

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

READING AND RECEIVING PETITIONS

Clerk: — According to order, I wish to report to the Assembly that I have examined the following petitions, and under rule 11(7) hereby lay on the Table petitions:

Of the Stephen and Michelene Worobetz Foundation, of the city of Saskatoon, in the province of Saskatchewan, praying for an Act of incorporation.

Of the Full Gospel Bible Institute, of the town of Eston, in the province of Saskatchewan, praying for an Act to amend its Act of incorporation.

Of Pastor Walter Boldt, Art Ratzlaff and Barry Hertz, of the city of Saskatoon, in the province of Saskatchewan, praying for an Act of incorporation.

INTRODUCTION OF GUESTS

Hon. Mr. Swan: — Mr. Speaker, I'd like to introduce to you, and to this Assembly, 27 cubs from the Rosetown 1st Cub Pack. This group are visiting our legislature today. They are accompanied by their leaders: Graham Mickleborough, Bob and Bev Gardiner, Dave Ryan, Dave Hoffart, Wilf Shille, and Ellen Fraser and John Huffman.

I'd be very pleased to meet with this group following question period in the time that they have their tour of the building. I would ask the members to welcome them here this morning, and I look forward to meeting with them later.

Hon Members: Hear, hear!

Mr. Gerich: — Thank you, Mr. Speaker. Mr. Speaker, through you and to the members of the Assembly, I would like to introduce to you, sitting in the Speaker's gallery, a group of elementary kids from the Sinclair Elementary School in Sinclair, Manitoba. From grades 1 to 8, there's 39 students. They're accompanied with their teacher, Mr. Joe Cop and Rob Thome, and their chaperons, Barb Keyes, Mavis Halls and Marlene Cop, and their bus driver is Trevor Pateman.

I hope that they have an educational and informative morning here today. I'd ask the members to please welcome our guests.

Hon Members: Hear, hear!

Mr. Lyons: — Thank you very much, Mr. Speaker. I'd like to introduce to you, and to other members of the Assembly, 65 students from grade 8 at Ruth M. Buck School in the constituency of Regina Rosemont. The students are here accompanied with three of their chaperons, Mr. Fred Christ, Donna Holbrow, and Rene

Flett. I would ask all members of the Assembly to welcome these students here to watch the proceedings of the Assembly today.

Hon Members: Hear, hear!

Mr. Solomon: — Thank you, Mr. Speaker. I'd like to join with my colleague, the member from Regina Rosemont, in welcoming the students from Ruth Buck School. I live down the street from the school, and it's just on my south boundary in Rosemont constituency.

I know many of your teachers and many of your parents as well. I'd like to take this opportunity to welcome you here this morning.

Hon Members: Hear, hear!

ORAL QUESTIONS

Hospital Waiting Lists in Saskatoon

Mr. Romanow: — Thank you very much, Mr. Speaker. My question, in the absence of the Minister of Health, is to the Premier. It deals with the hospital bed waiting list in Saskatoon, now approaching, as the Premier knows, 11,000 in number.

My question to the Premier is this: can the Premier, on behalf of the minister and the government, assure the people of Saskatchewan, and particularly the people of Saskatoon, that this year, unlike last year, there will be adequate and sufficient government funding for all three of the Saskatoon hospitals to make sure that they operate at a full capacity all summer long?

Hon Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I can tell the hon. member that despite his news conferences in front of the hospitals saying that the new wings that we are building will not be functional, that in fact they will be functional.

And the whole key in providing the new facilities — which were not built before, Mr. Speaker — being built now, is to provide the beds and the new facilities and the revenue, Mr. Speaker, as you know.

An Hon. Member: — Are you going to close any beds?

Hon. Mr. Devine: — I just want the children to listen again to the member from Quill Lakes, okay? Just keep speaking up.

An Hon. Member: — Answer the question.

Mr. Speaker: — Order. Order. Order. The Premier cannot answer the question if he is continuously being interrupted in his attempts to answer the question, and I ask the members to abide by that request.

Hon. Mr. Devine: — Thank you, Mr. Speaker. I just want to say, as the hon. member knows, we've taken the health budget from 700 million to 1.2 billion — over 65 per cent increase. We are building a new City Hospital in the city

of Saskatoon, a brand new wing at the University Hospital, and an addition to St. Paul's Hospital; and they will all be funded, Mr. Speaker — a tremendous increase in capacity — and the new beds and the new facilities will be reducing the waiting lines, Mr. Speaker.

So the funds are up, the facilities are up, and indeed we will be providing the funds to make sure — and it's overdue — that the people of Saskatchewan can have the best health care facilities any place in Canada.

Some Hon. Member: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question to the Premier. The Premier will, of course, recollect that what I was inquiring about was the question of the summer bed situation in Saskatoon and the 11,000 people on the waiting lists. I think all of us would welcome the additional capacity which the government has announced, but the question here is an immediate one.

And therefore it is to you as follows, Mr. Premier: can you give the people of this province assurance that there will be funding this summer for the three Saskatoon hospitals sufficient to make sure that none of them close during the summer months like they did last year, in order to ease this crisis for waiting lists?

Some Hon. Member: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I believe in the Saskatoon paper this morning they are suggesting that they won't be closing anywhere close to what they were last year because of the increased funding. And it pointed out that something like 110 beds closed last year in City Hospital, and now they're looking at maybe something like 40, 45 beds because of the increased funding that we've provided.

Now that's the whole point, Mr. Speaker. We are funding more beds; we're building more hospitals; the budget has gone from 700 million to 1.2 billion. We're adding that capacity, Mr. Speaker, so that in fact we can address the waiting lists. Operating procedures per capita per hospital are way up, Mr. Speaker.

We're addressing it head-on, and we would appreciate the support and the encouragement from the opposition as opposed to having their picture taken in front of a new wing of a hospital. I suppose you could have a picture when we were digging the dirt in front of the new City Hospital, and saying, well there's 500 new beds but they're not full yet. We got to build them first, Mr. Speaker, before we can actually use them.

Some Hon. Member: Hear, hear!

Mr. Romanow: — Mr. Speaker, a new question to the Premier. I realize his sensitivity, but I would ask the Premier not to over-react to the question, which I think is a legitimate question, and I want to specifically refer to the newspaper story that he himself has referred to.

Today's Saskatoon *Star-Phoenix* says that there will be a closure of 45 hospital beds at City Hospital for 10 weeks

between June and September, including a 35-bed, in-patient surgical ward. Now I want to ask the Premier: how in the world does this kind of a closure help to reduce the waiting lists in excess of 10,000 people in the Saskatoon? How does this help out the situation?

Some Hon. Member: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, if the hon. member would share with the public the rest of the article, it points out that we have provided well over \$1 million to improve the procedures at City Hospital so that, in fact, they don't have to close 110 beds. And it's normally a fact that when you're looking at holidays for the nursing staff and/or medical profession, that you will have some summer closures, but we have provided money to cut those lines and those reductions in over 50 per cent.

So, Mr. Speaker, I say to the hon. member in a straightforward way, where last summer 110 beds were closed, this summer they're talking about 45 because we come up with the additional money. Now we've never spent so much money in health care in the history of the province. We've gone from \$700 million to 1.2 billion, and I keep pointing that out so that the public knows that we are building hospitals, funding beds, and decreasing the line-ups because we've had the courage to face health care and spend the money where it should be spent.

Some Hon. Member: Hear, hear!

Mr. Romanow: — Mr. Speaker, a new question to the Premier. The Premier, who is long on rhetoric about funding but short, unfortunately, on the facts about funding, which is very inadequate in the province of Saskatchewan . . .

Some Hon. Member: Hear, hear!

Mr. Romanow: — . . . but my question relates to the University Hospital. As the Premier will know, he referred to this himself in response to an earlier question, something like 79 new hospital beds, not current ones, but new hospital beds at the University Hospital sit unused at the current time because, as we are advised, there are insufficient funds to staff those 79 beds.

Now I understand that the Department of Health — and maybe that explains the Minister of Health's absence this morning from question period — is meeting today with University Hospital officials who are concerned about the situation today, in order to come to some resolution of it.

My question to the Premier is this: is it correct that 79 beds, new beds, are lying unused because of insufficient funding; and if that's so, will the Premier assure the House and the people of Saskatoon and area that funding will be provided forthwith to open those hospital beds?

Hon. Mr. Devine: — Mr. Speaker, I notice that the Leader of the Opposition hedged his point a little, and I congratulate him for that, because it's not true. I mean, you can still smell the paint in the new wing. We haven't finished everything that should be done. And, Mr. Speaker, when you build a brand-new facility — we're

just finishing the facility — he's standing up and saying but the beds aren't full yet.

Well obviously, Mr. Speaker, as you go through a situation where you've just built a new wing with 79 new beds and the operating things, and you want to provide the staff, when you want to provide the staff, then Mr. Speaker, you say, here's the operating budget and now we can start to use the new wing. I mean, we've just . . . we haven't even, Mr. Speaker, finished all the things that have to be done in the new wing, and he's saying, well for Heaven's sakes, they're not filling the beds.

I trust the hon. member will acknowledge when I say that the new wing will be functional, it will be operating, there will be funds for that new wing, that he will take it at the Premier's word that that will be the case and, Mr. Speaker, we'll be able to make effective use of it this year.

Some Hon. Member: Hear, hear!

Mr. Romanow: — Mr. Speaker, a new question to the Premier. I assume that we're going to have somebody in this government watching the paint dry at the University Hospital in order to tell us when those beds are going to be opened.

The Premier knows the situation is not as he's described it. The television cameras were there at University Hospital yesterday, actually physically and visually demonstrating to the people of Saskatoon that they're open, or capable of opening. I mean, that's the reality.

But even assuming that there is some legitimacy to your argument, when will this money be forthcoming? You can tell this House that, surely, can you not? Are we expecting it one week from now, one month from now; is there a commitment to fund it? And if so, please tell us the specific date so that the people at University Hospital and more importantly, the people who have got more important things to do than watch paint dry can be assured that they've got a chance at a hospital bed.

Some Hon. Member: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I've already said to the hon. member that we will fund and are funding it the new facility. We are just finishing building it, and it will be funded, and they will have it open as soon as you have the capacity to run it and use it properly. Now it's just completed. I mean, it is really interesting, Mr. Speaker, we build new facilities and all the hon. member can talk about is watching the paint dry in the facilities.

He didn't have the money or the courage or the wherewithal to build them. He didn't build them. He had a moratorium on nursing home beds for half a decade. He wouldn't build one new position. When we build it, Mr. Speaker, he says, well the paint's got to dry so that we can use the facilities.

I'll say to the hon. member, when the paint is dry, Mr. Speaker, and when the facilities are finished, you will see that they will be funded. The people of the province have my commitment; they'll be using that new facility, and I hope he's as proud of it as we will be, Mr. Speaker.

Some Hon. Member: Hear, hear!

