chairman, and to that of the minister, that in 1986 Saskatchewan had the second highest bankruptcy rate, the second highest bankruptcy rate in all of Canada. And this depressing trend has carried forward into 1987.

Mr. Chairman, in the first six months of 1987, January to the end of June inclusive, 488 firms have gone bankrupt

in this province as compared with 439 a year ago. This is 11 per cent higher than last year's first half, in 1987. And the list of business failures, Mr. Chairman, is known to Saskatchewan business men and the Saskatchewan business community, but the litany is depressing. I'm going to take the time of the committee to recite some of these failure and bankruptcies because, Mr. Chairman, they are staggering to me when I did some research in preparation for these estimates.

Let's begin with 1982 and just highlight some of them. GWG Ltd., Saskatoon, closed, 150 employees losing their jobs. September of 1982, Wilkinson Co. Ltd. in Regina, closed, steel and metal distribution, nine workers lose their jobs. Swertz Brothers in Weyburn, closed, construction company, 52 people lost their jobs. June of 1983, Sheldon Manufacturing Ltd. in Regina, closed. Mr. Chairman, this was the province's first maker of industrial fasteners.

At that time, the industry minister, the Hon. Paul Rousseau, only a few weeks after the first slogan, open for business, described Sheldon Manufacturing Ltd. as "one of the building blocks in the new foundation being laid for a healthy and vibrant private sector in Saskatchewan." I wish that would have been true, Mr. Chairman. I wish that it could have been a building block, but it's closed, 15 employees lost their jobs.

August, 1983, Eftoda Pontiac, Buick Ltd. in Yorkton, closed, 25 people lose their jobs. September 14, 1983, CIT Office Interiors, Saskatoon, office furniture operation, closed, 14 people out of jobs. November of 1983, Intercontinental Packers in Regina, closed, 124 people lose their jobs. March of 1984 — I suppose this ought not to be on the list — the Moose Jaw mall, scrapped. May of 1984, Bell's Dairy Limited, Melville, closed, 25 people lose their jobs. December 31, 1984, Dad's Cookies Ltd. at White City, closed, and this, Mr. Speaker, from a company with a 46-year tradition in Saskatchewan since 1938 — bankruptcy, closed. In 1985 Vencap Equities Ltd., Regina's first VCC (venture capital corporation). By the way, Mr. Chairman, parenthetically speaker, for some other debate, we'll have to examine the VCCs. That's now closed; founded in 1958, in 1985 it's closed.

IN 1985, the Battlefords Venture Find Inc., floundered in 1985. January 1985, CSP Foods Ltd., Saskatoon, canola crushing plant, closed. January 1985, Prairie Industrial Chemicals Inc., closed, chlorine packaging in Davidson. January, February 1985, the Drapery Shop, Cornwall Centre, Regina, closed, nine employees out of work. February of 1985, Mr. Chairman — this is one perhaps I ought not to mention to the hon. member — Pioneer Trust, closed. February of 1985, Premiere Furniture Ltd., producing contemporary pine and spruce bedroom suites, closed. April 1985, Pro-Star Mills in Saskatoon, 18 employees, closed. This by the way was starch, protein, and fibre produced from yellow field peas, and by the way, Sedco invested over \$2 million in that.

May of 1985, CSP Foods — another one — Ltd., Nipawin, shutting down the packaging department of the plant and transferring it, Mr. Chairman, to a new facility in Edmonton, of all places, in a joint venture with Canada Packers. August of 1985, Looks Manufacturing in

Humboldt, closed, 56 employees. August of 1985, Patrick Pipeline Ltd., Saskatoon, closed, 60 workers. August 31, 1985, Dominion Bridge, Mr. Chairman, in Regina, 110 people out of work after 26 years of business in Regina, closed. August 1985, Native Metal Industries Ltd., Regina, scrap steel-cutting enterprise, closed, 50 employees. December of 1985, Microtel, on the oldest high-tech companies in Saskatoon, established in 1973, closed.

February of 1986, MacLeod's Moose Jaw, closed — 14 people. March of 1986, Eaton's, Moose Jaw, closed, 88 people. March of 1986, Molson Brewery plant in Prince Albert, closed — 73 employees. May of 1986, Saskana Sausage (1979) Ltd., Regina, closed down four locations. May of 1986, Ward Johnston Electric Ltd., Regina, closed, distributors of Frigidaire and Quasar products. October 1, 1986, General Motors closed its Regina sales office, 40 people affected. October of 1986, Nardei Fabricators (Saskatchewan) Ltd. of Regina, pipe welding and fabrication plant, closed. And by the way, Mr. Chairman, this is another example of my opening remarks about a slogan and then abandoned. This was officially opened in the final week of the election campaign, sir, which you will remember, in October of 1986. And at that time the Premier, in announcing this particular company, Nardei Fabricators (Sask.) Ltd., said the following:

What you see before you is a continuing story of what is happening in Saskatchewan in terms of processing and manufacturing and diversification.

Actually, Mr. Chairman, what we're seeing here is a continuing pattern in Saskatchewan of announcements followed up by nothing in terms of actual concrete jobs. What we're seeing is a pattern of announcements and then bankruptcies and closures.

(1915)

Well let's continue with the list: November 28 of 1986, Northern Telecom closed one of the four Saskatoon area plants — this affects my constituency, Mr. Chairman — 124 employees out of jobs. December of 1986, Sherwood Co-op food mart in Regina, closed, 25 people out of jobs. December of 1986, Federated Co-operatives Ltd. pulls out from a proposed government consortium for a fertilizer plant integrated with the Co-op Refinery. That too, I think, was an election promise — a \$200 million project. I don't know if we can say closed, but never off the ground.

January of 1987, CWA Houseboat Charters Ltd., Saskatoon, closed. January of 1987, Supercart International Inc. of Regina, \$1 million — another VCC — closed. January 23, 1987, Central Canadian Distilling company in Weyburn, closed — 23 full-time employees. March 6, 1987, the Fresh Air Experience in Saskatoon, closed — specialty sporting goods store. March of 1987, McGavin bakery of Regina, to close in September, if it isn't closed already — 51 employees, Mr. Chairman. April of 1987, Bi-Rite warehousing operations, Regina, closed — 27 employees. In June of 1987, Brazeau West in Esterhazy, trucking company, closed. June 27, 1987, Eaton's in Swift Current — 25 employees, closed, Mr. Chairman, and the list goes on and on.

In fact, one of the old firms in the question of farm implement dealers from Saskatoon . . . inaudible) . . . Smith-Roles. I had to ask the member from Regina Centre because momentarily I forgot. Smith-Roles Ltd., that is closed.

The member from . . . The minister asks whether I have to ask somebody from Regina for a Saskatoon company. The answer is yes, and I'll tell you why I do, Mr. Minister. There are so many closures, no one person can keep full track of them. The point is there is really an unparalleled series of bankruptcies.

Mr. Chairman, let's take a look at it from another point of view. In 1972 to 1982 inclusive, I have the list of bankruptcies here. I can tell the House and you, Mr. Chairman, and any member who would want to dispute these figures, that no time during the entire period from '71 to '82 was the list of bankruptcies on a per year basis as high as it's been each and every year that the Premier and the Minister of Trade and Economic Development have been in office since 1982. In 1982, 280 bankruptcies; in 1983, 314; in 1984, 309; in 1985, 302; in 1986, 351. And I've already told you what the trend is — already in the first six months, it seems as though this is going to surpass itself this year.

At no time in any period in modern history has the level of bankruptcies been as high. And these are, by and large — there are some notable exceptions, it's true — but these are, by and large, Saskatchewan entrepreneurs. They didn't get the \$10 million like Mr. Pocklington. They didn't get the deals like Weyerhaeuser does. They're the ones who have to struggle with high interest rates, government bureaucracy and paper work, a government indifferent and insensitive to the needs of small business. They are the ones who go belly up, unfortunately, under the policies of this administration. So you see, Mr. Chairman, that indeed is a very serious indicator and indictment of what's taken place.

I want to discuss another little point here which I think is shocking, Mr. Chairman. I want to underline this to the minister and to you, sir. This is the statistic — away from bankruptcies — the statistic dealing with investment in capital expenditures. Investment in capital expenditures, which I think is a pretty good indicator, has also shown no improvement. In fact, even more ominously, Mr. Chairman, there are projections in this area for 1987.

Now the federal PC government and its Department of Regional Industrial Expansion forecasts that capital spending — I want you to note this particularly, Mr. Minister — that capital spending by large corporations in Saskatchewan will decline by 21 per cent in 1987; by 21 per cent, from 1.03 billion in '86 to just a little over 800 million this year.

The shocking fact about this statistic, sir, is that Saskatchewan will have the largest drop in investment and capital expenditures of any province in Canada, and that includes small provinces like P.E.I. or the depressed regions of Atlantic Canada. So it's a serious, serious record, one which means hardships, very serious hardships for our people, for our entrepreneurs, and for

our working people in the province of Saskatchewan and the business communities associated with them.

Mr. Chairman, I want to proceed again, just to buttress the point that I wish to make, by looking at some other aspects of economic growth in a general way, apart from bankruptcies. I want to examine the record from 1982 right up to the current year's estimates under review in order to compare them.

Mr. Chairman, Saskatchewan's annual percentage increase in gross domestic product, according to the facts, has dropped dramatically since 1982, and I submit, Mr. Chairman, that it has been consistently lower than the Canadian annual average. In fact, with the exception of the odd year, Saskatchewan's growth rate has been less than the rate of growth in a majority of the other provinces when we compare their economic development.

From 1982 to 1985, the Atlantic provinces, Quebec, Ontario, and Manitoba out-performed the Saskatchewan economy in terms of gross domestic product growth. The forecast rate is only expecting an expansion in the economy of 0.1 per cent this year and only 1.9 per cent next year, one of the lowest growth rates in all of Canada — this coming from a department which is in charge of and prides itself in economic development and trade.

Now these conditions have been hard everywhere, on every sector of our economic development, Mr. Chairman. But I think nowhere has it been as difficult as it has been in the manufacturing sector where the promises of the government under the Premier have been very high, but the performance and the delivery, as I've said in my opening remarks, have been very poor.

At one time the predecessor, one of the predecessors, the minister of Economic Trade and Development, Paul Rousseau, talked about the manufacturing sector, and he said the following:

We have 1,500 manufacturing companies in the province. Although manufacturing is ranked as the number one sector in Canada, it is only ranked eighth in Saskatchewan in terms of total output. In all the years of the previous administration, it never moved.

That was his statement.

Well, Mr. Chairman, those are pretty good political statements, but what are the facts? In 1986 the *Saskatchewan Manufacturers' Guide* lists approximately 1,000 Saskatchewan manufacturers, a substantial decrease during the year since 1982. As well as that, after five years of being open for business, building on the partnership, and all the other slogans, the manufacturing sector still ranks eighth in terms of Saskatchewan gross domestic product, never moving during the entire life of this government since 1982.

And there are other indicators which reveal stagnant growth in the manufacturing sector. The value of manufacturing shipments over the last three years . . . Saskatchewan has experienced one of the lowest growth in sales in this category in Canada: in 1984, 8.9 per cent

growth; in '85, 0.8 per cent, less than 1 per cent; and in 1986, half of that, 0.4 per cent.

And when it comes to employees in manufacturing, Mr. Chairman, again there's been a dramatic decline in the number of persons employed. In 1981, in manufacturing, the figures were 21,479. That's decreased steadily to the point where in 1985, the total number of people employed in manufacturing is now at 18,571, and these figures are, Mr. Chairman, according to the government's own records. That's a loss of 2,900 jobs in the manufacturing sector from 1982 to 1985, or a 14 per cent decrease, notwithstanding all of the talk about being open for business. Mr. Chairman, that is a sorry, dismal record of failure by the Economic minister and the government.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Have there been new businesses created, Mr. Chairman? Can it be said that the old ones are simply dying off but that they've been replaced by new ones? Has there been a new record of progress that this government can boast? Well I think that the record here is just as bad, Mr. Chairman.

The total failure of this government's economic policy is evident in the level of growth in the corporate sector in our province. Now statistics from the department's own Consumer and Commercial Affairs department, the corporations data file, indicate a strong growth rate in the corporate sector in the late 1970s but a significant downturn in 1982. Between 1975 and '81, the number of businesses grew by 10 per cent; in 1982 the figure dropped dramatically to about 4 per cent, on a declined figure.