Mr. Romanow: — Mr. Speaker, a new question. I'm going to try one more time with the Premier. He's the one, with the greatest respect, Mr. Speaker, who raised the "paint dry" as an argument for not funding it — not this side. And as one of my colleagues says, it must be very slow-drying paint.

Look, I want to ask the Premier a very simple, straightforward question, and you can give us the rhetoric if you want, but just give us, if you will please, sir, a specific answer to this: is it correct that your department officials are meeting today with the University Hospital officials with the specific objective in mind of opening up the 79 beds, as I'm advised is the situation, and if so, will you undertake to this House to tell the people of Saskatoon and Saskatchewan, after this meeting, with precision, when it is that you're going to fund those 79 new hospital beds so we can get on with the job of getting these beds serviced?

Some Hon. Member: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I'm advised that the Minister of health is in St. Walburg opening up a new dental clinic, and he's not in Saskatoon.

Some Hon. Member: Hear, hear!

Hon. Mr. Devine: — I'm also advised that the minister's . . .

Mr. Speaker: — Order, order. Once more the Premier is being interrupted and before being given a chance to answer the question. I ask you to give him the opportunity to answer.

Hon. Mr. Devine: — Thank you, Mr. Speaker, I appreciate that. An secondly, that if the medical staff and/or the Health officials are meeting with the hospital officials, that's precisely what they'll be talking about in terms of what has to be done to finish the new ward, what kind of staff has to be there, what kind . . . the number of nurses, the number of doctors, and the kind of budgets that are necessary for it. That's what they do when they're about to open it. So they're meeting on it today, or they may be meeting on it today or tomorrow or over the weekend or the next few weeks. That's what they do when they open up a brand-new wing.

And I'm saying to the public and to the minister . . . or to the member opposite, the wing will be funded; we've already built it; the operating rooms are about ready to go; we have a few more things left to do, and when they're ready, that the hon. member will see that people have access to that brand-new ward — 79 new beds in the city of Saskatoon — as quickly as possible, Mr. Speaker.

And the hon. member obviously must be in a hurry for some reason because he's holding news conferences in front of this ward. It must be something else that's on his mind, Mr. Speaker, rather than just the fact that we have a brand-new facility that he didn't happen to fund.

Some Hon. Member: Hear, hear!

Mr. Romanow: — Mr. Speaker, a new question, and for me this will be the last question because obviously the Premier is either unwilling or unable to give us a straightforward answer. I do want to say to the Premier, as he will know, there must be some . . . how many officials in the Department of Health?

An Hon. Member: — Close to 2,000.

Mr. Romanow: — Fifteen hundred, 2,000 officials. The minister is away on other duties, but the officials of the department are there to do their job. There will be a meeting, as the Premier has acknowledged, today on the question of hospital bed funding for University Hospital.

My question still remains unanswered, which I direct to you, sir, again: namely, after the meeting today with the officials of your Department of Health and University Hospital, will you undertake to advise publicly, at the conclusion of the meeting, the timetable for funding the 79 new hospital beds? After all, how in the world could it be that any government would construct the beds and then have inadequate funding, and unable to tell us as to a timetable when those beds will be operational. Surely you can tell us that information today.

Some Hon. Member: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, it's really interesting that the opposition wouldn't fund new hospital facilities when they were in power. When we build them they come back and say, well could you give us the date when you're going to open the door. I'll tell the hon. member, as soon as the Health officials advise me, I will send a personal invitation to the Leader of the Opposition, the member from Riversdale, inviting him to the opening so that we can go through the new beds together.

I tell him today, Mr. Speaker, the beds will be funded, the wing will be funded, and the officials are doing that right now, putting together the package, and the hon. member will be the first to get an invitation to come and look at the new facility which will be operating in the province of Saskatchewan.

This is all they've got, Mr. Speaker. Tell us the day when they can go cheer for the new opening. That's all they've got left to talk about. I mean, we've got problems and other things that we can address, and that's what the hon. member stands there and says, when will the door open on your publicly brand-new hospital. He'll be among the first to know.

Some Hon. Member: Hear, hear!

Prescription Drug Plan — Special Cases

Ms. Simard: — Mr. Speaker, in the absence of the Minister of Health, my question's directed to the Premier, and it deals with yet another example of how the cuts, the PC cuts to the prescription drug plan, are causing hardships to Saskatchewan families. And I refer, Mr. Premier, to the Shepherd family who are sitting in the

Speaker's gallery today.

For more than a week now, Mr. Premier, they've had \$130 in prescriptions which they have been unable to buy because they simply don't have the money. One is for Mrs. Shepherd who was in a car accident a few days ago and has a sever whiplash. The other is for their 10-year-old daughter who has a reaction to sunlight, and has not been able to go outside for approximately a week now, and I understand she's been missing school and missing exams as a result, because they can't afford the prescription to enable her to go outside.

Now, Mr. Premier, I want you to tell the Shepherd family and thousands more like them what they are supposed to do to get needed medication?

Some Hon. Member: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I believe that it is appalling that the member opposite would stand and exploit the Shepherd family and say that there are thousands of people just like the, when in fact she knows that there are not thousands of people going through what she purports to have happening here in the province of Saskatchewan.

Mr. Speaker: — Order. Order. Order. Order. Order. I believe the Premier has the right to answer a question without constant interruption. As we know, in question period there are occasional comments made from seats, but it shouldn't be constant, and this is happening. And I ask the hon. members to please refrain.

Hon. Mr. Devine: — Thank you, Mr. Speaker. I acknowledge your decision. I believe it's the fourth time you've had to quieten the opposition so that at least we could have some civil activity here in the legislature.

I would just say to the hon. member, I would be glad to review it as the Minister of Health is. As he knows and I know and the hon. member knows, if there are special circumstances, we have responded to those that may have a chronic problem or an accident or something else; if they bring it to the attention of the officials, that we will be dealing with it.

I also mentioned to the hon. member, I just want her to watch very carefully because, obviously, it's something that they didn't have the courage to address.

The problem of both — and the challenge of both — providing prescription drugs to people who need them, and I'll take it at your word that the Shepherd family needs them and to make sure that there's not the abuse that we find in today's paper in the city of Regina and Saskatoon is very important.

Mr. Speaker — and I want the members opposite — Mr. Speaker I want the members opposite to just please bear with me. Mr. Speaker, they don't want to listen to this they don't want to listen to this. I draw it to the attention of the children sitting in the gallery then, and to the people of the province of Saskatchewan. You listen to this: half the drug problem, half the drug problem addressed today in the city of Regina is free prescription drugs, Mr.

Speaker, and we've had the courage to address it to protect the children and the families and, Mr. Speaker, the opposition doesn't want to . . .

Mr. Speaker: — Order. Order. I believe the Premier has more than made his point.

Some Hon. Member: Hear, hear!

Ms. Simard: — Mr. Speaker, the Premier talks about exploiting families in Saskatchewan, and it's their government that's exploiting Saskatchewan families.

Some Hon. Member: Hear, hear!

Ms. Simard: — The audacity of the Premier of this province to equate sick people to criminals. That's disgusting.

Some Hon. Member: Hear, hear!

Ms. Simard: — Mr. Speaker, the Premier talks about giving special circumstances or special allowances to sick people. Well the Shepherds have contacted the Department of Health, and we've contacted the Department of Health, and there has been no help forthcoming for the Shepherd family — no help.

The problem is, the answer we get from the Department of Health, Mr. Speaker, is that they should pay for their prescriptions and claim the refund. The problem is, they don't have the money to pay for their prescriptions up front; they simply don't have the money.

Now I want the Premier to give us a real answer today about what the Shepherd family is supposed to do to rectify their situation, and I want some action now.

Some Hon. Member: Hear, hear!

Hon. Mr. Devine: — Well, Mr. Speaker . . . Mr. Speaker, the hon. member knows that I've made a standing offer, and the Minister of Health knows, that if families want to provide assistance in special . . . in special cases, and if they don't have sufficient funds, then we'll provide the funds. And the hon. member knows that.

I raise again, Deputy Speaker, we took on the drug abuse problem because half of the drug problem in the city of Regina is prescription drugs, Mr. Speaker. And the opposition doesn't want to mention this, and they don't want to talk about that. They said half the problem in the drug bust — in the drug bust — is the abuse of prescription drugs in the city of Regina and the city of Saskatoon. We can make up to \$6,000 a day selling free prescription drugs.

Mr. Speaker, the children in this province need more than just rhetoric; they need somebody who is prepared to address that. And, Mr. Speaker, we're going to address it because we have the courage to address free prescription drugs that are in abuse, or whether it's double-doctoring, or whether it's crime, or whether it's prostitution, or whether it is drug abuse on the streets, Mr. Speaker, or in the schools. We are going to address it and not hide behind philosophy and socialism, because they're afraid

to take it on. We're going to take it on, Mr. Speaker, and we're not going to let our children be abused.

Ms. Simard: — Mr. Premier, the Shepherd family have contacted your department on numerous occasions, and we have, and they're getting no help. And I tell you what: the Shepherd family are not criminals . . .

Some Hon. Member: Hear, hear!

Ms. Simard: — To equate sick people to criminals is simply outrageous, Mr. Premier — outrageous. Now I want to know: what are you and your government going to do for families in Saskatchewan and sick people who are suffering, and what are you going to do, Mr. Premier, about this family in the gallery? What are you going to do to help them? Tell us, and tell us something concrete.

Some Hon. Member: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, we have . . . Mr. Speaker, this is . . . Mr. Speaker, this is the nub, this is the nub of the difference between that side of the House and this side of the House here, right here. And I'm glad that they've noticed it.

Some Hon. Member: Hear, hear!

Hon. Mr. Devine: — Clearly it is, Mr. Speaker . . .

Mr. Speaker: — Order. Order.

Hon. Mr. Devine: — And I'm glad that they agree because at least it will be on the record. When the public sees that we can and do address those that need help in the health care and build hospitals, provide drugs and provide prescriptions — provide that security — and at the same time have the courage to take on drug abuse in the streets, now that's government. That's what we should be doing. The opposition just says . . .

Some Hon. Member: Hear, hear!

Hon. Mr. Devine: — . . . the opposition just says, I'll tell you what you do, you provide more free drugs. They said, if it could be a \$100 million, or 200 million a year in free drugs, go do it; provide more money for just everybody on welfare. And, Mr. Speaker, we could end up with drug addicts in our schools, abuse and crime and prostitution on the streets, publicly funded, Mr. Speaker — free drugs — that's what they're talking. They're picking up the addicts here in the province of Saskatchewan on the streets of Regina.

Now what I'm saying, Mr. Speaker, this government can help those that need it, but it can also have the courage, through the legal system and the justice system and the health care system, to protect the kids and the families in the streets of Regina and Saskatoon.

Some Hon. Member: Hear, hear!