And what about jobs, Mr. Chairman, which of course is what it's all about at the end of the day. Here I think are the most damning of statistics and the most obvious evidence of the failure of this government. With respect to jobs, Mr. Chairman, we have one of the worst records probably in a long time if not going all the way back to the Dirty Thirties. Unemployment has simply doubled during this government's time in office. Job creation has really not taken off — in fact, unemployment has soared. The unemployment rate has soared from 4.1 per cent, Mr. Chairman, in 1981, to 7.7 per cent in 1986.

In the NDP years, unemployment was never over 5.1 per cent. In the Conservative years, unemployment has never been under 6.1 per cent as the jobless people continue to mount and then ultimately flee the province because of the lack of economic development — I have a word to say about that.

And what's more tragic — or most tragic — is for the young people of our province; those who would want to stay here and to live and to work with their families. The youth unemployment figures are even more shocking. Between the ages of 15 to 24, youth unemployment rate for July, 1987 was 14.5 per cent, Mr. Chairman. Over the past 12 months only two provinces in the country suffered a decline in that figure, and that is Saskatchewan and Alberta.

On unemployment, Mr. Chairman, the figures are dismal as I've indicated, by almost every yardstick. It's no wonder therefore, sir, that people have no hope and they have nothing else to do but to flee this administration and to flee the policies of this government. That's what they're doing. Numbers of people leaving the province are almost at a record level. In 1985 and 1986 there was substantial net out-migration — in 1985 over 6,000 people; in 1986 over 8,000 people. That's after all the accounts for those coming in and the births and those leaving, we're still in a net out-migration position.

Mr. Chairman, only one other province has lost more residents and that is the province of Alberta. And this trend is continued in 1987, in 1987 to date, sir, with 5,094 people, mainly young people, leaving in the period from January to July of 1987. Mr. Chairman, I say that is the most tragic and the most serious indictment of this government's and this department's failure with respect to economic trade and development.

We want our children in Saskatchewan, working with their families and building a future. We don't want a government chasing them out — which has been the record of this administration and of this minister.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — And so, Mr. Chairman, one could go on. I don't want to take too much more of the time of the committee, I've taken a lot already. But you can see what the record shows by almost every yardstick which is accept. These are not my figures, concocted; these are figures that come from the federal departments or from the provincial departments.

By every yardstick, this has been a bungling economic strategy. And the majority of their projects, those that have succeeded, have succeeded only because there has been a large amount of government involvement, Mr. Chairman. Take for example the heavy oil upgrader in Regina is virtually 100 per cent government money at risk. That's the one that's going. The Pocklington bacon plant involving subsidized loan guarantees and cash grants, potentially \$10 million in direct investments. The Weyerhaeuser sweetheart deal that I'd discussed earlier. The facility to manufacture recreational facilities in North Battleford — that's a package that could mean \$4.5 million in grants. A total investment of \$11 million there. The Rafferty and Alameda dams, the Shand project — these are again projects which the government boosted and government maintained.

(1930)

You see the point that I'm making. The individual entrepreneur who wishes to take a risk, the individual entrepreneur who wishes to have a government supporting him or her, a Saskatchewan person taking a chance to create jobs, doesn't get any help, and the result is that they're forced into bankruptcy and forced to leave the province or to flee the province. Those projects which are succeeding — and the irony of this, coming from a so-called free enterprise government, are those projects in which this government has sunk millions of dollars in order to buttress them to hell. A total paucity of program

and policy, a total condemnation of exactly where it is that we're going.

So, Mr. Chairman, let me close by saying that this is a government which is great on slogans and short on performance. This is a government which frankly has placed all of its eggs in one basket — get the big entrepreneurs from outside the province to come in, even if it means opening up tax dollars to get them here; forget about the Saskatchewan spirit, forget about those who want to take a chance. This is a government which has placed all its eggs in one basket on free trade. I won't talk about that at this moment; but in effect, tied all of its political and economic *raison d'être*, its reason for being, to free trade. And again that seems to have floundered seriously, if not totally gone belly up, by the actions of the federal government and supported by the Premier of this province and the Minister of Economic Trade and Development.

Today, Mr. Chairman, Saskatchewan business people and Saskatchewan workers are worse off than ever. Today more than ever Saskatchewan business people realize that we're sliding back to the dark 30s by this Neanderthal policy. More than ever, our young people have no hope; they despair of the lack of vision; they are outraged at the inadequate and unfair program of support for economic development and trade.

And I say, Mr. Chairman, that this speaks very poorly for the minister's record and, in my judgement, only can lead to the conclusion that this government has been a total and abject failure in the area of economic trade and development.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Chairman, the hon. member has raised a series of points over the last 35 minutes and pretty well dealt with everything. I quite frankly . . . Looking at a member that strives to be the premier, I would have quite frankly thought that he would have come up with something better than that. If you refer back to *Hansard* of last year . . . (inaudible interjection) . . . If you refer back to *Hansard* of last year, the speech is almost identical to the speech advanced by the member from Quill Lakes — almost identical with a little different flair to it.

Now I can go through a series for the next 35 minutes of the number of companies that have been opened in the province of Saskatchewan. Now we can do that, but I wonder what is served by you standing up and saying, so-and-so went bankrupt, and I standing up and saying, five more businesses opened; 10 more businesses opened. If you go back to statistics . . . If you want to deal with statistics in a fair way, let's look at the number of businesses, new businesses registered, and that's, I would guess, a pretty fair judge as to what new companies have started. Let me go back to 1980 through 1986. In 1980 there were 30,619 new businesses opened; and in 1981, 32,058; 1982, 33,047; 1983, 33,444; 1984, 36,495; '85, 37,300; and last year, 37,700. So what you've seen is over 7,000 more businesses open last year in this province than there were in 1980 when you were government. Seven thousand new businesses. Now those

are Saskatchewan businesses, whether you want to admit to that or not. Those are Saskatchewan business — 7,000 more businesses.

And if you're looking at the business bankruptcies — you started out talking about bankruptcies — there are 7,000 more businesses opened in 1986 in Saskatchewan than there were in 1980. Seven thousand more businesses. Now how many bankruptcies were there? Three hundred and fifty-one. Now there is going to be bankruptcies in troubled times; obviously there's going to be bankruptcies. But 350 . . . (inaudible interjection) . . . Well the member from Regina North West, we'll talk about bankruptcies if we want. So 300 bankruptcies in businesses. And businesses go bankrupt every year and have for the last 50 years, but there's 7,000 new businesses.

Now you talked about the science and tech field. In the field of science and technology from 1982 when you left government, there was 37 high-tech companies in Saskatchewan. Today there's 170 high-tech companies in Saskatchewan, and they're employing over 3,000 people, relative to 1,700 people when you were in government.

Now we . . . As I say, we can go through this if you want, sector by sector, and you can say, so-and-so closed his doors, and I will say that I got a list here, if you want, of the new companies that have set up, those that have qualified for IIP (industrial incentive program), whatever. The industrial incentive program that we had in place, over 90 per cent of it went to companies that were Saskatchewan companies, head office in Saskatchewan, small Saskatchewan companies. Ninety per cent of it.

Now the member also talks about investments. Investments have in fact been increasing in this province, not decreasing. They've been increasing in this province. Now the member, the hon. member takes the figures of total investment, which includes agriculture investment. Now clearly I am prepared to admit, standing here, that agriculture investment this year is less than it was in 1980. Now I don't think the member opposite or any farmer across this province is going to say that was because the NDP were in government as opposed to us. And if we do, I think we're going to be talking like children, if we somehow believe that it's all our fault that agriculture's in the problem it's in today, and it was all because of you that it was good in 1980. And that's not true, because we all know what commodity prices in that field have done.

If we really get down to talking about, want to get right down to talking about the opening question, which I thought the hon. member would lead into, and that is, how do we look at diversifying the economy in a province like Saskatchewan, I think the Premier has said on many occasions, and the concept upon which we have attempted to expand and diversify our economy, is that we build upon our strengths. First premiss. So we ask ourselves: what are the strengths of the province of Saskatchewan and the economy of this province?

I think anybody would know that the largest dimension of our economy is agriculture, so we can deal with agriculture, if you like, in the economic development

field, or we can deal with agriculture, if we want to deal with agriculture policy, if you want. Or we can deal with agriculture bankruptcies, if you want to get into that field.

So the second dimension that we deal with then, after agriculture, as to the strength of our economy, is in the resource sector. Now the resource sector in this province, for the most part, is made up of oil and natural gas — probably the largest dimension — followed by potash, and uranium, forest sector, other mining sector: coal, gold, that type of thing. So if you want to look at saying, did we develop and did we attempt to build on that resource sector . . . And you have a tendency to want to go back and compare what you did when you were government, compared to what we have done, as opposed as to maybe how we should diversify the economy and what proposals that you would suggest or have for views on that question. Let's look at the resource sector, and if you want I'll go into much more detail on the agriculture sector, but I'm sure you would want to deal with that in Agriculture estimates.

But let's look at the resource sector — oil and natural gas. Now I think even the member from Riversdale would not sit there and indicate somehow that the oil and natural sector has not gone forward over the last five years, that there are not more wells drilled, that there's not more production, that there's not more activity in the oil and gas field. I'm sure that he would not do that. And we can get into details on that.

And we can get into the field of the potash business. And the potash business, obviously, is on hard times now, and it was in some pretty good times in a three or four year cycle in the 1970s where prices went extremely high only to fall extremely low. And I can suppose say that we did not make great strides in the last five years with regard to expanding potash.

And I think if you look back over the last 15 years in expansion in potash, what do you really see? If you add your years in government plus our first term in government, what do you really see? Do you see a new potash mine having been built in that 15-year period? Not really. There's only been really one major expansion and that was the expansion undertaken by you, to your credit I suppose at that time, of the Lanigan potash mine. That was started, half completed when the government changed. We again took the decision to continue on with that project, but that's the only project where in the potash industry expanded.

Now I can give you credit for building of the uranium industry or, at least, the building of Key Lake. I give you credit for that and I give credit to the member from Saskatoon Fairview, for his support of that particular project. But you did expand, and the only thing you built, the only major building that you did in 11 years was a uranium mine at Key Lake. Quite frankly, I support that; I support the policy that you pursued at that time of expanding uranium industry. It creates jobs. It is onto some difficult times and I'm sure in these estimates we'll be able to deal with the problem associated with trade and the uranium industry.

But then we go to the lumber industry and that, I think,

you've seen some progress in diversification in this province with the Weyerhaeuser project. And that diversification for the hon. member, in case he's not aware, is that the new process being involved with Weyerhaeuser is to not simply produce pulp but also to produce paper.

Now I was always of the view that you build upon your strengths and you try to add more value to that resources, that resource within our province. We have for, perhaps, 75 years been accused of being huers of wood and drawers of water in this province, and I suspect with some justification. And many governments have tried to address that problem of huers of wood and haulers of water. And I think the Weyerhaeuser project is a good example where it takes the softwood, blends it with the poplar, as we would know it, us non-forest people, to make paper.

Now before, we simply took the softwood, made a pulp, shipped the pulp out into the rest of the world. The new process involves using that softwood, blending it with the hardwood or the poplar, and instead of simply making fence posts out of the poplar trees, we blend it and add it and make fine papers. And that fine papers has a quality market throughout the world. And that was a significant investment.

And we can get into Weyerhaeuser if you want, into the details of Weyerhaeuser, as you want. I would simply caution the hon. member to wait until the year-end figures come out in March of 1988 before you say and get into all the rhetoric on Weyerhaeuser.

Then if you go to the next area of resource development, it's gold mines. I think the hon. member could . . . It would not be fair to say that we have not proceeded forward with the opening of a new gold mine, with the prospects of several other new gold mines in the next three or four years. The gold mine opened at Star Lake just this year was the first gold mine opened in the province of Saskatchewan in 50 years — 50 years. Now you might say that gold mining is not significant and not relevant; I happen to believe that gold mining is a good pursuit by which Saskatchewan can pursue and follow, and I think it's an area that holds much promise — an operation again that we developed.

(1945)

In the field of science and technology, as I indicated before, the number of jobs in the high-tech field has increased from 1,700 to over 3,000. Now that's not maybe as fast as one would want, but clearly that is progress in an area that I think is important — important in the sense that you're dealing with the knowledge industry and the growth of new technology.

Let's get into the area of manufacturing. I think it would not be fair to say that we have not made strides in manufacturing. The hon. member makes light of the Hunter's project in North Battleford, as the member of North Battleford or from The Battlefords has on many occasions. I happen to believe that the project of Hunter's in North Battleford by the Bondars is a quality operation.

I would invite the hon. member from Riversdale, if he is in The Battlefords region, to go into that plant and look at that plant. Here we have some people from North Battleford who I believe have established a national reputation as people able to sell the largest . . . the largest vendor of recreation vehicles in all of Canada right in North Battleford, Saskatchewan. They took a plant that was shutting down in Kelowna, producing less than four vehicles a day, to the point now where they are producing over seven vehicles a day and expect to be able to increase that production even faster. Well over 100 young people are working in that plant, and I'll tell you it is something to see just to go watch how that is turning out.

And across the road is Gainers with another 100-and-some young people processing pork bellies into bacon into the market of the world. Now you can look at . . . I can go on with those projects.

Look at Hitachi-Marubeni which is a Japanese company, the first time ever a Japanese company has expanded outside of Japan into the manufacturing field; the first time Hitachi-Marubeni has expanded a manufacturing process outside of Japan, in Saskatoon. Now I'm sure that the hon. member has taken time to view that project.

You then come to a project like heavy oil. If you are to look at developing our resources, what you have to come to and appreciate is that the resources, the oil resources of this province is made up of two basic types of oil: light or sweet crude and heavy oil. The light and sweet crude is finite in quantity, is running out, and is rapidly running out unfortunately. But we do have vast amounts of heavy oil. But if we're to look at heavy oil, where do we export our heavy oil to? Ontario doesn't buy it. It's bought by the Americans. So we set about to build a process right in Regina that will allow that heavy oil to be developed here.

So if you go through all of the stuff that we have done over the past five years, over the past five years, what we have done is, in fact, build.

Now the member opposite, the member from Riversdale, says, you do not stand for business and you do not want to see business expand. Let's go back and look at the record that he had for 11 years. And did they encourage, did you encourage the development of business? Not likely. During your period of time, what you did, what you did was say, the government should get into the business of business. And if you look over 11 years, exactly that is what has happened.

Your reign in the last administration was characterized in the world of commerce as follows: we bought the potash mines. Did you create any jobs? No. We bought out the Intercontinental Packers. Create any jobs doing that? We bought a million acres of farm land. Did you help any farmers doing that? What did you create by doing that?

You went into . . . Everything you went into was that the government should buy it. And we can go back over the last 11 years and listen to the speeches, eloquent speeches by the member from Riversdale, on why the government should own something. It should be the

government that owns it. And that was your heritage. And that's the heritage of the Leader of the Opposition, quite frankly, if you look at his 11 years in government. And what history will talk about is, is the Blakeney administration was the process of building Crown corporations, commercial Crown corporations.

So you sit here and talk about a government that has clearly taken a different approach. We don't believe that government should get in and run every business. We happen to believe, in fact, that it should go the other way. That we should take businesses and put them out into the private sector, and let the private sector own and run the business, the commercial business, as opposed to the government.

There has, in fact, been over the past five years some significant growth in business. Have we faced challenges? Clearly, we've faced challenges. And those challenges, for the most part, have been driven by the fall in the commodity prices, the fall in commodity prices of wheat, of potash, of oil, or uranium, softwood lumber — commodities all going down at the same time. And that has been a struggle to deal with that. I would say if you look at the numbers and you look at the record, that the progress being made over the last five years has been very, very, very positive.

I can tell the member opposite that we don't stop there, that our mandate is to build more businesses to create more economic diversification, not to buy it, to build it — to build new, not to buy what is there. And I suspect, if anything separates the philosophy as it relates to economic development, nothing separates our philosophy more than you wanting to buy existing businesses and us wanting to build new ones.

Now we can debate that philosophical argument. I was led to believe, reading the local newspapers, that somehow you — not the rest of your colleagues — but somehow you say maybe, maybe the Blakeney years was not the right way to go. Maybe the decisions we took in those times were not the right decisions, and we should review that as a party. I thought you were heading in that direction, but after listening to you for 35 minutes, it's clear, it's clear that your theories and your philosophies of business are no different than they were in 1971 to 1982, but you, that you as a Premier would go back to the old ways of taking over business, of re-buying back anything that was privatized or public participation, and that our mandate would still be the same as it was before — buy, don't build. We disagree with that philosophy, and I believe the people of Saskatchewan, quite frankly, believe that our philosophy of development and building is better than yours of buying.

**Mr. Romanow:** — Mr. Chairman, I certainly do agree with the Minister of Economic Development and Trade that his government and his approach is not that of this side of the legislature.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Because we had a mistaken notion, I suppose, by the Minister of Economic Trade and Development that it was a job of government to run a

balanced budget, to run and to base economic development as if you were looking after your own purse. Little did we know that the new way in Saskatchewan was to have a deficit of \$3.2 billion, at least on the operating side, and about \$10 billion on the Crown corporation side, that that was the new way to go by way of economic development and trade. So he's dead right about that. We definitely don't agree as to how you operate the businesses and the economic development.

I would also argue that we, I think, had a mistaken notion that provinces and governments tried to get stimulation economically in order to provide jobs. I think the fact that we're at 5 per cent in unemployment at the highest level during the years from 1971 to 1982 was wrong because the new way now is to have an unemployment rate of 7.5 per cent and going higher, Mr. Chairman. The new way is apparently to have the Saskatchewan young men and women looking for jobs; not looking for jobs, fleeing the province of Saskatchewan — fleeing it — because these people are captives of just a very few large corporations who are not even Saskatchewan corporations.

The minister says that his is the new way. I've got a surprise out there for the Minister of Economic Trade and Development: if you people would ever leave this fortress, Legislative Building, that you've created for yourselves, and get out there and start talking to the small-business men of Saskatchewan, you would know that your approach of putting your economic policy held hostage to the Weyerhaeusers of this world and the Pocklington of this world almost got you beaten in October of 1986 and for sure are going to get you beaten whenever you have the guts to call the next election.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — So I guess it is true that we are in a different space. I can't believe, Mr. Chairman, how these people have the Midas touch in reverse: everything that they touch goes broke. Everything that they touch. Oh well, it's international matters. Potash — we had not very much to do about it; it was some circumstances beyond our control. Oh, we could talk about agriculture, but we have nothing to do about agriculture at all. Oil and natural gas is taking a dive; we can't be blamed for that.

Well who in the world can we blame for the fact that there is a record unemployment? Who in the world can we blame the fact that there simply are these record number of bankruptcies? The minister hasn't refuted that statistic at all — not at all — and I invite him to refute that statistic in his argument. The statistic shows that there's an 11 per cent increase in this first six months of 1987 in bankruptcies over the first six months last year, sir, and that last year was at an all-time, all-time rate level, high rate level for bankruptcies and it's going higher this year. That's a statistic I ask you to refute. That a statistic I ask you to refute.

You tell me how the gross provincial product, you tell me how the gross domestic product since 1982, sir, by your figures, has gone down from a high of 15.6 all the way down to . . . the highest being 4.8 in the last year. It's never been that low, sir, in 15 years. You've never refuted that.

I guess there is a big difference all right, Mr. Chairman, there is a big difference. Going around and providing jobs and trying to balance a budget and working an economy which is based for Saskatchewan people first, rather than some large multinational corporations, is a big difference. I want to tell you that, Mr. Chairman.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — What these people are doing opposite, Mr. Chairman, is driving us back to the Dirty Thirties. These people are doing something which they think is new. I've got a surprise in store for the Minister of Economic Trade and Development. This is nothing new. This is a 50-year-old policy. It was tried during the Dirty Thirties by the Anderson government, the last Conservative government that we had. This is nothing new.

The open-for-business slogan was introduced by the late premier, Ross Thatcher. The late premier, Ross Thatcher, had that slogan, open for business. He was also in power for seven years. He talked a big game and he produced zero by way of big business operations in the province of Saskatchewan. He drove out more small business entrepreneurs and more working men and women, apart from this government. I guess no one expected that we'd find a worse government in the 1980s period, as we have in 1982 under this current administration.

There's nothing new about this. There's a difference between men and women who believe that here in Saskatchewan we've got to work together to get economic development opportunities. We on this side believe that it's a combination of private enterprise and private entrepreneurship; that we want to stimulate that, and the statistics show that.

The hon. member from Cut Knife, if he was only half awake to the circumstances, would know — as every chamber of commerce person knows — that there has never been as much economic activity as in the years of the mid-'70s because we used that kind of combination of private enterprise and co-operative enterprise and public enterprise on a selected basis, on a non-ideological basis, to stimulate jobs and opportunities. And it worked.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Not these people opposite, Mr. Chairman. Not these people opposite; they don't believe in any of that. They're attacking the Crown corporations, they're attacking the co-operative movement, they're neglecting our small-business people. What they're doing is they're paying attention to the Weyerhaeusers and the Pocklingtons and the IMCs (International Minerals and Chemical Corporation) of this world. They're giving them the money. They're taxing us, they're taxing us at every stage of the game, and their economic approach is then to turn that money over to their big large business friends.

There's nothing new about this, Mr. Chairman. This is as old as the hills. Every time as you get an old line, free enterprise so-called party — like you get in this government in power today — you get that kind of a



record. You get hard times and tough times, and I want to tell you, Mr. Chairman, whoever coined that old phrase is dead right. Tory times are tough times. And we know that right now in Saskatchewan.

**Some Hon. Members:** Hear, hear!

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**Mr. Romanow:** — And I want to tell the hon. member opposite, the minister opposite, and the other member who's doing a lot of yapping from his seat, I want to tell the members opposite: if you don't believe that that's the case, if you don't believe what I tell you, that out there there is despair by the business community because of the lack of economic development, then I'd say to the Minister of Economic Development and Trade, you can solve that problem very quickly; we can have this matter resolved. Call a by-election in Saskatoon Eastview. Call a by-election.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — You tell us about all the high-tech developments and all of these things about the contrast. I'd say to the Minister of Economic Development and Trade: get your Premier into this legislature, call a by-election in Saskatoon Eastview, and let's put the test to those theories and the proof of the pudding. Call it any time. It's probably, as the Leader of the Opposition says, the highest income seat in Saskatchewan. Call a by-election to see whether your economic policies are working or not.

I want to tell you, Mr. Chairman, they won't call an election because every one of them is scared silly about the results of that by-election. They know full well what's waiting for them. Canadians have had a sample of that kind of economic development in three years now of Mr. Mulroney, and they've had it for five years under the Devine administration, Mr. Chairman. They know exactly that we're going back to the future when we have this kind of open-for-business policy. There is no open-for-business policy; there is nothing new about it. It is bankrupt policy from a bankrupt government, and unfortunately our people have to put up with it. And I say, Mr. Chairman, that this minister's bad explanations about how you make pulp and paper and what you do with the oil industry don't masquerade the simple, bald facts.

And the facts are: we have more bankruptcies than ever; we have more unemployed than ever; we have highest taxes than ever; we have the largest debt than ever; we have the most people leaving Saskatchewan than ever; we have the highest people on welfare than ever; we have the fewest people working than ever; and all the economic indicators show that this government has been a total and complete, utter failure and it ought to be condemned for the same.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, I will . . . Rather than getting into the wild rhetoric that we see from the member from Riversdale, no different than we saw before, let's

deal with sector by sector. Let's deal with the manufacturing sector, and let's deal with StatsCanada — if that's a qualified enough statistical base for the hon. member. Catalogue number 61-205 and catalogue number 61-206, so the member can look it up and verify it. And what we're talking about is investment, investment in the manufacturing sector in the province of Saskatchewan. Investment in the manufacturing sector of the province of Saskatchewan which we believe is the way we must diversify our economy.

Let's look at the numbers: 1981, during the time of their administration, \$125 million invested in the manufacturing sector; 1982, \$144 million invested; 1983, \$160 million; 1985, \$180 million; 1986, \$283 million, compared to \$125 million, almost over twice as much. But that's not it, Mr. Speaker. What StatsCanada projects the intention of investments in the manufacturing sector in our province this year is not \$125 million, which was their number when they were in government, but 511 million invested in manufacturing in this province — a record. Never in history has been there more money invested in the manufacturing sector than there will be this year.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — And that's StatsCanada. That's StatsCanada, to the hon. member. Never, ever before, in fact, Mr. Speaker, there will be more dollars invested in the manufacturing sector in 1987 than there was in the last five years of an NDP administration. If that's what you don't like by way of performance of the private sector, so be it. You choose your way of buying the companies; we'll choose this way.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Mr. Chairman, I don't think they've got very much choice. They've already made their bed and they're going to lie in it come the next election. I can guarantee you that, Mr. Chairman. There's no doubt about that.