Mr. Romanow: — A new question to the Premier. I had not intended to get into this series of questioning. I do want to ask the Premier, however, to consider carefully and reconsider his remarks. This newspaper story which

talks about a drug bust of 66 charges, some of which are prescription drugs illegally overprescribed, I don't see any reference to the drug plan in there, I don't see any reference to Grant Devine — or sorry, the Premier — or the Minister of Health.

Surely the Premier is not equating the rationale for the drug plan with its consequences on people like those sitting in the gallery and hundreds and thousands like them in Saskatchewan ... hundreds of thousands in Saskatchewan, to a criminal activity — all of which we support.

Mr. Speaker: — Order. Order.

Mr. Romanow: — Will the Premier reconsider and apologize and withdraw those remarks, those scurrilous remarks. Apologize and withdraw.

Hon. Mr. Devine: — Mr. Speaker, you see why ... Mr. Speaker, you can see what their problem is: they cannot separate out drug abuse from help in health. They put them all together.

What I'm saying, Mr. Speaker, is we are funding a new drug rehab centre for young people at Yorkton, and we're very proud of that. And we are going to fund a prescription drug system here that helps the Shepherds but does not help those that are pushing drugs on our children. Now there's a significant difference and he knows it but he won't admit it.

I am not going to sit back and see free prescription drugs into hundreds of millions of dollars be traded on the streets of Regina. I am not going to do that. And if I have to take it on, I'm going to take it on. It's the most serious, serious crime we have in urban society today. Free prescription drugs and drug abuse go hand in hand.

What we're asking, Mr. Speaker, is that the opposition co-operate with us in building a new drug rehab centre, educating the young people, and making sure that free drugs are not traded on the streets. Now you should help us in that regard.

Some Hon. Member: Hear, hear!

Mr. Speaker: — Order. Order. Order. Order. Order. Order. Order. Order.

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

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

Item 1 (continued)

Mr. Koenker: — Mr. Minister, I have a question that deals with your statement, the statement made yesterday by the chief acting officer of Joytec Ltd. in Saskatoon, and your non-answers in estimates last night.

Saskatchewan taxpayers have sunk millions of dollars into Joytec in the form of tax breaks and research grants at the federal and provincial levels. Now the company is saying that if it ever gets to manufacturing its computerized golf simulators, it'll do so in Japan, not in Saskatoon.

And you know as well as I did that the Joytec official said, quote, "The reality in high tech today is offshore manufacturing." Can you explain, Mr. Minister, why taxpayers have sunk millions into this company, only to see Joytec create jobs in Japan? Can you explain that?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, the member opposite likes to exaggerate and mislead. He's talking about the Saskatchewan taxpayers having millions of dollars in this particular company.

In fact I believe that the amount of taxpayers' dollars, as such, would be in the neighbourhood of 1.5, something like that, that was put into the VCC (Venture Capital Corporation)

I would point out to the hon. member that in order for a group of individuals to qualify for a VCC, that there are certain criteria that have to be met. And I'm quite sure that the criteria, at the time that this venture was put together, that all of the criteria were met.

To this point in time, the company is still in operation. There has been no loss to the investors in the company of the taxpayers of this province.

An Hon. Member: — Nobody's written it off.

Hon. Mr. Meiklejohn: — Mr. Chairman, I don't know which debate we're in here.

An Hon. Member: — We're listening with bated breath.

Hon. Mr. Meiklejohn: — Well I wish you would.

An Hon. Member: — Wouldn't miss a word of it.

Hon. Mr. Meiklejohn: — I wish you wouldn't.

In so far as the article that you're quoting from is concerned, it does not indicate that all of the manufacturing is going to be done in Japan. The article that you're quoting from does not indicate that all of the manufacturing is going to be done in Japan. I've indicated to you, on past occasions, that for the Japanese market, indeed the manufacturing will be done in Japan, and that makes an awful lot of sense. As far as the other markets are concerned, we have no reason to believe that the products will not be manufactured in Saskatoon.

Mr. Koenker: — Mr. Minister, just what kind of research or analysis have you done with respect to the marketing studies that you have funded by your department for Joytec? What kind of analysis have you done of these studies to see whether, in fact, there is even a prayer that manufacturing will be done and that machines will be produced in Saskatoon and sold here in North America? Have you done anything in that regard?

Hon. Mr. Meiklejohn: — Mr. Chairman, some of the funds that were allotted to Joytec from Science and Technology some two years ago were indeed for market studies. And at that time the information that was gained from the studies indicated that there was indeed a market for this particular type of product.

This is an example of very good technology. It's a product that was well received in so far as the people that were contacted. My officials are in contact with companies that have received grants from us. There is a fair degree of follow-up as to what is happening and whether, in fact, the grants were put to the use that they were intended.

We also, of course, have a process within the Department of Science and Technology as to how companies can qualify for funds. There's a certain criteria that has to be met. And some of the accusations that the member opposite was making last night certainly is putting a bad light, I think, on the officials of the Department of Science and Technology.

The criteria is there. It is examined very, very closely as to the ideas that are put forth, and after everything has been looked into very thoroughly, the officials then make the recommendations as to whether or not that's a product or process that should be going forward. And while you might very well question the criteria that we would have as to which projects are funded and which ones aren't, I would point out to you that the Saskatchewan model was the first one put in place in this country, we were the first province in Canada to have a Department of Science and Technology, and our model in fact is being used by all of the other provinces across the country.

So I think that not only in Saskatchewan do we feel that the ideas are good, but they obviously feel that they're good all across the country. So I don't think that you can question the manner in which companies are provided with grants. Certainly there is follow-up in so far as the grants are concerned, and also as far as Joytec is concerned. Every reason was there to believe that this was a sound product and that it was going to be a good deal for Saskatchewan down the road.

And to this point in time, Mr. Chairman, we don't have any reason to believe that that company is not going to succeed. You know full well, you know full well from some of your own comments that it takes a fair bit of time for some of these companies to come out with a successful product. There is a lot of risk in it; you've also made those comments. You've also made the comments that there is a great deal of risk when it comes to venture capital, but that's part of life, and those were your words.

I would also point out to you that as far as Joytec is concerned, and you talk about your concern for employees and for the shareholders, I can't see that you're doing one little bit of good for either of those groups with some of the comments that you've been making in this House.

We have a company that's still in business; there are some 25 jobs that are still being provided, and have been going on for nearly a year now since there were any

lay-offs. And I don't know what kind of a message you're putting out to the employees or to the shareholders in so far as Joytec is concerned, certainly one that is far from being positive.

Mr. Koenker: — Mr. Minister, I think that the public, that shareholders in Joytec equities and taxpayers are looking to you to see what kind of protection you're providing for them, given your particular responsibilities as minister. Taxpayers and shareholders have a right to expect something — something — in return for the one and a half million dollars that they've put into this company. And that something is very clearly jobs here in Saskatchewan, and not seeing Joytec go to Japan.

Have you told the officials at Joytec that for every job that they create in Japan, as opposed, as opposed to Saskatoon, they will be required to pay back some of that money to Saskatchewan taxpayers that was advanced to them to create jobs here in Saskatoon? Have you done that?

(1045)

Hon. Mr. Meiklejohn: — Mr. Chairman, in so far as any of the products that are going to be manufactured in Japan, Joytec is going to be receiving benefit from that through royalties. Also, I would point out to the member opposite that the software products are still going to be manufactured by Joytec. So there are still going to be jobs provided here in Saskatchewan with the production of those particular materials.

In so far as the expectation that the member opposite has, that there hasn't been revenue coming in yet, I pointed out to him last night that for the last several months the operation of that company has been totally funded by Technigen, the owner of it. And I would also point out that in all cases, with high-tech companies in particular, there is no guarantee of success in a short time and, in some cases it may not occur.

I also listed some of the successful high-tech companies that we have in this province that are doing very well, and certainly their success did not come overnight, and I would just give you two examples.

I would suggest to you that International Road Dynamics, which was incorporated in 1980, carried on for several years before they really had a breakthrough in so far as their products were concerned. They also received money from the Department of Science and Technology; in fact they received \$116,000 for their particular research and development. But the main thing was that they had a good product, they had good technology, but it took time to get the product to the stage where it was marketable, and also to establish those markets which now are in many different countries all over the world. So here we are in 1988, where International Road Dynamics is now a very successful company, but it didn't happen overnight.

The other one that I would point out was Capa Software. This was a company that also struggled for many years before it finally reached the stage where it had a product that it was ready to move out into the market and do very, very well.

And I might also point out to the member opposite that in either of those cases that I have just mentioned, there was certainly no way in which the officials of Science and Technology were going to be going to the officials of those companies and inquiring of them as to the terms of specific deals that they had put together.

Are you suggesting that we should be going to Capa Software and asking them the terms of the deal that they're putting together with AT&T (American Telephone and Telecommunication)? Are you suggesting that we should be going to SCI-TEC and asking them of the terms of the deal that they have put together with the Soviet Union? I mean, this is something that is not a responsibility of the Department of Science and Technology.

We examine their requests for funding assistance, and we provide them that assistance if in fact they meet the criteria. So as far as Joytec is concerned, they have been in operation for nearly five years, and there is no reason to think now that the products are not going to be manufactured in Saskatoon.

We know they have a good product. I think the fact that the Japanese are very, very interested in that, and are purchasing the technology, is a good indication that they believe that it's a good product. And Joytec employees are still going to be actively involved as they work on products, not only for Canada but also particularly on the software materials that are going to be needed wherever those machines are being built, and sold.

Mr. Koenker: — Mr. Minister, you're very ready to talk about all sorts of other companies. But my point is rarely have other high technology companies, particularly small or fledgling companies, gotten the kind of extravagant benefits and elegant hand-outs from your government as Joytec has. Last year it was indicated that your department was prepared to give industrial incentives grants to Joytec — \$7,500 for each new job created. Have you given industrial incentive jobs to Joytec?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, I would point out to the member opposite that I have nothing to do with the industrial incentive program, and I would suggest that you will have to direct that question to the minister in charge.

Mr. Koenker: — Mr. Minister, would you be prepared to recommend to the minister in charge that Joytec receive industrial incentive grants — \$7,500 for each new job created?

Hon. Mr. Meiklejohn: — Well I'm informed, Mr. Chairman, that they do have a request in to the Department of Economic Development, but no funds have been issued to that company under that particular program.

Mr. Koenker: — In your view, should funds from industrial incentives be advanced to Joytec?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, if their

request should meet the criteria, I would assume that that's up to that particular department to make that decision. It's not up to me.

Mr. Koenker: — And would your, Mr. Minister, and would your department be investigating Technigen, the parent company, to see just what kind of stability Technigen was prepared to give to Joytec. Or would you abrogate that responsibility entirely?

Technigen, the parent company, as you well know, has been the subject of some very intense scrutiny for the last year and a half in Vancouver, in the Vancouver Stock Exchange. There are a lot of questions surrounding the deals that Technigen has signed with Computech, and Datadee, and Corporacion Relacio, and those are all questions — more than questions — those are pieces of information that I have given you during the last year's estimates in Science and Technology.