These new economic policies are the old economic policies of the Dirty Thirties. We've never had as tough a time economically, under economic development, as we have right now in the province of Saskatchewan. Never. You know that, Mr. Chairman, to be true and the hon. minister know that to be true as well. That's why he tries to give the excuse and the escape that it's always due to some international factor. All of these figures, all of the selected figures that he gives, belie the truth.

But look, I want to tell you this, Mr. Minister. In my judgement you can take the investment in manufacturing . . . I will give you the figures which I think tell the global story for the province of Saskatchewan. You explain these for me, please. This is the gross domestic product, the gross domestic product. Take a look from 1982, the percentage increase, 3.3; in the year before that it was 15.6; in 1983 it went down to 2.9; in 1984, 8.3; in 1985, halved again to about 4.8 per cent. And I want to tell you, Mr. Chairman, if you compare that with any of the other periods . . . I don't care what government was there. Just take a look at the statistics of it. By any non-ideological

yardstick this gross domestic product, which is surely one of the most important figures going, shows the government has done a dismal job.

They talk about investment in manufacturing. Take a look at the growth in the number of businesses. This is by their own figures. Take a look at 1981, the percentage growth in the number of businesses. In 1981, total corporations in Saskatchewan, a growth of 8.8 per cent. What happens in 1982 — 2.8 per cent. What happens in 1983? Well they've increase to 3.9 per cent. What happens in 1984 — 3.6 per cent; and in 1985 the figure shows the same kind of a track record which is applied — a very sharp drop.

The reason for that, Mr. Chairman, is this: sure, they've had some difficult times internationally from an economic point of view; no one can deny that. It wouldn't be fair to say otherwise. I acknowledge that. But the reason for the current dilemma is because these people are slaves to a 1930s economic policy. They believe in some sort of old-fashioned notion of tying their wagon to the United States, bringing in all these big United States entrepreneurs to create the bit investment in manufacturing opportunities. And they have fizzled, Mr. Chairman; they have fizzled and they have forgotten about the small Saskatchewan business man.

That's exactly the approach of the 1960s with the late premier, Ross Thatcher. That's exactly the same approach, the last time we had a government of this stripe back in the 1930s, of the Conservative premier, the late Premier Anderson. They have forgotten the local Saskatchewan entrepreneur and they simply refuse to touch base with them.

What they've developed here is a government which is out of touch. It's a fortress Legislative Building government; that's what it really is — some sort of old ideas of Adam Smith, as my desk mate the member from Quill Lakes talks about, with no knowledge of what it takes to stimulate an economic project in the province of Saskatchewan — and that is that combination of private enterprise, co-operative enterprise, and on occasion public sector enterprise, to be continually reviewed and done in the proper and appropriate fashion.

They haven't done that. You ask any small-business man, including the chamber of commerce people, and they will tell you this government has forgotten about them, Mr. Chairman. They have forgotten about them, and with that they have forgotten about the young men and women of the province of Saskatchewan. And I tell the Minister from Economic Development and Trade, if you don't believe me, you prevail on the Premier of this province to call a by-election in Eastview, and let's have a test of exactly whether or not they buy your approach or our approach.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — The hon. member from Riversdale wants to get into the question of GDP (gross domestic product) and the GDP numbers for this year and last year versus for other years. I ask the member from Riversdale, in a most serious way, in the determination of gross domestic production . . . Gross domestic production

is total output minus the cost to give you a GDP.

Now, if you look at one of the leading factors of the gross domestic product of this province, it's got to be agriculture. Now the member from Riversdale should know that in 1980 the price of wheat was what, almost \$8, down today to the point where it is what, almost \$2 — less than \$2 for much of the production that we have. Now that is a sizeable reduction in the value of the major commodity that we produce in this province. And that's a world-wide problem.

Now we can sit here and shout back and forth at ourselves like a mock parliament, if you like. The reality is the price of wheat has gone from \$8 down to \$2. Now I know the hon. member knows nothing about farming, and I would suggest cares nothing about farmers — cares nothing about farmers. He must admit that the leading factor in the gross domestic product is the price of grain — is very, very significant — and that, in fact, did reduce. Nobody denies that and nobody in the province is not aware of that that is at all informed of what's happening in agriculture. And that's a reality. The price of potash has gone down, and I can factor that down for you if you want as well.

So the member opposite says, everybody's fault but mine. If we want to get in, Mr. Chairman, to talking about really what are the challenges that this province faces, this province has relied upon resources and this province has relied upon the production of grains for export to the world markets.

Now you go talk to any farmer and he's going to tell you that there's problems out there in the world market like he hasn't seen for a long, long period of time. Now I think if we want to sit here as politicians in a legislature the people elected in this province saying, I'm smarter than you because I kept the price of wheat up higher than you did when I was in government, then I think every person in this province should chastise all of us for acting in that type of forum and debating at that particular level.

The member from Riversdale would somehow suggest that when we're dealing with, how should we diversify this economy, stands up and says, call a by-election. Well how relevant is that, Mr. Speaker, to the estimates that are before the House today? How that does contribute, I would ask, to the debate that many people are asking themselves about how we diversify our economy? How do we deal with tomorrow with the challenges that we face today? How does the farmer face the challenge of his market dissipating on him? And that's a difficult problem. And many of them are losing their farms just because of that; many of my best friends are losing their farms because of that. And then that is very difficult, and that's a challenge all farmers are facing.

And how do we move away from reliance totally upon resource sector and agriculture sector? How do we adjust and find markets for that adjustment? How do we find the investment to do that? That's really what we're talking about in economic development, Mr. Speaker.

And when we talk about manufacturing, it's one of the key areas that we must use to diversify our economy. And

if we have shown progress from 125 million during the 1980s of their administration to over \$500 million this year, that's progress. That's not enough. We would hope by the end of our term that could be up towards \$1 billion investment in manufacturing. That's the type of approach that we must deal with if this economy of our province is to carry forward and diversify.

Now we're not going to diversify our economy by sitting here talking about statistics as to who's the smartest, him or me. That will get us no place, Mr. Speaker, but that is what we've done now for an hour and a half. I suggest that what we have to deal with is, put forth ideas. If the hon. member from Riversdale has ideas as to how we might better approach the question of diversifying, then so be it, advance. Surely that's what people are elected to this Assembly for.

But to simply sit and argue about statistics and somehow think that this is what this game is about, I suspect that there's a lot of people out there watching tonight, or those that are watching tonight basically saying, well, well, well, well, well, well, isn't that wonderful. Isn't that wonderful, they're sitting there, two guys supposedly educated, yelling about who's got the best statistics. Surely we can do better than that. Surely we were elected to do better than that, and that is to how can we best diversify the economy. And nobody in this room — nobody in this room — has got all the answers, Mr. Speaker, but surely that is what we should be talking about here, because I believe that's what we're elected for.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Mr. Chairman, I wish to respond to the Minister of Economic Development and Trade, particularly the last plea that we should be discussing how to diversify the economy. There's be lots of time to do that, Mr. Minister, either during these estimates or in the course of the term of this administration. There is no doubt about that. But this has nothing to do with the question of a discussion, how to diversify the economy.

These are, sir, as you know, a consideration of your estimates. This is the time when we, the opposition, and the public, those who may be watching on television, can make a judgement call as to whether or not you have been doing the job appropriately; whether you and the Premier and the Deputy Premier and the Minister of Finance — old \$800-million-off-the-mark Minister of Finance — from Qu'Appelle, whether or not you're doing the job. And I'm saying that if you look at the statistics that I recite — none of which you have rebutted — if you take a look at the major statistics by any independent yardstick, there can be no other conclusion except that of an abject failure.

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Now you get up and you say well what's Saskatoon Eastview by-election got to do with this? Well I'll tell you what it's got to do with this. You won't listen to us; you won't listen to me; you won't listen to other commentators. I don't know whether you're taking advice from your department officials. Well I'll tell you

what Saskatoon Eastview by-election's got to do with it. Maybe, just maybe if you call it, you will listen to the people of Saskatoon Eastview and others who are saying that your economic development policies are so old, so out-dated, and such an abject failure, maybe if you get a sound thrashing there, that will waken you up and get you to redirect the way this thrust is going economically. Maybe that's the relevance of Saskatoon Eastview.

**Some Hon. Members:** Hear, hear!

**Mr. Romanow:** — Goodness knows nothing else will do it from our side of the legislature.

So I say to the Minister of Economic Trade and Development, look, there's no harm in admitting that you've done a bad job — or I'll back off and say, not a bad job — that it hasn't worked. I don't mean this in the personal sense. A lot of things that we try in public life don't work. Go ahead and admit that you need some new directions. I don't think that if you did that anybody would condemn you for it. In fact, if you wanted to get on and get on a nice discussion of how diversification should take place, why don't you admit that the last five years simply hasn't worked. That would be at least a beginning to start to reconstruct some new policies that might work.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Well now we heard many of those arguments in the last election. The Premier said, I want to build; and you side said, we want to take me back to '82. And that's, if you really cut the last election, that's what it was about. And I would suggest to you that the election which was — what, 11 months ago? — the people spoke. There's so many people on this side and so many fewer on that side and that election was based on who best could build the province. And the people of Saskatchewan said, I think the Progressive Conservatives can build better than the NDP, because — I'll tell you why — because the NDP had not one new idea last election and you have not put forth one new idea since coming into this House — not one new idea. And you say, well call a by-election.

Now no new ideas. And I ask the member, I challenge the member to put forth something. And what does he do? He skirts around the issue — I don't want to talk about new ideas. And what do we take from that? Anybody that's not prepared to put forth new ideas as the member must, we can only assume wants to go back and fundamentally believes what we did in the past. That is, buy more business; we will buy more business . . . (inaudible interjection) . . . And he says, yes, it's a better policy. I hear him saying from his seat that, we will buy the business as opposed to the policies that you're pursuing. Well I happen not to believe that. I happen to fundamentally not believe. I happen to fundamentally not believe that government should go around buying businesses. I further believe that government should not go around buying out farmers' land from them. I don't believe in that. Now that is the general philosophical position of your party, and tonight it's clear that that's the general philosophical view of you who strives to be the new leader of that party.

Now we can argue that philosophy all night if you want. And we'll argue it, I'm sure, up to the next election. And all I would say to the member of Riversdale: don't count your chickens, like you did in 1982, until the election day; and like you did in 1986 until the election day. You were disappointed in '82, you were disappointed in '86, and you'll be disappointed again in 1990.

**Hon. Mr. Blakeney:** — I wonder if I might ask the minister a few questions. He talks about how we should diversify our economy, and I'm sure that he and I and half a dozen other people could give the standard speech on how we diversify our economy. And it has three or four elements and we all could do it. We process more of our agricultural products before they leave our province. Yes, we process more of our other resources before they leave our provinces. We attempt to manufacture here products which are now imported into this region, and we manufacture some products which we can successfully market in the prairie basin. And you might add others: some high-tech products which could be marketed beyond the prairie basin. But that is your strategy, that was the strategy of Mr. Thatcher and our government, and I take it, I suspect, every Government of Saskatchewan.

Now all I want to do, Mr. Minister, is just proceed and check out a few of these. With respect to the processing of agriculture products, one of the things which we have done in the past is brewing. We have brewed beer in this province, and I ask the minister does he agree that there are: (a) fewer breweries in the province than there were five years ago, and (b) producing less product?

Now do you agree with that, Mr. Minister? And do you agree that more beer in being imported into this province . . . was true five years ago? And we will deal with that aspect of processing agricultural products.

**Hon. Mr. Andrew:** — If you're to look at what we'll talk about as the food processing sector — now, we're talking about the food processing sector. There has been a 25.6 per cent, food processing, okay. That's processing our agricultural product in Saskatchewan. There has been a 25.6 per cent increase since 1982, 25 per cent. Now maybe that's not as good as it should be but that's still a . . . that's a pretty fair increase over five years.

If we're going to get to breweries and we want to have a legitimate discussion on breweries. All right. What has happened in this country is, in my view, questionable economics as it relates to breweries. Every province has a system that protects its breweries by supplying its own customer. All right. So what we have developed across the country is breweries in every province.

Now, there is a view supported by all provinces in this country that we should start looking, as Canadians, at whether or not that protection between Canada, between provinces of Canada, is a good thing or not a good thing. And everybody has indicated that that should probably change. How do you phase it out and how do you look after the employees that work in those breweries?

Now how do you grapple with the problem of free trade within Canada, which I don't think any political party in any province disagrees with. It's just how you do it and

what process you do it at. Now breweries is one that is through a cycle of change. Nobody is going to deny that, and I don't think the hon. member would say that's wrong, as long as it unfolds the right way. Is there fewer jobs in the brewery today? There is. Will there be fewer jobs in breweries in the future? Probably there will be, but isn't that what economic development is? That some of those don't stay for ever but new ones come in and take their place. I don't think the hon. member disagrees with that either.

The question is, how do you manage that process, and I think that's a legitimate debate as to how you manage the process, whether or not we should maintain a system that only beer produced in Saskatchewan can be consumed in Saskatchewan and not Alberta and not Manitoba. I wonder if the hon. member says that that is a proper policy and the only policy this country should support and pursue, or whether we should have better and more open trade between the provinces within this country., Is that not what the country really is about, and should we not pursue that type of a policy?

**Hon. Mr. Blakeney:** — I think that the minister, albeit he didn't want to, has answered the question. He says: (a) there are fewer people employed in brewing; secondly, and he implicitly says that if we're going to have competition, that will mean that Saskatchewan will lose out.

**An Hon. Member:** — That's what he said. That's what he said, and he's prepared to accept that.

**Hon. Mr. Blakeney:** — That's right, he . . .

Well, let's move on to distilling. We had a distillery which processed Saskatchewan product and sold it, by and large, in the United States. Do you now admit that we no longer have a distillery operating and, therefore, that agriculture product is no longer produced in this province?

And the member for Cut Knife-Lloydminster feels that it was a joke. I suspect the people who had the jobs down at Weyburn didn't think it was so funny when it closed.

My question to the minister is, in short: do we have an operating distillery industry in the province, and is that an area where we might have a product we can export to the United States, an agricultural product, and do we do it?

**Hon. Mr. Andrew:** — There was one distillery in the province of Saskatchewan; it stopped distilling product prior to our coming to government . . . (inaudible interjection) . . . No, that's true. And then following that, what they did was brought whisky in from another province, and they put it in bottles. All right, now there was . . . (inaudible) . . . There's nothing wrong with bringing whisky in and putting it in bottles and the shipping it out to sell. That's well, if we can do that.

The problem is, is that there wasn't enough people that wanted to buy and drink that whisky to make it worthwhile to continue. It was a product that people turned away from. Saskatchewan consumers did not buy it, nor did other people buy it, and that can happen.

There's times when they buy products that you manufacture in the 1950s that they don't want to buy, maybe in the 1970s or 1980s. But there was nothing being distilled in this province when the government changed in 1982, nothing.

**Hon. Mr. Blakeney:** — Whether or not it was, I'm not harking back to the past. I'm just saying: is this something you can do and have you done it? And the answer is no. There's less beer being brewed, no spirits being distilled.

Now let's proceed to rape-seed crushing which is an obvious area for processing. Is it your submission that rape-seed crushing is something which is going to grow in the next few years or not, and is the amount of rape-seed crushed in this province growing, or is it not growing, and if not, why not? Isn't that an industry which could be a growth industry?

And you can deal at the same time, if you like, with the manufacture of margarine, and tell me whether that one is expanding.

(2030)

**Hon. Mr. Andrew:** — I can advise the hon. member of the following: that Saskatchewan produces about 40 per cent of the rape-seed of the prairie region, and we crush about 10 per cent of what we produce. But here's the reason as to what happened, is that what we . . . What happened is the rape-seed crushing plants were built, for the most part, from the early '70s to the late 1970s, and the two most modern plants built — that was during your administration — one was . . . (inaudible interjection) . . . You didn't. One was built in Alberta and one was built in Manitoba, just over the borders on each side. That's what happened; that is exactly what happened. CSP at Harrowby. That is when it was built, because during your administration you were not interested in pursuing the development of crushing plants for rape-seed. You were not interested in that. You had other agenda items. So who built them?

There are seven or eight rape-seed crushing plants in Alberta by the end of the 1970s; seven to eight rape-seed crushing plants. And there's — what? — two in Manitoba. And that's what happened.

You sat by, and if you want to be critical of anybody you should be critical of yourself, because during that period of time did you help, and did you look at saying, hey, there's an industry that we could build in Saskatchewan. We produce . . . we produce the bulk of the rape-seed, that we should process it. No, you didn't do that. You allowed it all to be built on both sides of us. All to be built on both sides of us. No different than fertilizer; the same thing. The same thing: let the Albertas and the Manitobas develop it. We won't worry about that because we've got other agendas. All right. We were nationalizing this, that, and the next thing so fast you didn't even see where you might be able to develop that.

Now should we stand up and say we should encourage somebody to build more rape-seed crushing plants in Saskatchewan when they're now struggling to stay alive in Alberta, Saskatchewan, and Manitoba? Is that what we

should do, over-build here? And the industry doesn't want to. The industry is trying to rationalize itself, and one would hope they're able to rationalize themselves and come out of it as a stronger industry.

Now, will we produce more rape-seed? Will we crush more rape-seed in Saskatchewan when we find more markets for rape-seed around the world? We would hope so. And of course Japan is a very important market — the two really key markets that we have to go after in that particular product. And we hope that we are able to or that the companies involved are able to.

But I don't think you should stand up, of all people, and say about rape-seed crushing or about any food processing as to what we're doing in the future. If you were to look at your government in 11 years, that is one that you badly overlooked. And I think if you looked back, you, in all honesty, would admit that as well.

**Hon. Mr. Blakeney:** — Mr. Chairman, and Mr. Minister, we see this interesting little ploy of the minister's. When we ask about the future he wants to talk about the past; and when we talk about the past he wants to talk about the future. He just upbraided the member for Riversdale for talking about the past, that he wanted to know what was happening in the future.

When I asked him what's happening about rape-seed, he says, oh yes, we produce 40 per cent and we crush 10 per cent, but there's nothing possible that we can do with that because of what happened 10 years ago.

Now shall we go on to alfalfa deny? Tell me about the prosperity there. Tell me about the new alfalfa dehy plants, and tell me about whether or not you see a future for further diversification in alfalfa . . . (inaudible interjection) . . . Mr. Chairman, I wonder whether the member for Morse can contain himself. He wants to talk about oil; he wants to talk about Outlook. I want to talk about alfalfa dehy. You may not grow much alfalfa in your country, but there are places that do.

Now, Mr. Minister, has there been an increase in the number of plants and the quantity of alfalfa dehydrated or cubed?

**Hon. Mr. Andrew:** — Two observations. One, about today, CSP Foods in Nipawin — we are advised that this will be their best year ever, and that is because they have been able to arrange for some contracts with Proctor & Gamble and able to access the U.S. market far better than they ever have been able to in the past. And they see this as their best year, 1987, and are positive that that new change and those market arrangements maybe will assist them in seeing a better future.

With regards to the alfalfa, the new wave, I suppose, or the new direction in alfalfa, is what is called the long fibre market. We have dealt in the past with the short fibres, and there is much expectation that the long fibre market, particularly into Japan, is really a positive and is something that has a goodly number of people fairly interested, fairly excited about that as being a good growth potential for agriculture and agricultural

processing in the province, both in the existing areas and in the new proposed irrigation areas around Outlook on the west side.

So there is some fair optimism in that area. Again it's a market that has to be developed. It's an international market that has to be developed. It has to be developed by the companies and by the producers, but it's an area that we would think will find some good niche markets and hopefully have a fair run of success of finding and holding those markets in the future, and therefore giving the people back at the end of the stream — those that produced the product — a cash crop that maybe will allow them to diversify out of some of the stuff that they're producing now and maintain the farming operation, where otherwise to simply grow wheat would not allow them to do that.

**Hon. Mr. Blakeney:** — The question was, in case you forgot it: are there as many plants or fewer plants? Tell me about Choceland. A nice, simple, direct question: is it operating?

**Hon. Mr. Andrew:** — The answer is, the Choceland plant is closed down. It does only, as I indicated, the short pellet and that is by most analyses a dying market compared to the long fibre, which is the new focus and new direction. This is a small plant, as you're aware, where the economies of scale are really difficult on that one. It's been struggling for some period of time and it has closed down.

**Hon. Mr. Blakeney:** — Well I'm just wondering about the success of this processing of agricultural products, and I don't notice it in an outstanding way in brewing or distilling or rape-seed crushing or alfalfa dehy or margarine. I think if it had been a margarine you would have mentioned it.

I speak now of gasohol. You will recall that there were at least some proposals for a gasohol project some four or five years ago, and it doesn't seem to have made much progress other than during the election there was yet another announcement. But leaving the election announcement aside, are you able to say whether or not there are any plans to proceed — not to study, but to proceed — with a gasohol plant?

**Hon. Mr. Andrew:** — Perhaps if that question would be asked in the very near future I would be able to give the hon. member a positive answer.

**Hon. Mr. Blakeney:** — But I take it not tonight.

**An Hon. Member:** — At least Gary Lane admits he won't provide information.

**Hon. Mr. Blakeney:** — Yes. Well, perhaps.

I will move to a very closely related subject and this deals with the question of substitute imports, and some of these could come under either category. We certainly don't brew all we drink in this province so . . . and brewing less than a smaller percentage of what we consume.

Tell me about fertilizer. We are targeting for the

production of 50 per cent of farm chemicals. I'm sorry to talk about chemicals first. We are targeting for the production of 50 per cent of farm chemicals used in Saskatchewan over the next five years. Now that was said just about exactly one year ago. So one year has gone by. Can you tell me, Mr. Minister, what progress has been made with respect to the production of 50 per cent of the farm chemicals used in Saskatchewan?

**Hon. Mr. Andrew:** — I'm advised by officials that we are very comfortable and confident that by the end of this decade that 50 per cent of all chemicals used by Saskatchewan farmers will be processed right in the province of Saskatchewan.

As the hon. member might know, many of the large players in the field of agriculture chemicals are Europeans. We have had ongoing discussions, and I'm sure that we will have further and many more ongoing discussions with those Europeans. Do we have . . . Have we made to that commitment yet? No, we haven't. But will we meet it? I would be very comfortable in saying that we will.

(2045)

**Hon. Mr. Blakeney:** — Well thank you for the confidence. But you are not able to report any substantive progress in the last 12 months?

**An Hon. Member:** — Ongoing discussions.

**Hon. Mr. Blakeney:** — Ongoing discussions as the . . . Fair enough.

Obviously we need perhaps a little something more than confidence. I could read — and I won't because some of my colleagues doubtless will — the confident statements dealing with Supercart. You will recall some of these flowing phrases in the press release of April 18, 1986.

I simply want to leave this portion of the questioning with the obvious comment. We talk about diversifying. We talk about the theory of diversifying, with which everybody agrees. We talk about one way to diversify being upstream processing of our agricultural products, which with everybody agrees, but when we get down to brass tacks . . . We find that a mention has been made of a bacon plant. It will hardly substitute for the meat packing plant which you allowed to close down in Regina in the first couple of years.

**An Hon. Member:** — Nonsense.

**Hon. Mr. Blakeney:** — What do you mean, nonsense? Intercon was there and it isn't there now. Intercon was there in 1982 . . . (inaudible interjection) . . . Mr. Chairman, I don't know whether the member for Souris-Cannington doesn't know that there was a thriving meat-packing plant in Regina when he took office in 1982. And I don't know whether he doesn't know that in two or three years it was no longer operating, but I'll tell him that's true.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Blakeney:** — But moving on, I simply want to take the point. They freely admit that so far as brewing concerned there's less employment and less product. So far as distilling is concerned, it hasn't moved ahead a foot; and in fact, so far as employment is concerned, no progress because of what happened 10 years ago; so far as alfalfa dehy is concerned, no more jobs, just chatter about long fibre as opposed to short fibre; so far as gasohol is concerned, maybe we'll have an announcement; so far as farm chemicals is concerned, we are confident, but no jobs.

My point, Mr. Chairman, is this: if we're going to diversify . . . And as I say, there are three or four pillars, to use a phrase much beloved by the members opposite. One of the pillars is to process agricultural products. And I say that precious little has happened in the last three or four or five years to expand jobs in agricultural processing. Oh yes, there'll be one plant where there'll be some more jobs. But there are other plants where there are fewer jobs or no jobs.