And given that kind of information, I'm wondering if you followed up on it, and whether you're prepared to analyse whether a further infusion of government money into this company would be warranted, given the track record and some of the circumstances surrounding Technigen, the parent company.

Are you still prepared to recommend to the minister responsible for the industrial incentives program that Joytec would yet get another hand-out from the public trough?

Hon. Mr. Meiklejohn: — Mr. Chairman, in so far as Technigen is concerned, they have no request to us for any type of assistance. The only dealings that Science and Technology have had in any connection to Technigen was with Joytec, and that goes back some two years ago. We are certainly monitoring the situation out of the interest for the company in that it is a high-tech company. We are following up on that.

In so far as the industrial incentive program is concerned, that program was cancelled last year, so I would not certainly be in a position to be recommending to the minister in charge that in fact they would be receiving any funds under that program.

If at some time Joytec should return to Science and technology with a proposal for assistance, it would be examined by my officials. And if in fact it were to meet all of the criteria, and would certainly be good for the province of Saskatchewan, and that we still feel confident that the company is going to be going ahead, I would think that consideration would be given to them in the same way that it would be to any other company in the province.

Mr. Koenker: — Well, Mr. Minister, that's precisely my concern, is that this company has had preferential consideration in the past — consideration that other companies rarely get from your department. You talk about monitoring the situation out of interest or concern for the company, Joytec. I'm talking about monitoring the situation out of interest or concern for the Saskatchewan taxpayer.

I want to know whether Joytec . . . you're still prepared to recommend that Joytec get money from the industrial incentives program, even though it's been cancelled; whether you would still advocate them because they have their application in, that still a year or two down the road they could still qualify for money and receive the kind of advantage that other Saskatchewan firms can't receive under that program.

Hon. Mr. Meiklejohn: — Mr. Chairman, I would point out to the member opposite, there is absolutely no basis for saying that Joytec has received any kind of preferential treatment in this province. There are many, many different venture capital corporation funds that have been developed over the last number of years. Some of them certainly have invested into the high-tech industry. There have been many other companies in this province that have received funds, not only from Science and Tech, but from other channels, other government departments. So for him to stand up and say that there is all kinds of preferential treatment being given to Joytec is just absolute nonsense.

Mr. Koenker: — Mr. Minister, on July 14 last year you told this Assembly, quote: "I have no doubt that many of these machines will be manufactured in Saskatoon in the very near future, and we have no reason to be concerned at this point."

Mr. Minister, Joytec says that it doesn't plan to create any manufacturing jobs in Saskatoon, even though it's received \$1.5 million from Saskatchewan taxpayers. Are you concerned now?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, comments that I made last July were certainly based on information that we had at that time. Since that particular date the negotiations had been carried on and successfully completed as far as Japan is concerned, in that the products are going to be manufactured there. But they have continually stated that the remainder of the markets, the products would be manufactured in Saskatoon. And I don't see anything in this article that would indicate other, and I don't have any other information to say or indicate to me that they won't be producing these machines in Saskatoon.

Mr. Tchorzewski: — Mr. Chairman, thank you. I just want to ask the minister a couple of questions.

Mr. Minister, I've been listening to the questions and your responses yesterday and today, and my concern continues to grow. One, because of what the facts are here; and two, because of either your inability or your refusal to provide direct answers.

Now I don't know, Mr. Minister, why you are leaving the impression that somehow, as has been the case in some other departments, there's another cover-up taking place here. We have a situation of \$1.5 million of taxpayers' money which your government, for whom you are answering here today, \$1.5 million has shovelled it into a company, of taxpayer's money, which is, to say the least, questionable in how it should be eligible for that money other than the criteria that its principal people involved are directly connected and linked to you personally and

to the Conservative Party and to certain cabinet ministers who sit in this House — Mr. Minister, \$1.5 million which you have blown so that this company could go and establish a plant in Japan. Now is that your example, is that your example of economic diversification in Saskatchewan?

Mr. Minister, I say this reluctantly, but I'm telling you that there is a smell here of corruption, and by your attitude in the House, Mr. Minister, and your inability to provide the answers, you are being implicated in that corruption. Do yourself a favour and come clean and answer the questions directly as they are asked.

An Hon. Member: — What's the question?

Mr. Tchorzewski: — Mr. Minister, I'll get to my question. This reflects your overall policy of your government, where the taxpayers of this province, who are hard pressed already, are told to shell out every day, more in their service fees, more in their utility rates, while you take that money which they shell out and you give it away to these kinds of companies which use it to develop industries somewhere else.

You did it with Saskoil, where many people were laid off, and Saskoil is now in Alberta instead of developing in Saskatchewan. That's your example of diversification. You did it in SED Systems under the name of privatization. And in your own city, Mr. Minister, where you represent, SED Systems right after this privatisation laid off 70 people and has moved its management to Toronto instead of it being in Saskatoon, and is now holding you up to ransom and saying whenever they need 9 or 10 or \$12 million, give it to us or we're pulling out.

Now that's the kind of thing that is under question here, Mr. Minister — your kind of policy which hands out money to your friends under questionable terms without any results. The least you could do here, Mr. Minister, is answer this fundamental, straightforward question. What kind of criteria do you have in place for companies like Joytec, so that when you give them money, they should be required to provide a certain minimum of jobs? Can you stand up in this House and tell us how many jobs are required for any amount of dollars in grant or funding otherwise provided to these kind of companies? What are your terms of reference in this respect?

(1100)

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, our great orator is at it again, and I think that if he has a great deal of concern about cover-up or corruption, that maybe there are other channels that he should be going through — maybe through the legal system.

I don't think, Mr. Chairman, that I have hesitated on answering any of the questions that have been asked. You talk about a concern about cover-up here and political implications. I think that I have pointed out on several occasions in this House that Joytec has not received any funding from the Department of Science and Technology since I became the minister of it.

And I know that you've had a fair bit of concern about one

Carl Zanon, who works at Joytec — the fact that he is now the president of my constituency, but did not become president of my constituency until some six months after any money was given to Joytec.

In so far as the VCC and the concern that you have there, I would suggest, again, that you discuss that with the minister in charge and talk about the criteria for the VCC, and I think the member opposite is probably well-informed as to how the VCCs operate.

As far as the criteria that's in place for a company providing a certain number of jobs, we don't have any particular stipulation that they have to provide a certain or a given number of jobs. The main thing that my officials look at, and that we look at, is the level of the R&D that's to be done in the province of Saskatchewan that is going to have benefits for the province. So that was the same case in Joytec, as it has been with any other company that we have provided funding for.

As far as their being involved with the Japanese company concerned, our investors will still be benefiting from that because the software is going to be done in Saskatoon. There will still be royalties coming back to the company. So what's wrong with that? The taxpayers are still going to be receiving benefit because there are still 25 people employed at Joytec, and we don't know if there are going to be any other lay-offs.

Mr. Tchorzewski: — Mr. Minister, there are 25 people employed in Joytec. Can you then tell us, what is the benefit to the Saskatchewan taxpayer from your \$1.5 million of benefit that you have, or your government has, provided to Joytec, when in reality it's going to establish its manufacturing in Japan? What is the return on the \$1.5 million in terms of jobs in Saskatchewan?

Hon. Mr. Meiklejohn: — Well again, Mr. Chairman, I would direct the member opposite that if he has questions as they relate to the VCC, that he would ask the minister in charge of that particular program.

Your concern about the benefits to the taxpayers of Saskatchewan — since that company was incorporated back in 1983, which is nearly five years ago, there have been in the neighbourhood of \$4 million paid out in wages, and money in excess of that that has been paid off for materials throughout Saskatoon and throughout Saskatchewan. So I would think that Saskatchewan has benefited, certainly, not only from the jobs that have been created but also from the moneys that have been spent here.

Mr. Tchorzewski: — Mr. Minister, in light of the clear statement printed in the *Star-Phoenix* yesterday by a Mr. Touchie, in which he said, I quote, "The reality in high tech today is offshore manufacturing."

Now what does that tell you, Mr. Minister? That tells you that, in the opinion of people who are going to be making the decisions in this company, manufacturing is not going to take place in Saskatchewan. You're supporting that, Mr. Minister, by simply providing the funding, as you have, to the tune — your government has — of \$1.5

million without any requirement that certain developments take place in Saskatchewan. You are supporting that, Mr. Minister. How can you justify doing that?

Hon. Mr. Meiklejohn: — Mr. Chairman, I would point out to the member opposite that this well-quoted article is indicating that production for the Japanese market is going to take place in Japan. There is certainly no indication that any of those machines are going to be produced in Japan and then sold into the Canadian or American market. The understanding that we have is that that is only for the Japanese market. Products for the Canadian market will still be produced here.

Mr. Tchorzewski: — Mr. Minister, I'm fascinated by your ability to provide excuses but no answers. You did not address the question at all, once again, and in my initial remarks I made it clear to you that you are not providing the answers. And I submit, once again for the record, you are not doing it because there is a process here of covering some corruption up. I say that categorically, and I say it to you today.

Now, Mr. Minister, I'm sure that if you're having trouble reading the article, one of your officials should be able to do it for you. But I'll read it once again. The statement is, "The reality in high tech today is offshore manufacturing."

I don't agree with that statement. If there was a government here that provided some requirement to companies like this one, that they have to perform in Saskatchewan in order to be able to use Saskatchewan taxpayers' money to the tune of \$1.5 million, then some of that development would be taking place here, but because you are not providing that kind of requirement — you're just simply saying, oh, privatization, they can do what we want: somehow it's going to happen here. Your policy is a failure.

Now, Mr. Minister, how is this statement — how can you justify providing this kind of taxpayers' money to such a company when they clearly say they don't intend to establish high-tech manufacturing in Saskatchewan because the place to do it is offshore? How can you justify providing that kind of money when you know that that's what the company's position is?

Hon. Mr. Meiklejohn: — In the first place, Mr. Chairman, I don't agree with what the member opposite is saying, nor do I agree with what the individual who was being quoted here was saying.

I think that if you consider some of the other companies, high-tech companies, that we find in this particular province — not only in Saskatoon, but here in Regina — we've got companies that are selling products all over the world, not just hardware but all kinds of software.

Now if in fact this individual is correct in what he's saying, that that's the way it has to be done, that it's cheaper to do it offshore, how is it that we now have markets in Russia and in China and in other parts of south-east Asia, and all over the world, from companies that are here in Saskatchewan turning out these products?

So, Mr. Chairman, I simply do not buy that argument that the individual is putting forward.

Mr. Tchorzewski: — Well, Mr. Minister, you may not buy the argument, but once again you have skirted the question. Note, Mr. Chairman, that the minister did not once refer to the question asked about Joytec, what Touchie envisions, and about his vision.