When you add up what the potential is and what the failure to realize on that potential is, then I think we know that the industrial development and diversification programs of this government consist of speeches by the Premier; long, and if I may say so, dull speeches by the member for Kindersley; but when it comes to jobs for people who may want to work in a brewery or a distillery or an alfalfa dehy plant or a rape-seed crushing plant — no jobs. So far as jobs were for gasohol, no jobs. So far as jobs for working in these phantom chemical plants, no jobs.

**An Hon. Member:** — Phantom?

**Hon. Mr. Blakeney:** — Phantom, I said, because we have had a range of promises. If I were to take the number of announcements concerning the supercars and the Nardeis, and the rest, and total the jobs that are there now, they would indeed be phantom jobs.

But I am dealing with this narrow question of the upstream processing of agricultural products. And I say the minister hasn't made a case that anything very significant has happened in the last five years or six years with respect to providing jobs by upstream processing of agricultural products. Certainly he can point to some areas where this might have happened. But I think that when it comes to pointing to areas which have been induced by the private sector as opposed to significant government funds, he will find even fewer.

And I think that to join with my colleague, the member for Riversdale, I think it's pretty clear that the record, shorn of its rhetoric and judged by jobs and potential; is a record of failure. And if it is attempted to be justified by the minister, we will hear a great deal of chatter but we will not hear many statistics about extra jobs in brewing, or extra jobs in distilling, or rape-seed crushing, or alfalfa dehy, or margarine manufacturing, or cheese manufacturing, or any others.

And I say that until the minister can display to the people of Saskatchewan that there are more jobs and more

economic activity, his rhetoric will fall on deaf ears and on very, very skeptical ears. Because we've heard a lot of rhetoric and we know that there are fewer jobs now than there were short years ago.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — The hon. member talks about the red meat industry, and let's start with that. He says there's not any firm numbers. Let's look at Intercontinental Packers. Intercontinental Packers had a plant in Saskatoon and a plant in Regina. They had a no-kill plant in Regina. They just brought the carcass down here and cut it up. That plant shut down in Regina, that plant shut . . .

**An Hon. Member:** — I've seen cattle slaughtered there.

**Hon. Mr. Andrew:** — Now when you were in government. When you left government . . . Not when you left government. Since you left government, since the hon. member from Elphinstone turned over the reins of government to us, Intercon in Regina is closed down but Intercon in Saskatoon is expanded to the point now where there's more than 200 people — more working now for Intercontinental Packers than worked for them in 1982; more than 200 people working in Intercontinental Packers. And Intercontinental Packers in Saskatoon has expanded . . . (inaudible interjection) . . . No, they're 200 more. Whether you want to buy that or not, that is in fact true. Go talk to Freddy Mitchell if you don't believe me — 200 more people working there.

There's a plant in North Battleford. There's a new plant in Melfort and, in fact, under the IIP program there are over 70 new companies or existing companies in Saskatchewan that expanded in the food processing since 1983 — 70 new companies involved in food processing. Now you might sneer at that and you might say that's not very many. That is 70 new businesses creating a lot of jobs in this province and I think that is a credit and that is facts and that is real.

**Mr. Koskie:** — Thank you, Mr. Chairman. Mr. Minister, we've been through this before and I want to go into some particular areas where you indicated that there was going to be some development. I want to talk a little bit about some of the phantom industries that you indicated during the last election. And I remember the headlines that you put out in respect to the potassium sulphate plant that was going to be at Kandahar. There was going to be hundreds of people employed, both in the construction end of it and subsequently employed full-time in the potassium sulphate. Announcement was made; expectations you built up.

And today, Mr. Minister, I would like to ask you, perhaps you don't know the details, but there is what you put out in the press releases and what are the facts today. Today instead of 300,000 tonnes of potassium sulphate which you indicated that you were going to be producing at the potassium sulphate plant where you set up the pilot project, just south of Kandahar, or just beside Kandahar. And do you know what happens today? You did the impact study, you invested money in it, and what has happened to that plant, Mr. Minister? Why did it not

expand to the expectations that you indicated and held to the people of this province out with expectations?

Obviously it was an election ploy. You're credibility is shot. You have no respect by the people of this province any more. They can't believe what the government says.

And so I ask you, Mr. Minister, can you in fact indicate what has happened to the potassium sulphate plant that was going to hire over 75 people on a permanent basis; 150 people that was going to be employed? I mean this was supposed to be an economic diversification of a new product of potash. And here is the result now, not 300,000 tonnes — 30,000; nine people employed and no future, as indicated in your press releases.

And so what I'm saying to you here, Mr. Minister, there is no credibility left with this government. That's one instance, and perhaps you can give me some details of what went awry on that.

But then also the Premier last spring — big announcement. There was a French company investment in the fertilizer plant, and it was going to go. The feasibility study was under way. Well where is the fertilizer plant that you were building?

Then there was the chemical plant which the member from Elphinstone indicated. What stage is that at? Or is that just a press release again? And then you had a band-aid plant that you were going to set up down in Swift Current. Where is the band-aid plant? Then down in Lloydminster you were going to have some kind of an airplane assembly plant. Do you remember that? You probably . . . The member from Cut Knife-Lloyd probably went around and convinced people to vote for him because they were going to have this big plant.

So I'm asking you, Mr. Minister, not only is this government — and I'm going to demonstrate your incompetence in the whole economic field — but the credibility is shot. I mean you have no credibility left.

And so I want you to deal with those particular items and give us an update. What happened to the potassium sulphate plant? Didn't you do your studies? Did the markets disappear? Or was it a press release? What about the fertilizer plant that you hyped people up that there was going to be a big fertilizer plant? Where is it? Where is the chemical plant? Where is the band-aid plant? Where is the airplane assembly plant? Just to start with a few. Could you summarize and indicate what went wrong or was it misrepresentation to the public and you never intended to have them?

**Hon. Mr. Andrew:** — With regards to the potassium sulphate plant, that was not handled by this department. I think that was an initiative of the Potash Corporation of Saskatchewan, and so perhaps you could ask that question to that . . . that particular question.

The fertilizer plant is still actively being pursued and we are hopeful that there will be an ammonia plant built in the south part of the province. That is still very much an issue being dealt with.

The chemical plant, I didn't catch the particular name of that, but last week there was a \$7 million chemical plant started in the city of Prince Albert — \$7 million plant. And you can laugh at that if you want, that it's not significant. With regard to the Swift Current plant, there is an official from the department in Germany right now negotiating with regard to that particular deal. So those are done, but the member opposite comes out with the same rhetoric.

Now I remember, in the 1982 election, the NDP going around saying, there will never be a paper plant built in Prince Albert, never. Weyerhaeuser simply came in there. Remember that? Weyerhaeuser just came in and took over this plant; they will never build a paper plant. We heard you guys talking about that in the House, then around during election time. It'll never happen; it will never happen. Well, go up to Prince Albert; it is in fact being built.

And you said, well there's an upgrader here in Regina, another idle promise. There will never be a heavy oil upgrader built. Well just go out into the north-east side of town and see whether or not there's an upgrader being built, and see the size of that particular upgrader being built.

(2100)

Mr. Speaker, those are projects that are being built. Now the members opposite never built anything, but those projects are being built. Or go to North Battleford and see whether or not there's some projects in North Battleford hiring quite a few people — quite a few people, Mr. Speaker. Those are being built and there will be more built in the future.

**Mr. Koskie:** — Madam . . . Mr. Minister, rather. Sorry about that. I was thinking of the Minister of Energy when I was thinking of the potash.

I want to completely divest your misrepresentation to the House in respect to some of the facts, and I want to do it with your own publication. I know that in your own publication you have put forward nothing but facts, Mr. Minister.

When you took over, you decided on your open for big business idea. And I want to again demonstrate to you with your own statistics, with your own indicators, of the economic growth from '72 to '82. And you put together a brochure which I have been able to use in my constituency, because the people want to look back at the progress that was going on. And you deal with '72. Saskatchewan Promise, and here is what you say: "Growth — we outperform," it says. And it goes on:

The Canadian west has outperformed the rest of the country during the past decade and has become a major North American growth centre. Saskatchewan continues to have a leading role in the regional industrial expansion.

And this is what you go on to say:

The province's compound annual rate of real growth was 4.2 per cent between '72 and '82,



compared to 2.7 per cent for Canada as a whole.

You say the gross domestic product grows strongly from 3.4 billion to 5.2 billion, and you go on to say that total personal income rose rapidly from '72 to '82, in that 10-year period from 2.8 billion to 12 billion. And per capita incomes have grown similarly, exceeding the national average.

Those are some of the things you say. You go on to say in this editorial which you are spreading to outside investors, how good it was and the base of economic growth that we had here before. And you say:

Combined with the pro-business government and one of the lowest per capita debt burdens in the country, that's the Saskatchewan opportunity.

And then you go into the growth indicators: 10 years as a growth leader in Canada, 1972 to 1982. And you say the economic policies of those 10 years were a disaster. That's what you're trying to tell the people of Saskatchewan. But in your own publication you indicate the gross domestic product in Saskatchewan, the percentage increased by 51 per cent, Canada 30 per cent; non-residential investment increased 338 per cent, and in Canada 275; retail sales, 197 per cent, higher than the rest of Canada. Personal disposable income increased 333 per cent.

So what I'm indicating to you, Mr. Minister, you took over as a government, and the financial institutions that we did work with in New York said that Saskatchewan was the best fiscally managed area in all of North America. That's precisely what they said and that is what you took over, and the legacy that you have left behind in five short years is devastating.

And it has been said, as the member from Riversdale has said, look at what this province has on its hands today. It has the massive deficit and massive operating expenditures of 3.2, \$3.4 billion in five years. The Finance minister that underestimated the deficit by \$800 million to get elected.

We have a province here where food banks were absolutely unknown, and today not enough food to feed the people that go there. We have a taxation level in this last budget of between 200 and \$200 million of increase in taxation laid on the backs of the people at the same time that you've massively had to cut the programs. You had to take it from the little . . . the school children, the dental program, because . . . and you say we've got economic growth and viability.

Now if you have economic growth and economic viability and if we're moving forward, then I guess the question is, why is our welfare budget doubled over what it was when you took over? Two hundred million dollars a year and more you pay out in welfare because you haven't got an economic system that will provide jobs and opportunities for the people that want to work.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — If you have a good economic system

going, you shouldn't have the welfare expanding and money being spent, you shouldn't have the food banks, you shouldn't have to increase taxation and cut programs. And I say to you: if you have an economic policy that's working, why have you run up the most massive debt that this province has ever had to endure?

I say to you, Mr. Minister, look at the credit rating of this province since you took over. The credit rating has dropped four or five points in its rating. That's the position. That's the hard, cold facts and realities of your economic policies. It's been hardship for the people of this province and for the small-business men in this province.

And you talk about diversifying the economy. Well I'll tell you, under the previous government we had diversification. And I've used this before, I've used it before in my constituency, and I'll tell you, not one of them came as a result of your economic policy.

I'm going to run through the economic diversification that I have in my area. I've got over at Annaheim a manufacturing, manufacturing steel boxes and trailers for the transportation of grain, Doecker Industries. I'll tell you, that came in under our administration.

I go into the small community of St. Gregor, and what we have is Western Industries hiring people — local people — manufacturing steel boxes for farmers' trucks. You just go half a block away and you got another manufacturing plant manufacturing windows, Michel's, and manufacturing tarps, Michel's.

You go into Watson and you got exactly the same thing. You got the manufacturing of furniture, the 7 Oaks, which started under us. You go north of Watson, you got Dyna-Fab, manufacturing started under our administration. I go into Wynyard, and Wynyard you got the same thing. You got a whole base of industry that was started under our administration. And you go to Englefeld, you got Shulte Industries.

I'll tell you, the times were good for the business men in this province under the New Democratic Party. Their tills were ringing, I'll tell you, when we were in government. The business men today say it's never been so tough before, and they say it's time for a change.

So that's the legacy that you've left behind. And you know, you say, we have no new ideas. And you know who they're bringing into the province of Saskatchewan, into Saskatchewan, the privatizer for Margaret Thatcher, a member of the Adam Smith society. The Adam Smith — that's right, the 18th century, he's coming in — I think his name is Pirie Madsen or some . . . Madsen Pirie, that's it, coming in. Adam Smith philosophy and they say it's new.

Old line, right-wing, free enterprise system that hasn't worked in the past was discarded. They bring it back and they say, they got us something new going. And yet they don't . . . And then they got their friends down in Vancouver — that right-winged organization called the Fraser Institute and they send their EAs down to get enlightened on how to think, think like Adam Smith did. He's trying to indoctrinate them into thinking like Adam

Smith or he will, in fact . . . they got some new ideas.

This is the economic philosophy. There's nothing new about it, Mr. Minister. It's just jargon that you use. What's so new about humming to a multinational corporation and saying, come into the province and we'll give you our assets. Well right-wing governments have been doing that for a long time. That's not new; that's goofy though. It doesn't make sense. It's bad for the people of the province.

But I'll tell you the idea's not new. You have been giving away the assets to multinational corporations and exactly as has been said before, the economic strategy that's followed is the same, exactly the same, as what the late Ross Thatcher had, exactly the same clichés — open for big business. You can go into the library and you can pick up the document, and it's word for word for what they used in the initial year of their operation. That's what it is.

And so I say to you, Mr. Minister, I don't think there's anything new in what you're doing. I think what you're doing is setting Saskatchewan back and now that's . . . I suppose that's new to Saskatchewan because we have been going ahead for many years in this province, a slight delay in the mid-60s, and again prosperity and growth under the New Democratic Party. And look at every single indicator you have, and I'll tell you, you can't be very, very proud of your record; at least, you shouldn't be.

You say, well, we've got to do something new with Saskoil, we've got to privatize it. That's going to make it great for Saskatchewan. And they're going to give them the chance to buy some undervalued chairs so they can make a few bucks, and they'll follow you; that's the old game. But you know what happened with Saskoil? You know what happened with Saskoil, Mr. Minister? Seventy-five per cent of the shares in Saskoil are now owned outside of this province.

**An Hon. Member:** — Seventy.

**Mr. Koskie:** — Seventy-five per cent.

**An Hon. Member:** — Seventy.

**Mr. Koskie:** — Seventy-five per cent, Mr. Deputy Premier. And they say that's better for the Saskatchewan people.

We owned all of Saskoil. In 1985, the last time a report was filed in the Crown corporation, we made \$44 million in Saskoil — \$44 million to the people of this province. And I wonder, Mr. Minister, whether the people of Saskatchewan are getting the same return from Saskoil, or are the shareholders outside of Saskatchewan doing the benefit now.

And the other thing that happened is that when you privatized it, Saskoil left Saskatchewan, laid off employees here and went into Alberta. And you can't deny that that happened. And they're working in Alberta, and I'm not against developing the rest of the country, but one of the essential purposes of Saskoil was an exploratory company for Saskatchewan. And what you're

doing is losing the benefit of it.

And you say it's new ideas, giving a pulp mill away to Weyerhaeuser, that's new; giving Saskoil away to outsiders outside of Saskatchewan, that's really new.

I want to ask you, Mr. Minister, in light of what you say that your stewardship has been so wonderful for the people of Saskatchewan, why are all the indicators . . . Why is the province in such fantastic or such dramatic shape that it is — such bad shape? I mean, look at . . . (inaudible interjection) . . . Laugh, laugh. Sure.

It's not a laughing matter to the old people who are losing their drug programs. It's not. It's not a laughing matter, Mr. Deputy Premier. I'll tell you it's not a laughing matter that you've cut out the health care to that. The generator for the government's revenue is dependent upon its economic growth, and what has happened here is, obviously the province is in very, very bad shape. You can't deny that.

(2115)

And so what I'm saying to you, Mr. Minister: could you outline if you have done any studies, if you have any projections of what type of development that you are anticipating? Can you indicate to this House what negotiations that you're carrying on at the present time and the likelihood of subsequent investment? And can you put it into some kind of a time frame, or do we have to wait to just before the next election?

**Hon. Mr. Andrew:** — For those that follow closely the debates of the legislature, the member from Quill Lakes has posed that same, has posed . . . the member from the Quill Lakes has posed . . . (inaudible interjection) . . . Well if the member from Quill Lakes, Mr. Chairman, is going to . . .

**Mr. Chairman:** — Order. Order. Allow the minister to make his comments.

**Hon. Mr. Andrew:** — The member from the Quill Lakes has posed almost the identical question last year and the year before with regard to going through his details. And I would refer him back to *Hansard*, back to *Hansard* of a publication of 1983 or 1984. The only thing new he's got into this time is about public participation.

Now he says this is a wrong-headed, right wing mentality; that you should rely on the private sector and private initiative. That's what he's saying. Now if you're to look around the world at two fairly significant economies, People's Republic of China under Deng Xiaoping, and what is he doing? He's saying, let's get the government out of this and let the private sector take hold, and let's see if we can build something. And where he's done that the most is in the agriculture sector, and he's in fact allowed the economy and the agriculture economy of China to grow.

Now the next guy that has now discovered that theory of the private sector and private initiative that he says is back to Adam Smith, is Gorbachev in the Soviet Union. And what Gorbachev is trying to do now is get through the

bureaucracy, to get through the bureaucracy so Soviet people will be given private initiative so that can, in fact, build as well, because what they have said, and what Gorbachev has said publicly to the world and to the Soviet people, is the system does not work — the system of government control and government building stuff does not work. It doesn't work in China, it doesn't work in Russia, and it doesn't work here.

Now the member from the Quill Lakes is still to the view somehow that the government should own the oil companies, and it should own the mining companies, and it should own the farm land, and it should own the packing houses, and it should own everything. Now that is what he is saying.

I read recently, I think last week or the week before — the week before — what it was saying in *Business Week*, and I would direct the member from Quill Lakes to read this column. What it said — that the Soviet Union today, that Gorbachev is to the right of the Democrats in the United States. So what's that put him with regard to the New Democrats of Saskatchewan? Gorbachev, if you can believe, has got better right wing views, mentality, than you do.

Now the member opposite says, you made a terrible mistake dealing with Saskoil and allowing the people to participate and own shares. Now that was not something done by the Department of Economic Development and Trade, but if he wants to raise it, we will sort of cover the waterfront, if you like.

Now I happen to believe that it makes more sense for the private citizen to buy shares in a company like an oil company rather than for the government to own the shares of an oil company. Now as I argued with the member from Riversdale, you believe, as the member of Quill Lakes so eloquently stated the position, that you should not, we should not have sold or privatized or issued shares to Saskatchewan people in Saskoil. Now I happen to believe that we should have; and I think the people of Saskatchewan, quite frankly, believe that we should do that as well. I think the people of Saskatchewan would like to own some shares in a potash corporation or in a mining corporation or in an oil company. Now you don't agree with that; I happen to agree with that.

Mr. Speaker, you talk about investment, and the NDP are really great at saying, you can't have this big multinational investment in Canada. We don't want you. Thank you very much; go on back home, particularly if you come from United States. Now look at the hypocrisy of the NDP. There's Eddy Broadbent — Ed Broadbent's riding in Oshawa. Now who has invested in Oshawa? Canadians? Hardly. It's General Motors, Ford, and Chrysler. And that's who has invested there, and that is 100 per cent American owned.

Now it's fine for Ed Broadbent to say, yeah, but that's okay, those American investing in Canada, particularly if it's in my riding. That's okay, that's fine. But we don't want anybody investing out West. Don't let them invest in Saskatchewan because they're bad and dirty Americans. Okay for him. They're okay for Ontario. They're okay to drive their economy. They build good enough jobs for

them. But no, no, don't bring it out here. Don't bring it out here.

It's okay for General Motors to invest in central Canada, in Oshawa and in Windsor, but no, no, you don't do it out here because they are bad and they are ugly and they drain off dividends from us and they don't do any research and development. It's okay for my riding — I'll look the other way on that. In fact, he probably tells the people of his riding that they are actually Canadian investments because it's called General Motors of Canada. So that makes it okay because it's got a different name on it, but it's still owned by the Americans.

I say to the people of Oshawa: good for you if you can attract a good investment, but it from United States or be it from Japan or from Europe or right here in Canada. If they are prepared to invest in that region and create jobs in that region, to build a product to sell around the world — good for you.

But we say, why shouldn't they be able to do it here as well. And why would you oppose somebody from the United States coming into this province to invest some money, to make some jobs; or somebody from another part of the country; or somebody from Japan? What's wrong with foreign investment coming in here? And what is different of foreign investment coming into Saskatchewan or General Motors, Ford, and Chrysler investing in central Canada? What's the difference? It's just that they have a lot more of it than we do. And as the Premier says, I'd kind of like to have our share up so it's about equal with Ontario. And I think that's a fair request.

I don't know why the members opposite constantly stand up and say we are against public participation in Crown corporations, and why they constantly stand up and say certain investments are not welcome. And if that investment happens to have a headquarter in United States, you are not welcome here. That's your theory, and that theory is wrong. It's not whether it's old or new, it's wrong. And the Chinese are discovering that; and the Soviets are discovering that, and all of Europe is discovering that. But you still stand back and say, no, we want a Crown corporation and we want investment only from here, if we like them. But certainly not Americans — no, no, we don't want Americans in here. And we don't want Europeans if their company is too big. Let's look for only the small guy. Let's not expand our companies; let's not expand our economy. And that mentality is not whether it's right or wrong, because it is wrong. It is wrong all the way, and whether it is new or whether it is old.

And perhaps if we go back in history, you can argue economics in two ways. You can argue left-wing economics or right-wing economics. I happen to believe that the world is moving towards private initiative, private investment, return on investment, and that's a profit. That is ugly to you. We don't look at it that way. And the people that have jobs in this country; that have relied on investment, shouldn't look at it that way either.

**Some Hon. Members:** Hear, hear!

**An Hon. Member:** — Eric is the only sensible one. He's not clapping.

**Mr. Koskie:** — The only member that's clapping of any degree is the member from Cut Knife-Lloyd, I guess, but he's been clapping all night.

I did as the minister a question. I wondered whether you could outline what significant new business developments and investment that you have under way, or negotiations, or studying, and could you give sort of an outline of the timetable of the expectation of it. But before I allow you to answer that question — and it's the second time I've asked it now, and I hope you will remember it — I really appreciate your expertise on the Chinese economic system and the Russian system. I think that was so illuminating here, your great depth of knowledge that you have put forward and that was appreciated — not asked for, but very important — and I think tremendously significant to the topic at hand and the question that I asked.

**An Hon. Member:** — And the unemployed Saskatchewan workers.

**Mr. Koskie:** — Yes, and to the unemployed Saskatchewan workers, as my colleague said.

So I want if you could outline, you know, your economic strategy. What are the expected investments, the timetable of them, and can you lay that out before the legislature here.

**Hon. Mr. Andrew:** — I hope the hon. member can appreciate that if we're in negotiations with a particular company, then we don't want to announce that until such time as it has been completed.

But let me deal with some of the things that we are looking at over the next five years. We fully expect in the next five years to build a new uranium mine in the province of Saskatchewan. Okay? Now you're against that, but that's fine. We're going to build that. As I indicated . . .

**An Hon. Member:** — Where!

**Hon. Mr. Andrew:** — Cigar Lake. Well you say there's nothing new about it. We intend, with the partners that have been put together from Japan and from Korea and from Germany and from France and from Canada, to build a new uranium mine in Saskatchewan.

We have just opened a new gold mine, and we would expect three or four more gold mines in northern Saskatchewan. Now that takes time to put them together, but we believe that's a good initiative, the building of gold mine and the gold mining strategy. Now there's been nothing built for 50 years and there's a new gold mine now — we expect four more.

In the forestry sector we are pursuing further development and refinement in the forestry sector, and we would hope to have an announcement in the near term on that.

In the area of gas and oil, we would expect to see some further development over the next year or two, significant

development in the area of oil and gas and further refinement of oil and gas.

There is a series of perhaps 10 or 12 manufacturing opportunities that we are pursuing. I would dare say that you are likely to see a series of new manufacturing initiatives, many of them in the area of 100 new jobs, being announced over the period of the next 12 months from now.

**Mr. Mitchell:** — Thank you, Mr. Chairman. I think it's a fair indication of the attention that you're giving to the matters you've been talking about tonight, Mr. Minister, to look at your estimates and note how much money you're spending in the running of your department, and I'm referring here to the ordinary expenditure estimates for the year '87-88. I see the figure of \$7,997,000. Now I asked for a comparative number as to how much you had spent in your first year when you were open for business.