Mr. Minister, if you don't agree with what this gentleman said, do you not then agree with me that with that kind of policy of the company, that company should not be able to get taxpayers' money, that the taxpayers are paying, if it's not prepared to provide some of that manufacturing in Saskatchewan? And it clearly is stated here by this gentleman that it's not. Now address the question.

Some Hon. Member: Hear, hear!

Hon. Mr. Meiklejohn: — Mr. Chairman, the member opposite is still making all kinds of assumptions in so far as Joytec is concerned . . . making a lot of assumptions. Joytec has a deal with two Japanese companies for production of these particular products in Japan. Joytec is still going to be receiving benefits from that particular venture, and they are also going to be providing all of the software for those particular products.

So we are still going to be benefiting here. There's no suggestion made here that the software is going to be produced in Japan. Why isn't he saying that? They're going to be producing it at Joytec because they have the expertise there that have developed the present material and will be doing more in the future.

So as far as the benefits being better offshore, in some cases, possibly they are, and it certainly makes more sense for these particular products to be produced in Japan for the Japanese market than it would be to produce them here and ship them to Japan.

Mr. Tchorzewski: — Mr. Minister, I'm amazed that as a responsible spokesman for a government of this province you would stand up in the house and throw up your arms and say you give up, because that's what you've said here. That's what you've displayed here today. You simply admitted in this house that your government has adopted the view that there is no way that we can provide the kinds of requirements and incentives to develop industry in Saskatchewan.

And simply, you're prepared to hand out money even though they take those industries and those ideas that may be developed here, and take them somewhere else and provide the job somewhere else — and in this case in Japan — and Saskatchewan people don't count. Surely, Mr. Minister, with 45,000 people unemployed you would have some small interest in creating those jobs that are now going to go to Japan so that those 45 unemployed could get a job — at least some of them.

You stand up in this House and you say, that's all right if the jobs aren't here, because the company . . . these individuals who were business managers for one Conservative candidate, who were presidents of the minister opposite, they are going to benefit; that's all

right. The taxpayers have spent \$1.5 million. These several individuals, close friends of the conservatives, are going to benefit, but it doesn't matter that the working people in Saskatchewan, or people who would like to work, don't get a job. What kind of an accomplishment, what kind of an economic strategy is that, Mr. Minister?

That is a non-economic strategy, that is just another symptom of a government that is so preoccupied with its tendency to hand out patronage and reward its friends, and not give any consideration to the general public. That's what you have been displaying here today, Mr. Minister, and I am disappointed — no, I am worried and concerned about what that kind of government approach is doing for the future of this province. You're not building this province, Mr. Minister; you're destroying this province, and you're tearing it down.

Some Hon. Member: Hear, hear!

Mr. Tchorzewski: — Now, Mr. Minister, in my one last question, will you assure this House that unless Joytec gives some assurance that it will provide these kinds of jobs in Saskatchewan and develop some manufacturing, which it is instead moving to Japan, that this government will at least not provide any further funding of taxpayers' money to this company. Can you give us that assurance?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, the member opposite likes to ramble on and on with all of that rhetoric that we've heard many, many times before. We are not, certainly, providing money to a company such as Joytec to provide jobs in Japan. We are not doing that. We have not provided any money to Joytec since any of these other agreements were reached.

He likes to talk about the fact that we've got a lot of unemployed in this province . . .

An Hon. Member: — Don't we?

(1115)

Hon. Mr. Meiklejohn: — Well I'll tell you something, that it was this government on this side of the House that certainly was the one that went ahead and developed any kind of policy as far as science and technology was concerned in this province, because technology is the way of the future.

I'd also point out — you always like to talk about . . . you always like to talk about the losers; that's just a typical mentality over there. Why don't you talk about some of the companies . . . (inaudible interjection) . . . Why don't you talk about some of the companies like Capa? Why don't you talk about some of the companies like Capa? They have just . . . (inaudible interjection) . . . No, you're the one that's putting all the negatives into it. Capa has just hired, or advertised for 22 technicians and managers in Saskatoon — 22 different technicians and managers. This is a company, certainly, that is going ahead and doing very, very well. But this was after, this was after several years of struggling to finally get ahead in the game of high technology. These things don't happen overnight.

In regards to . . . You were wanting me to give you a

commitment with regard to Joytec and what's going to happen in the future. I've already indicated to you. You're saying I'm not giving answers, but you're obviously not listening. I indicated to your colleague, just a few minutes ago, that if a proposal comes in from Joytec in the future, and that it is going to have sound reasoning as far as research and development or technology in this province, and is going to have benefits for the taxpayers of this province, we will look at it in the same way as we will look at any proposals from any other companies.

As it relates to manufacturing, we will certainly be wanting to ensure that those jobs remain in Saskatchewan and that the technology remains here.

Ms. Smart: — Thank you, Mr. Chairman. I have listened with considerable interest to the member from Saskatoon Mayfair, representing another constituency in the city of Saskatoon, where there is such a high level of unemployment and so much concern about what's happening to our high-tech industries in the city.

And I listen also with great concern to hear you say something like, you would consider Joytec for further grants in the future, because Joytec is now owned by a company which has been investigated for illegal activities on the Vancouver Stock Exchange. And that's been documented in many articles which we've provided for you or have referred to, and you should be informed of these when you're talking about the kinds of companies that you're going to give money to.

It's really quite shocking to hear you say that you would consider a firm like this again in the future, with this kind of backing coming from this firm. And it's one of the reasons why I and my colleagues on this side of the House are so very worried about your privatization schemes, because you seem to be willing to give this province away to just anybody from outside the province who wants to come in and buy it, or take over, or you give it away.

These are serious charges from our side of the House, and they are questions that you should answer. Representing the constituents of Saskatoon, you should be prepared to address these questions seriously because you have been talking constantly about supporting these high-tech firms on blind faith. And I think you should have in place more criteria than that for judging what you're going to give money to and what you're not going to give money to.

Now one of the companies that you've talked a lot about in the legislature, both in 1986 and in the estimates in 1987, is the company of SED Systems, one of the biggest high-tech companies, one of the most important high-tech companies in Saskatoon and in Saskatchewan, a company which started in 1966, and flourished and thrived all through the New Democratic government in 1972 on . . . 1971 on. Now we have a company that you've given away or sold away at a great loss to the province of Saskatchewan to a company based in Ontario. And we've seen the situation just lately where that Ontario company has basically put a gun to your government's head and said, pay up more money or we'll leave, or we'll lay off people.

I want you to address the issue of SED Systems, Mr.

Minister, as an MLA from Saskatoon, and I want to get into a serious discussion with you about what's happening with that firm. I want to, at the same time, recognize that there are high-tech firms in Saskatoon that are doing very well.

But I want to underline to you that the role of us in opposition, and my role as the critic, is to question you about the bad things that are happening in this province, and one of the worst things that's happening is what's happening with SED Systems. You've given a lot of money to SED Systems, to Fleet Aerospace. In February of '88, 53 people were laid off; in March of '88, another 18 — over 70 people have been laid off in that company. And you assured us when we questioned you in the House, when we raised concerns in '86, that jobs would be provided and you were sure that everything was going to stay just fine in Saskatchewan — blind faith again — and look where it's got you.

We raised concerns that when you were going to give away SED Systems to Fleet Aerospace, we raised these concerns; we're raising them again. I want you to address the question of SED Systems, and justify what's happened there with those job lay-offs, and with that large amount of public money that's gone into Fleet Aerospace.

Hon. Mr. Meiklejohn: — Well thank you, Mr. Chairman, and I appreciate the member opposite admitting the fact that we do have many successful firms in Saskatoon because certainly we do, not only in Saskatoon, I point out, but in Saskatchewan.

In so far as SED Systems is concerned, there wasn't any give-away there. The shares were on the market. Fleet Aerospace had already and interest in that company, and simply exercised their right to purchase more of those shares and take over control of it. There wasn't anything given away.

Your concern about the number of lay-offs that there have been of late, you are accurate in saying that there have been, I think, 70-some people laid off in the last couple of months. And this certainly has nothing to do with the new ownership of the company, which I think took place about a year ago in January. The number of people that are employed at SED right now is fairly close, I believe, to what were there when Fleet took over. I would suggest to you that there is a much better financial position today in so far as this government is concerned because of the recent deal, than what we had before.

We have now a 20-year agreement with Fleet Aerospace. As far as a lease on the building is concerned, they are committed to that. I would suggest to you that Fleet is committed to SED staying in the province of Saskatchewan, and certainly that's one of the conditions of the agreement. They have the expertise there; they have the facilities there — one of the best probably in Canada.

The main reason for the difficulties that SED has had of late, of course, was because of a cash flow problem; and certainly nothing, as was pointed out to the hon. Leader of the Opposition, to do with the whole privatization bit and the fact that this government had an inability to manage

— absolutely nothing to do with that, just total nonsense.

The fact of the matter is that SED Systems has in the neighbourhood of \$30 million worth of contracts for the current year. Now that's a lot of business and providing a lot of jobs. The fact is though that in some cases they have not been turning a profit on some of the contracts that they've had. Part of this was due to the fact that they have switched over from product development to more contracts with the federal government. One of the major ones, of course, is with the Frigate program.

It's just been announced in the last while that the Canadian government is going to be moving ahead and getting into the Canadian space program in partnership with the U.S. government.

And it was announced some time ago that SED Systems was going to be the main contractor for the prairie basin. And that certainly is going to add, I think, to the stability of SED Systems and to the security in so far as the jobs that are located there. It's also going to have spin-offs for other companies that are located in Saskatoon and in Saskatchewan.

So I think that as far as SED is concerned, that they have had some difficulties, but there's a lot of business being done there. And it isn't the first time, certainly, that SED has had difficulties.

I think this further points out the problem that we have because of the risk that's involved in the high-tech industry. And I would just point out to you that in 1982, that SED had a net loss of over \$4 million, but then in fiscal 1985 they recorded the largest profit in its history. I mean, it's an up and down type of thing, but I think when we look at the programs that are being carried out there now, are some new initiatives that are being taken — and the Canadian space program is one of them. We also expect that before very long the new Radarsat program is going to be announced, and SED certainly will be involved with that.

So I think that the future for SED is reasonably bright, but I certainly can't stand here and ensure to you or to anyone else that there is any guarantee on that because of the nature of the business. But I think from all indications, their future certainly is going to be bright, and they will be able to carry on and possibly not have all of the problems that they have been undergoing of late.

Ms. Smart: — Mr. Minister, if your government had kept the shares in SED Systems, you could stand up and guarantee that the province of Saskatchewan would benefit from the profits of SED Systems. But having given that control of the company to an out-of-province firm, you have no guarantee except the constant hot air and hype which your government has put into the promotion of high tech without any substantive guarantees. That is the major point that we are very concerned about.

You put the shares on the market; that's how fleet Aerospace got them. They paid, I think, 2.75 for a share. It could have been worth as much as \$6. That's when I talk about a give-away. You let them go at a low price. Now you're saying that SED Systems has got lots of contracts

and could make a profit, and we were saying that before. We said it is an up and down business, but we said that SED Systems has been good for a long time and that we should keep it in the province and we should keep control in the province.