**An Hon. Member:** — Hoping for business.

(2130)

**Mr. Mitchell:** — When you were "hoping for business," as my colleagues say.

And I'm told that in the year 1982-83, which was before your tenure as minister, Mr. Minister, that the estimate for that year was \$11,582,000 — a difference of \$3.5 million. But the figure for 1987-88 includes payments to the Saskatchewan property management board which total over a million dollars, \$1,130,300, and that of course, was a number that was not in existence until . . . well, you can tell me . . . well, no, I'm talking about ordinary expenditures, and I'm comparing ordinary expenditures for the running of the department, the administration of the department, for the administration of all of these things that you say you're doing. And my information is that, if you look at the comparable figure for the same activity in 1982-83, it was \$11,500,000. If it's a mistake, no doubt you'll point that out to me.

I was saying to you though, that the figure for 1987-88 includes this payment to the Saskatchewan property management board which is a new number that didn't exist in 1982-83. And so if you deduct that number, the amount that you're dedicating to the administration of your department during this year is \$6,867,000, which is quite a dramatic decrease. I mean we're talking about almost \$5 million, \$4,700,000, and that would seem to be a rather dramatic drop.

Now if my numbers are correct, Mr. Minister, how do you explain this drastic cut in expenditures over a five-year period which don't even take into account the inflationary developments that have occurred over that five-year period?

**Hon. Mr. Andrew:** — Well you're comparing, and to be fair to the hon. member, if we want to compare the old industry, trade and commerce, or industry and commerce of the NDP, which you say was \$11 million; now that has been expanded under our administration to Economic Development and Trade to Science and Technology and to Tourism and Small Business and to the fund. Now if

you're proud of \$11 million, what those totals add up to now is \$44 million, or four times as large as it was in 1982. And that's the number you're comparing.

**Mr. Mitchell:** — Well I'm surprised to hear that answer. My research doesn't indicate that. My research indicated that the figure which is your figure, your first full year of government, 1982-83 was \$11,582,000, and that that was for the same items as are now included under ordinary expenditures in your department — not to do with the grants that have been brought in from tourism, and the grants that have been brought in from other parts of the department to be included in your figure now — but just the basic administration of the department?

**An Hon. Member:** — Define that for me.

**Mr. Mitchell:** — Well, I'm asking you the question, Mr. Minister. It was your budget in 1982-83, and it's your budget in 1987-88, and if I'm wrong, tell me where I'm wrong. Now you've suggested that I overlooked the fact that there were things included in the 1982-83 budget that are not included here, and I'd like to know what they were.

**Hon. Mr. Andrew:** — Well, I'm going to get the 1982-83 *Estimate* book so that we can check that. Now you say administrative costs; that is the first item on most estimates. And I assume that that's not what you're talking about. I assume that what you're talking about is the old department of industry and commerce of 1982-83, and the entire budget for that particular department. Is that what we're talking about?

Now but you've got the bottom line there. You must have your estimates if you've got your numbers you're giving to me. Now if you're saying, in 1982-83 the entire budget of industry and commerce was \$11 million or the administrative costs was \$11 million; if the administrative costs today in this department is less than a million, so I would very much doubt and very much hope that there would not be 11 million in administration of the department of industry and commerce. I would expect that not to be the case. So I wonder if the hon. member could be . . . could clarify what his exact numbers that he's referring to in 1982-83.

**Mr. Mitchell:** — Minister, what I'm referring to are all of the items under the ordinary expenditures of your department for this year, for this year, which are less than \$8 million. And I don't have the '82-83 *Estimates* here on my desk, but my research information is that the estimated ordinary expenditure budget for '82-83 was 11,500,000 — 5 million larger.

**An Hon. Member:** — I think that was the entire . . . (inaudible) . . .

**Mr. Mitchell:** — Well sure, and you've sent out for the *Estimate* book for 1982-83, and when that comes in, perhaps we can go back to this question and address it at that time.

I want to turn to the industrial development grants . . .

**An Hon. Member:** — Industrial incentive grants?

**Mr. Mitchell:** — Yes, the industrial incentive grants. We've tried to analyse just where this money has gone, Mr. Minister, and to whom it's gone. The information I have is that the total pay-outs under the government program since its inception was \$24 million. Now if that's not a right figure, I'd like to hear what it is, Minister, before I launch into the . . .

**An Hon. Member:** — Give me the question again, Bob.

**Mr. Mitchell:** — . . . \$24 million under the IIP (industrial incentives program).

**An Hon. Member:** — And what page of the *Estimates* are you referring to here?

**Mr. Mitchell:** — Well, under the estimates that you now have it under the industrial development grants, which apparently includes the amounts committed under the IIP, and my question is: over the life of the IIP program, am I correct that the total amounts committed were in the vicinity of \$24 million?

**Hon. Mr. Andrew:** — I would advise the hon. member that the program was operational in three fiscal years. If you include the \$7 million estimate of this year — it's in this year's estimates — that would come to about 14.5 million to date. There are presently 350 approved applications that have not yet met their commitment, because of time, and having the time passed and verified that the jobs that they've created. We would anticipate those 350 approved applications of perhaps \$12 million; 11 to \$12 million would be expended on that.

**Mr. Mitchell:** — So that would be 25, 26 million in total. And you've indicated that that's a correct figure.

With respect to this year's estimate of \$7 million under the industrial development grants, is that all industrial incentive program money or is that only partially IIP money. And if it's only partially, what portion of it is industrial incentive program money?

**Hon. Mr. Andrew:** — I'm advised that about 95 to 98 per cent — and we don't have that calculation here, is why I can't respond — is IIP. Then there will be a smaller amount of money — 200, \$300,000 — that is used for maybe a special project out of that fund, paid for special project or the people that don't maybe quite qualify for it, that you can help them along, that type of thing. But IIP itself would be 95 to 98 per cent of that entire cost.

**Mr. Mitchell:** — Now I want to ask two questions at the same time because they're short questions, Mr. Minister, but they're related.

First of all, you've mentioned the figure of 350 applicants that are awaiting finalization because they haven't ripened, or you can't yet calculate what their total entitlement is. And then there'd be another category where the amount has already been paid, or the entitlement has been earned. The figure that I have is a total of 480. My first question to you is: is that a correct number, or what is the correct number?

**An Hon. Member:** — Paid out so far?

**Mr. Mitchell:** — Well paid out so far, and to that add the 350 to give me a grant total.

My second question has to do with the amount of the grant, and it is this. My understanding of the program when it was announced is that you would pay \$7,500 per job for new jobs created. My question is: is that the formula that has been applied to all of the grants paid under that program?

So I've got the two questions, Minister. What are the total number of applicants, either paid or pending? That is approved applicants. And secondly, has the \$7,500 formula been followed invariably, or have there been exceptions to that?

**Hon. Mr. Andrew:** — I'm advised that there are approximately, to the end of the last fiscal year, 150 pay-outs under IIP, and there are 350 to go. That would be a total of about 500 when the program has run its course. Any pay-outs under IIP are to \$7,500, and that's as high as you can pay under IIP.

(2145)

**Mr. Mitchell:** — Now, Minister, of the 500 that have either been paid or are pending, can you take the 10 largest ones, the 10 that are going to involve the largest pay-outs — either money that you already paid out or that you estimate that you will be paying out. Take the 10 largest payments and give me the total figure on that, the total amount of money that will be paid out in respect of those 10 largest projects.

**Hon. Mr. Andrew:** — I've got the numbers here for '86-87. The ones before that I think I would refer you to the *Public Accounts* under the . . . if you look through the *Public Accounts*, you will see the IIP set out, I believe in *Public Accounts*, in how much was paid out to each company.

But if I can go through the ones here, let's say that exceed \$50,000. Brake & Drive Systems — \$52,000; Carlyle Alfalfa Processors — \$47,000; Creative Touch Millworks Inc., wood classic custom cabinets — 101,000; Dyna-Fab Industries Ltd., Quill Lakes Savings and Credit Union, I assume that that's probably just paid out to the credit union on assignment or something; that was \$55,000; Falconridge Development — \$90,000; Flexi-Coil in Saskatoon was \$757,000 — that was probably the largest one that year; Humboldt Credit Union, Commercial Industry Manufacturing — \$117,000 — that was again paid to Humboldt Credit Union; Intercontinental Packers in Saskatoon — \$727,000 in last year; L.E. Matchett Trucking Company — \$52,000; Rose Beverages (1964) Ltd. — \$45,000; Saskatoon Oilfield Manufacturing — \$218,000; SED Systems — \$157,000; SED Systems Ltd. — \$262,000; Syri-Con Ltd. — \$84,000; West Can Photo Ltd. — \$112,000.

And there's lot of them at 7,500 and two times that or three times that. So those were the largest ones during last year. The ones this year, of course, you haven't got them until such time as the people have completed the

conditions. And until they complete the conditions, we pay nothing out. And the ones before that you'll find in Public Accounts.

**Mr. Mitchell:** — Well, I asked a much larger question of course, than the one that you answered, and I am interested in knowing the answer to my first question. Based on the research that we've done, Mr. Minister, I'm going to tell you what we think we've found. Now you've got the figures, and you'll be able to confirm, overnight probably, whether we're on the wrong track and whether we're wrong, and if so in what respects.

But looking at the *Public Accounts*, and looking at the press releases, and looking at what we've been able to find out, Minister, it would seem to us that some very small number of successful applicants account for a very, very large share of the total dollars spent and to be spent in this program — that is, of the successful applicants today, including the ones who have been paid and the ones not paid. And it would seem to us that the seven largest companies — I used the figure 10, but I've got figures for seven in front of me — seven largest companies account for something like 40 per cent of the grants that have been paid, or will be paid, under this program.

Now if that's more or less correct, Mr. Minister, what does that say about the philosophy of this program? I mean, how does that help the small-business people in this province who are looking for modest expansions and unable to afford them, looking for ways of funding modest increases to their plant or modest new plants? It seems to me that most of the money spent under this program has landed in the pockets of your big operators.

Now we use the name Gainers over and over again, and I think I'm correct in saying that Gainers stands, Pocklington stands, at a very high level in this program. He's certainly in the top two or three for beneficiaries under this program. And there are others too. But the point that I want to make, and that I'd like you to respond to is: a relatively small number of applicants have hogged the lion's share of this program, perhaps as much as 50 per cent of this program since its inception in 1984. And I wonder what kind of a philosophy that reflects so far as Saskatchewan small business is concerned?

**Hon. Mr. Andrew:** — Let me make a couple of observations. Number one, I think you have to appreciate the Department of Economic Development and Trade tends to deal with the larger firms and with more into the manufacturing sector. We also have a Department of Tourism and Small business whose prime job is to deal with the small business sector of the province. And so I think it's unfair to sort of somehow suggest that this is only for small business. That's number one. So that you might ask the Minister of Tourism and Small Business, when his estimates come, on other programs delivered to small business — and there's many of those, and I think many of them are very successful. So I don't think it's fair to say that we're not concerned about small business, because clearly we are.

The second deal is that when this program was brought in, it was brought in based on two factors. If you created a job, it seemed to us that if it was a job in a small business

or a job in a big business, it was still a job — and a job is a job. And sometimes . . . if it was the Intercontinental Packers and they would expand with this program — and would not expand but for this program — it was still a good job, and that job carried on year after year.

It cost the government \$7,500. And I think by any standards, if you look at governments across this country, if they could spend \$7,500 to create one job and that job lasts for a long period of time, then I would say that was positive. So I don't think you want to distinguish — and I don't think the hon. member would want to distinguish — and say well, we shouldn't. The biggest ones that were given last year were SED Systems. Now is it wrong to give SED Systems that grant if that grant was enough to encourage them to hire people and create jobs in the high-tech field? I don't believe so.

Or Intercontinental Packers, or West Can Photos. And you go through each of those. I don't think it would be fair to say Intercontinental Packers was the biggest one. Then SED Systems; now Flexi-Coil would be the second biggest one, both Saskatchewan companies, and I would hope that the hon. member would say that just because there are a certain number of employees, or they've expanded a large number of jobs, that they should not be included. I think that's not fair.

With regard to the first question asked by the hon. member. I have the estimates from '82-83, and there was a total expenditure of \$11,926,890, total expenditure for department of industry and commerce. And the year before that was eleven million eighty-one sixty-four. Now if you compare apples to apples, we have three departments plus the fund, and the expenditure on business side if you like — if you want to lump those all into business side — is now \$44 million as opposed to \$11 million. Now you might say that that is too large of an increase, but we believe that there should be more dollars, in fact, allocated from government to the business sector than perhaps was under your administration.

The committee reported progress.

The Assembly adjourned at 9:58 p.m.