Now you've announced this deal with Sedco (Saskatchewan Economic Development Corporation) in paying back on the building — Sedco, which owned the building in the first place. Fleet Aerospace bought the company knowing that building cost \$11 million, knowing the circumstances there. They paid you very little money for the business, and now they want you to pay back and continue to own the building.

So the government is continuing to pay out at the same time as the profits, whatever they may be, will go out of the province. And we object very strongly to that kind of release of control and the kind of promises and assumptions and hot air that you stand up and give us as assurances.

Now we have not seen the contract that Sedco has signed with Fleet Aerospace, but there are two questions that I am going to ask you. The first question I want to ask you is about the job guarantees.

You say 70 people were laid off and that was no fault of the employer which I find absolutely astonishing. You said it was no fault of the owner of the company that 70 people were laid off. What kind of a business philosophy is that? Don't you understand how businesses operate with employers and employees. It was the responsibility of Fleet Aerospace. George Dragone laid off those people; 70 Saskatoon people were laid off.

Now what's happened to them with their jobs? Are they still laid off, or with the contract that you've signed with the company are they back in the work place? Is there any guarantee that jobs will be saved in the future? But what's happened to those jobs?

Hon. Mr. Meiklejohn: — Mr. Chairman, I certainly was not happy to see any people laid off at SED System, but I've already indicated to the member opposite that the industry is very cyclical certainly, and that the number of people that are employed varies from one time to another.

Some of the people, probably, that were laid off, were because of a contractual type of work that they were doing. They weren't all in Saskatoon — I believe there were three or four that were in Ottawa, but we certainly have no provision within a contract that there are going to be a certain number of jobs maintained, because that is going to be dependent on the contracts that they have.

If the Canadians . . . not if, but now when the Canadian space program is going to be moving ahead, there is no doubt about it that as time goes on and as the new contracts are generated from that particular program that SED will probably have to employ more people. But there's no guarantee that they're going to be employed for ever. I mean, the thing is up and down, and it's been that way ever since SED came into existence.

Now you point out about the fact that . . . you're trying to say that if the province hadn't sold the shares — and I might also add that the value of shares is determined by the market, so I don't know why you're saying that we're giving away.

You were also indicating that if the province still owned SED, that we would have many more benefits. Well I just pointed out to you here a few minutes ago that back in 1982, and this is when the arrangement was . . . as the province was partly involved with ownership, they had a net loss of over \$4 million. And then in 1985 . . . they had a net loss in '82 of \$4 million; they had a profit of 1.6 million in '85 under the very same system, so you haven't got a valid argument there to say that if the province still owned it today that all of this wouldn't have happened. In the future, any profits that are made at SED Systems . . . the province is certainly going to benefit because of our tax system.

We're also going to benefit, of course, and SED is going to benefit because of the fact that they now lease the building rather than owning part of it, and this is going to have long-term ramifications because now in any contracts that they have, particularly with the federal government, they can now build in the cost of the lease, whereas before they couldn't build in any costs related to the fact they owned the building. So it's going to benefit SED, certainly, in that regard.

(1130)

With a 20-year agreement, I would think that we are in a much better position, certainly any loans that have been provided to them — well in the buying out of the building — and any loans that are given there, certainly, are fully secured. So the province, as was indicated in press releases earlier, indicate that in so far as the Government of Saskatchewan or the people of Saskatchewan are concerned, that they're in a much better position today because of this agreement than they were before.

Ms. Smart: — Well I certainly don't agree with you that they're in a better position, Mr. Minister. I would like you to table or to let us know the terms of the lease. What is Fleet Aerospace paying per year, for 20 years, to lease that building?

Hon. Mr. Meiklejohn: — Mr. Chairman, certainly I won't be tabling that. If you want to ask the minister in charge of Sedco, and if it's her wish to do that, then that's up to her.

Ms. Smart: — I think you have that information, and I think as the Minister of Science and Technology promoting these firms and these industries in Saskatoon that you should know that, and you should be able to share it here in this House.

Some Hon. Member: Hear, hear!

Ms. Smart: — Your department is a co-ordinating department. It's a department that administers funds from a lot of different departments. And it's quite legitimate for me to ask you that question here as the Minister of Science and Technology, because I'm concerned about the ongoing health for SED Systems, and I think the

amount of money that's being paid by Fleet Aerospace for rent of that building is a very important question.

It's very likely that they're paying a low rent each year for 20 years, a rent that they could very well walk away from and leave us with an empty building. And I raise that concern with you because that's a very real possibility.

We need to see the terms of that lease in order to judge the health of that high-tech company. Now, Mr. Minister, I ask you again: do you know the rent that is being paid per year, and will you share that with us?

Hon. Mr. Meiklejohn: — Well I can appreciate the member's question, and I'm not in a position to give you the terms of the particular agreement because I don't have them. That agreement is between SED Systems or Fleet Aerospace and Sedco.

I am sure, though, that I can inform the member opposite that the rates that are being charged are the going commercial rates. I'm sure that there's no deal here where they're paying a very, very low rate; that is not the case at all. And they are into that agreement for 20 years, and Fleet Aerospace is committed to paying that lease for 20 years. And they're not in the business here, I'm sure, of giving that to Fleet at a very, very low rate.

But again, as I pointed out, if in fact that information with regard to the terms of the agreement are to be given, you'll have to ask the minister in charge because I don't have them.

Ms. Smart: — Mr. Minister, the terms of that lease is very important. It's very important to your department to know and for you to know what the government is paying. And for you to say that you're sure that it's the going rate, but you don't know the terms of it because it's not your department, is just another example of the hot air and the hype that surrounds this whole advanced technology promotion in the province.

And we are looking for substantive answers; we are looking for your policies and we are looking for the commitments. And we are particularly concerned about what is being committed on behalf of the taxpayers of Saskatchewan.

Now you may trust your colleagues, but I can assure you that those of us on this side of the House and the people of Saskatchewan have learned that you are not to be trusted; that the things that you have said you will do and the promises that you have made us, you have not kept. And you are not being honest and up front with the people of Saskatchewan about the moneys that you're spending across the departments on this high-tech business. And I really, as a member from Saskatoon, want to underline that very strongly, that we need to know what's going on with this industry.

I find it unacceptable that 70 people have been laid off, unacceptable that we don't know the terms of the lease. It seems very likely to me that those terms could be very low and that the company can pull off and leave us with an empty building and no jobs.

Fleet Aerospace has a history, a reputation, of having done this in other places in the world. We draw that to your attention. It's on the basis of this kind of evidence that we made our expressions of concern, and it's this kind of information that you should be taking into account whenever you talk about the high-tech firms that you're going to fund, and whenever you look at the health and the safety of one of the largest, if not the largest, high-tech firm in Saskatoon.

SED Systems is important to all those other high-tech industries. The industrial development officer for the city of Saskatoon has made this point. The city is very worried about what will happen to SED Systems if it goes under, and what will happen to the rest of the high-tech industries because of the spin-offs.

There's been over the years a lot of taxpayers' money invested in SED Systems. When you say that Fleet Aerospace can use the terms of the lease in applying for grants to the federal government, that's just more of the taxpayers' money going into this high-tech industry. And I think the people of Saskatchewan deserve more than hot air hype. They deserve a guarantee that the jobs will stay in place.

And, Mr. Minister, I find it particularly annoying that you can talk about letting people be laid off. Yes, this is cyclical nature in the high-tech industries; profits go up and profits go down. But people in Saskatchewan and people in Saskatoon deserve to have full-time employment on a regular basis. They can't pay their rents, they can't pay for food unless they have that kind of employment. And SED Systems is a company that could offer that kind of steady employment if we had kept our government control in that company and could have some say on how that was managed. But for you to justify hiring people one year and laying them off the next year is totally unacceptable to those of us on this side of the House.

Your government is putting a lot of money into training people and upgrading and the promotion of high-tech industries as a place of employment. You have many people in Saskatoon who are unemployed, who are being streamed through training centres to get employment in the high-tech industry. You're putting a lot of money into that, and people are putting a lot of their money into it. And many people are putting their life savings into it because they've been laid off in other industries.

The hot air and the hype promotes high-tech industry as being the place of the future, right? It's going to take us into the 21st century; we've heard that from you people over and over again. So what do you have here? You have 70 jobs in one of the biggest high-tech companies with people laid off. So where do they go? On unemployment insurance for one year, and then what? They go to the Minister of Human Resources and they pick rocks in the Meewasin Valley for the rest of the time, right? That's what's happening. That's what's happening to people in Saskatoon and in Saskatchewan, and that's the kind of policies your government's putting in place, and those are the kinds of programs you're putting forward to the people. And to me, that's completely unacceptable,

people of Saskatchewan deserve much better treatment than that.

And it's on your department, it's on the promotion of high tech that we see, in essence, the effects of those government policies. Those people that are taking these "work for welfare" programs, many of them are qualified to do other work. But with the kinds of employment opportunities that are being provided by people being employed with Joytec, laid off with Joytec; employed with SED Systems laid off with SED Systems; employed at Develcon and gone from Develcon, and all the other firms where this has happened, it's just chaotic; it's government by chaos, and it's unacceptable. And I want to ask you once more about those jobs, those 70 jobs that have been laid off. There was nothing in the contract signed with Fleet Aerospace that would guarantee that those jobs would be put back and those people would be working again, or are they to go on the "work for welfare" and pick rocks in the Meewasin Valley? Is that what you want?

Hon. Mr. Meiklejohn: — Well it took you a long time to get to your question. But as far as I know, Mr. Chairman, there was no guarantee in so far as the deal with Fleet, the initial deal, about protection of jobs because of the fact that it is going to vary from one time to another. We look at companies, certainly, in the past that have been affected this way and it will be ever thus. There's no guarantee. It's all dependent on the contracts that they have, and SED is a prime example because, certainly, if you look back over the history of that company, the number of employees that they've had there have varied from one year to the next, depending on the companies that they've had and the particular needs.

I think also you have to keep in mind that there are many companies, because of the changes that we have today in society, and not just talking about the high-tech industry, that many companies now are having to retrain employees as needs change.

It might come as a bit of a shocker to you to know that the number or the types of work, the types of jobs that people are going to be doing 10 years from now, that 50 per cent of those jobs aren't even there today, that type of work. That's how our society is changing, and we have to be prepared to meet that challenge. We have to be prepared to meet that challenge and making sure that our students that are going into university are looking ahead to some of the jobs of the future, and certainly the high-tech field is one of those main areas. We're going to need many, many more people in the advanced technology sector as time goes on.

There's an awful lot of talk today about increasing the amount of money that's going into research and development, and as that amount of money is increased by the private sector or by governments, we are going to need many more people going into the field of computer science and engineering and research, and we are going to have to ensure that our students are aware of those particular opportunities that are going to exist.

So we're not just talking about the importance of the high tech industry today, because it is increased technology

that is going to help to make our companies more competitive so that they are going to be able to survive in this very competitive world that we're living in.

Certainly I am proud now of what's happening in the high-tech field in this province, and we're going to encourage it and help it in any way that we can. And that not only is going to apply to the large companies like SED, but it's also going to apply to the many, many companies that have 10 or 15 employees. And the majority of them do only have a very small number of employees. But we will help out in whatever way that we can.

And I would think too that . . . It seemed to me you made a comment about the fact that this company might be getting more money. I'm sure that as time goes on they will be applying for other grants, not only from us, but certainly from the federal government, in the area of research and development or project proposals, whatever the case might be. And we simply have to examine each proposal on its merits and then determine whether or not that's something that's going to, or should be given support to.

But there's never any guarantee in all of these cases, as you well know, but we have to help out in whatever way that we can.

Ms. Smart: — Mr. Minister, your comments really raise my concern because you have not . . . While you say that you will have jobs and you will have all sorts of good things from high tech, you have not been accountable to the people of Saskatchewan.

You have said that you're sure that SED Systems will get grants from the taxpayers in the future; all the more reason why you should table the document that confirms the lease, the terms of the lease for the building, and a document that guarantees that people will get jobs if the government . . . the taxpayers' money is going into those companies.

You should be accountable to the people of Saskatchewan, not just give them a lot of hot air and hype. Why won't you be accountable to them by showing them the terms of the lease of the agreement and being sure that jobs will be guaranteed when the taxpayers' money goes into these firms?

Hon. Mr. Meiklejohn: — Mr. Chairman, I've already suggested to the member opposite that I do not have the terms of the agreement, but I have suggested to her where she may inquire about getting them.

Mr. Prebble: — Mr. Minister, I want to cite for you a few things you said on December 18, 1986, when I and my colleague, the member for Saskatoon Sutherland, questioned you about the sale of SED Systems to Fleet Aerospace at this time. You said, and I quote:

I don't think that at this point in time that we would have any concerns in view of the fact that this particular company has a very sound record in this province, and they have something in the neighbourhood of 40 to \$50 million worth of orders on the books, which they will be doing over

the next four years. They will be moving into their new complex north of the university campus sometime in February or March, where in the neighbourhood of 350 people will be employed, and that will be expanded to 400 people in the very near future. So I don't think at this point in time, when we consider diversification as being an answer in this province to overcoming some of the problems, that we should be overly concerned with what's happening to SED.

(1145)

I want to also quote briefly from the Minister of Justice's comments in question period that same day, December 18, 1986. The Minister of Justice said at the time:

We are interested in seeing SED Systems further expand . . . (and) I can further indicate to you that it is our intention to use this . . . corporation (as a mechanism) by which we can expand employment in the city of Saskatoon . . .

And the minister goes on to say that he has been assured that SED Systems will stay in Saskatoon and that the jobs of the employees at SED Systems will be assured.

And my question to the minister is simply this. Mr. Minister, it's obvious from your comments in December of 1986 that you didn't have a handle on what was happening to the company. And my first question to you is: why did you not seek from the company, SED Systems, before you sold your shares in SED Systems, a guarantee that every single job in SED Systems will be protected by Fleet Aerospace before you approved the purchase and before you gave up your equity in the company? Why didn't you guarantee the employees that their jobs would be protected, Mr. Minister?

Hon. Mr. Meiklejohn: — Mr. Chairman, I'd simply point out to the member opposite, as he relates to comment that I supposedly made in December of 1986, I think if you consider the fact that there are — and as he had indicated, I believe — that I had said there were 350 employees and that would be increasing. My figures are that there are 320 people employed there now and they've laid off 73, I believe, in the last couple of months; that that did in fact happen, that their numbers of employees did go up to near 400.

But I think it's totally unrealistic and unreasonable to suggest that the government would be wanting to tie the total number of employees because of a sale to Fleet, in this case, because of the nature of the business. I mean obviously there are going to be fluctuations, depending on the number of contracts that they have.

Now obviously the reason for laying off people is because they don't have the work coming in; they don't have the revenues coming in. What kind of a position does it put any company if you're carrying another 50 or 60 people and don't have the justification for keeping them on the payroll? What justification is there for that?

We know that SED is a company that has had profits on very few years. I mean, what kind of a . . . That certainly

doesn't help their position if they're carrying a lot of extra people on their payroll if in fact it's not warranted. So I think that you have to let the company operate then.

They are trying to get all of the contracts that they can, and I have every hope that in the near future, with the Canadian space program and Radarsat, that they will be increasing the number of employees. But I don't think you can expect to tie them to any given number at any particular time — just adds to their losses.

Mr. Prebble: — Well, Mr. Minister, I want to . . . First of all, you acknowledge that you fail to guarantee to protect the jobs of the people who work at SED Systems, a company in which you had equity, Mr. Minister.

This is not a question of a company in which . . . simply a private sector company. This is a company in which the government had equity and the government chose to give up its equity without protecting the jobs of the employees. And I say to you, Mr. Minister, that that was a very irresponsible thing to do.

Now, Mr. Minister, in addition to that, I want to ask you: why, in light of the fact at the time that your government had committed \$6 million in term financing to SED Systems and had provided them with a \$1.9 million interest-free loan, and at a time in 1986 — when the sale took place, 1986 — when you had a contract with them through your own Department of Science and Technology for \$787,000 for a low-cost satellite system, and at a time, Mr. Minister, when there was a contract being negotiated worth over \$20 million between Saskatchewan Power Corporation and SED System — why, when millions of dollars of taxpayers' money were being invested in SED System, as I've just pointed out, why were you prepared to sell your equity in the company and give up your ability to control policy in the company or at least have some say in that policy for a mere \$1.1 million?

Why, Mr. Minister, when you had loans pending of almost \$8 million, when your own department had a contract worth three-quarters of a million dollars, when SPC was negotiating a contract with the company worth over \$20 million, why, for only \$1.1 million, were you prepared to sacrifice your ability to exercise some kind of control over the future of SED Systems?

Some Hon. Member: Hear, hear!

Hon. Mr. Meiklejohn: — Mr. Chairman, a couple of things here. I think that if the member opposite looks back again at the history of the company, that the number of employees that they have had has varied from time to time, again depending on the number of contracts that they had. It certainly is not the policy of this government to be involved in the overall operation of a company such as SED Systems. That's certainly not our philosophy.

As it relates to the money that you're talking about the \$787,000 I believe, this was for new research and development activities that were being carried out in the company. And as it relates to any contracts with SaskPower, certainly I don't have that information here.

But as far as hours are concerned, the 700-and-some thousand dollars was related to research and development activities within SED. It certainly wasn't something going into their cash reserves.

Mr. Prebble: — Mr. Chairman, is the minister telling me that he is unaware, as Minister of Science and Technology, what other contracts the Government of Saskatchewan had with SED Systems? Is he telling us he's unaware of that? I ask the minister at this point in time to table all contracts that the Government of Saskatchewan has entered into with SED Systems in the last three years in this legislature. Will you table them today, Mr. Minister? And if you can't, it's a demonstration of your incompetence.

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, the only comment I would make to the member with regard to contracts, the only knowledge that Science and Tech has with regard to SED are the contracts that Science and Tech have with them. We're certainly not in a position to be giving you information on other contracts that other departments of government would have with SED. Maybe you'll have to go and talk to SED about that.

Mr. Prebble: — Well, Mr. Minister, it's unbelievable that the Minister of Science and Technology isn't aware of the contracts that the Government of Saskatchewan has with the leading high-technology company in Saskatoon — just unbelievable.

An Hon. Member: — Inexcusable.

Mr. Prebble: — And inexcusable, Mr. Minister. And I say, Mr. Minister, that it just demonstrates a lack of any planning on your part, and any planning by this government, in terms of developing science and technology in Saskatoon, that you're not even aware of the contracts that your government has with the leading high-tech company in the city.

Mr. Minister, I would like you to give us a commitment today that you will in fact table all contracts that your government has entered into with SED Systems in this legislature since you came to office in 1982. Will you at least give us the commitment to provide that information to us in the House? That's surely in the public interest that that information should be laid on the Table, Mr. Minister.

Hon. Mr. Meiklejohn: — Mr. Chairman, I'm sure that the member well knows that contracts between parties, whether it's government departments and SED in this particular case, for the most part are confidential. We are certainly not going to be tabling any of that information with the member opposite.

And as it relates to SaskPower and any dealings that they have with SED, SaskPower is a Crown corporation, so why you would be asking the Department of Science and Technology to provide that type of information is certainly hard to explain.

Mr. Prebble: — Well, Mr. Minister, I think that that's simply . . . you've simply demonstrated, Mr. Minister, an example of the secretive nature of your government in a

matter that simply is not in the public interest.

Clearly, there's a lot of government money. As I've indicated, there's \$8 million of public money in the form of loans to SED. You've got a three-quarters-of-a-million-dollar contract with your own department, Saskatchewan Power Corporation has large contracts with SED Systems, and there may be many other departments of government which also have contracts with SED Systems.

And the public, given the amount of money that they have invested in the firm, has a right to know what your government has invested in SED Systems, especially given the fact that you have forfeited all your control to an eastern Canadian, Ontario-based company for a mere \$1.1 million and put at risk, as a result of doing that, millions of dollars of Saskatchewan taxpayers' money which you, as a result of your incompetence, may not even be able to collect on.

Now Mr. Minister, I want to ask you a question with respect to the purchase arrangement you had, to give up your equity in SED Systems, with Mr. Dragone of Fleet Aerospace. Will you acknowledge, Mr. Minister, that you exchanged four voting shares of SED Systems for one non-voting share of Fleet Aerospace stock? Will you acknowledge, Mr. Minister, that that's the arrangement that you entered into with Fleet Aerospace?

Hon. Mr. Meiklejohn: — Mr. Chairman, I must admit that I'm a little amazed with the questions of the member opposite. He was one that I thought had a reasonable level of intelligence, but he certainly is demonstrating a lack of understanding of the high-tech industry as such.

He's asking the government to table documents that would indicate money that's going towards research and development — something that is of a very sensitive nature and has to maintain a very strict confidentiality. I don't think that you would find that any government would be willing to table that kind of information, because of the sensitivity of it.

In so far as the terms as they relate to the shares that were purchased by Fleet Aerospace, I would suggest to the member opposite that those types of questions would have to be directed to the Minister of the Crown Management Board because those shares were handled by that particular department, not by Science and Technology.

Mr. Prebble: — Mr. Minister, your lack of knowledge on the subject is a appalling, but several newspaper reports indicate that you did indeed, Mr. Minister, exchange voting shares in SED Systems for non-voting shares in Fleet Aerospace.

So, Mr. Minister, you gave up any ability of your government to exercise any control over what Fleet Aerospace does with SED Systems in Saskatoon, because you've got no vote in the say of Fleet Aerospace holdings and you have no control any more over the operation of SED Systems in Saskatoon, and therefore, Mr. Minister, you have sacrificed your ability to ensure that this very important company stays in Saskatoon.

I thought, Mr. Minister, that it may be five or six years before we saw a trend in which Fleet Aerospace began to lay off Saskatoon employees. Unbelievably, we only had to wait 12 months before you gave up your equity in SED Systems, before those lay-offs have begun.

(1200)

My fear, Mr. Minister, is that we will see many more lay-offs at SED Systems because you have sacrificed a fundamental principle that the members of this side of the House established when we were in government in the 1970s, and that is that having some government equity in a company that is a highly fluctuating company — in terms of the high-tech industry by nature is cyclical. Having some government equity in a company like that is a way of ensuring that that company will always operate, not in the interests of Ontario Shareholders, but in the interests of Saskatchewan residents, by having that company stay in Saskatchewan.

And you, Mr. Minister, for a mere \$1.1 million have sacrificed the ability of Saskatchewan people to have some say in the leading high-tech company in Saskatoon. I say, Mr. Minister, that that is a sell-out by your government to Ontario interests.

Some Hon. Member: —Hear, hear!

Hon. Mr. Meiklejohn: — Mr. Chairman, I would simply point out to the member opposite that he indicates that It didn't take long after Fleet took over before the number of employees started to decrease. It seems to me we discussed this just a few minutes ago, and I pointed out to you that in fact after Fleet took over, the number of employees went up. And it's only with the last lay-offs that they are now back down about where they were before.

You talk about control and you talk about guarantees of SED staying in Saskatchewan. It's my understanding with the lease agreement that we have now, we're in a much better position than we were before, and it's only now that we do have some say as to whether or not SED is going to remain in this province.

So this new deal is much better, as far as the province of Saskatchewan and for the employees of SED were, or is, than it was before because we now have the control over that. They are committed to a 20-year lease; they are committed to remaining in Saskatchewan. So why you're trying to suggest that we're in a worse position now than we were before is just absolutely false.

Mr. Prebble: — Mr. Minister, I want to raise another point with respect to your sell-out of Saskatchewan interests to . . . on this issue. And that is, Mr. Minister, I want to ask you: did you not look, Mr. Minister, at the record of Mr. Dragone in terms of his track record of buying up high-tech companies in various parts of North America, and then, within a matter of a few years, selling off parts of those high-tech companies, in some cases shutting down large portions of them and laying off large numbers of employees.

And I'm going to give you a couple of examples in a minute, Mr. Minister, but I want you and your officials to consider whether or not you in fact investigated fully the record of Mr. Dragone and Fleet Aerospace in purchasing companies in other parts of North America, and selling off the parts that they didn't want and keeping the parts that they did, and sacrificing local employment opportunities wherever they bought high-tech companies.

I want to give you a couple of examples, Mr. Minister, In 1984, for instance, Mr. Dragone undertook a bitter fight to win control of Fathom Oceanology Ltd., a maker of sonar equipment. And Mr. Dragone then closed down Fathom's United States subsidiary, and then sent Fathom on its own trail of acquisitions.

In June, 1986, Mr. Minister, Mr. Dragone engineered an \$18.6 million take-over of the defence contractor, Aronica Inc., of Charlotte, North Dakota, as a means of being able to secure a new line of U.S. military contracts. Now Aronica operates a broad manufacturing subsidiary in a high-tech electronics division, and Dragone has indicated that both are going to be candidates for the auction block, Mr. Minister.

Now these two acquisitions by Dragone, and his subsequent lay-offs, Mr. Minister, came directly before Fleet Aerospace approached you to purchase your shares in SED Systems.

And my question to you, Mr. Minister, is: in light of the record of Mr. Dragone and Fleet Aerospace, just before you sold your shares in SED Systems, in light of the record of Mr. Dragone in buying up other high-tech companies and then laying off the employees at those high-tech companies and selling off portions of them, why were you prepared to sell your shares to this eastern Ontario company that obviously had no intention, Mr. Minister, of ensuring that employment of Saskatoon people would be protected?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, there's absolutely no basis for the member opposite to make those allegations. Fleet Aerospace is a very sound company. There are many advantages to smaller companies such as SED having a very close and direct affiliation with strategic partners because of the nature of the business that they're in, in the aerospace industry.

We have certainly every indication to believe that there are contracts that SED is now getting, and able to get in the future, because of the fact that they are involved with Fleet Aerospace. I think that the fact that . . . the Canadian space program now coming up is going to be one good example. So there are many advantages.

I indicated just a few minutes ago that because of the lease arrangement that we now have with Fleet Aerospace, that the company will be remaining in Saskatchewan and those jobs will stay here. And as far as the number of jobs are concerned, I would think that that's probably going to increase as some of these other programs come into stream. But by how many or when, I can't give you that information. But as far as the advantages are concerned, I'm sure that the affiliation with Fleet has many advantages.

Mr. Prebble: — Well, Mr. Minister, your will to believe is unending, and your ability to deliver is non-existent.

Mr. Minister, what you're telling us today is that you were prepared to sacrifice the future of jobs in Saskatoon and the most important company in the high-tech industry in Saskatoon for a mere \$1.1 million, with no assurance of job guarantees. You were prepared to sell out to a company whose record in the high-tech industry, in terms of protected that industry in the local community where it was based, is a scandalous record, a record that shows no concern at all for the local industry and the local community where the take-over is taking place. You were prepared to make those sales, Mr. Minister, and I think that that's an example of the incompetence and the lack of commitment to Saskatoon that you've demonstrated in terms of your policy development.

Mr. Minister, I want to close with one final question, and that relates to the contract operations of SED System. You've told us, Mr. Minister, that you're not prepared to reveal the government contracts at SED Systems, and your government have agreed too. I wonder, Mr. Minister, if you can tell us, if at this point in time, you know if SED Systems is bidding on any nuclear weapons contracts with the U.S. government?

Are you aware, Mr. Minister, if SED Systems has any nuclear weapons contracts, or is bidding on any nuclear weapons contracts with the U.S. Department of Defence? And, Mr. Minister, can you tell us if your government has a policy with respect to permitting, or not permitting, Saskatoon companies to bid on U.S. nuclear weapons contracts, or nuclear weapons contracts for that matter, with any other country?

Hon. Mr. Meiklejohn: — Mr. Chairman, the understanding that we have right now is that they're not involved with any, nor are they looking at them. But that's not to say that they won't be in the future. We don't have any knowledge of that at the present time, sir.

Mr. Prebble: — Mr. Minister, this is a question of fundamental policy. One of the great advantages of SED System, under its former ownership, was a commitment by that company that it would not become involved in bidding on nuclear weapons contracts. That was a public commitment. Given Mr. Dragone's record and his interest, in terms of bidding on military contracts — you've acknowledged, yourself, just now, that you're not ruling out at all the possibility that Fleet Aerospace in the future may bid on U.S. nuclear weapons contracts, or in some other way become involved in the nuclear weapons industry. And you have not ruled out, Mr. Minister, that your government would in fact permit this; in fact, you've indicated an openness to this possibility.

I'm asking you today, Mr. Minister, and this is my final question to you: will you give this Assembly your assurance that your government will not permit SED System, now owned by Fleet Aerospace, or any other company in this province, to bid on U.S. nuclear weapons contracts?

Will you give, Mr. Minister, this House your assurance

that you won't allow Saskatchewan industry to become involved in the nuclear weapons complicity that now hangs over our world and threatens every person in this province and every person in the world community, Mr. Minister? We should have no part in the nuclear weapons industry, and I'm asking you to give us your assurance that you, as Minister of Science and Technology, will not allow high-tech companies to bid on nuclear weapons contracts.

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, this is a purely hypothetical question the member is asking. I can certainly appreciate his concern. As far as I know, we don't have any high-tech companies in the province that are presently engaged in contracts with regard to nuclear weapons.

It's my understanding that it was the government that was . . . the administration that was in power in this province prior to the PC government coming in, that they felt that it was all right for cruise missile testing to take place in part of Saskatchewan. So I don't think that there's any reason for us, at this point, to telling the high-tech companies that they can't be involved with these contracts.

Mr. Shillington: — Thank you very much, Mr. Chairman. Mr. Minister, subvote 5 of your vote contains a 26 per cent increase — by far the largest — and that is a payment to the Saskatchewan Property Management Corporation.

This is the corporation which has engendered such favourable publicity by renting eight floors of a hotel, which it has no use for and which it does not fill up — costs them \$180,000 a month. This is the corporation, Mr. Minister, which is the . . . which contains largest single increase in expenditure of any department, that space — this, Mr. Minister, at a time when you claim to be reducing the number of public servants.

Mr. Minister, I would like an explanation for the 26 per cent increase in the vote to the Saskatchewan Property Management Corporation.

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, the reason for the increase is the fact that when Science and Technology, the department, was moved to Saskatoon, that it moved into an area which was really designed for incubator malls

I think around May 15 we will be moving into our new facility. It's a new wing that was built onto innovation Place with the understanding that Science and Technology would be relocating there. And some \$40,000 of this particular increase is being spent on the leasehold improvements to that particular property. so that gobbles up the biggest chunk of it.

Mr. Shillington: — Would the minister give me a breakdown of the 273,000, what it's being spent on?

Hon. Mr. Meiklejohn: — At the present time we are renting space in the T.C. Douglas Building, where we maintain the Regina Office, and also in the Innovation Place up in Saskatoon, where our offices are presently located. But we will be relocating into the SEDCO Centre, and those offices where we are now, then, will be opened

up once again for smaller companies to come in and set up their operations.

Mr. Shillington: — Mr. Minister, let me give you just a bid of background as to why I want the breakdown. Mr. Minister, if you add up the expenditures which each department makes to the property management corporation, for this year the total has gone up by 12, \$13 million. That's an 11 per cent increase this year in the expenditures by the Saskatchewan Property Management Corporation. If you add those figures up, that is a \$13 million increase — this, at a time when the number of public servants is supposedly decreasing.

(1215)

Mr. Minister, if you compare the expenditures by the Saskatchewan Property Management Corporation, about which we can get no information except the name, with supply and services in its last year of operation, which was '85-86, three years ago, Mr. Minister, there's a 33 per cent increase in expenditures by the property management corporation over supply and services. That's a \$30 million increase — that at a time, Mr. Minister, when the total growth in budget has been 8 per cent. So there's 30 million bucks that I'd like to know where it went to, and I think the public of Saskatchewan would like to know where that \$30 million went to.

Mr. Minister, one of the results of the property management corporation is it's no longer very accountable. If you look at the property management corporation you see a figure of \$7 million. Mr. Minister, all that exists in property management corporation is \$7 million, so I want to know why it's costing us 30 million bucks more for the property management corporation than it used to cost us in supply and services.

I've got to ask each department. I'm not going to get the information by asking the minister in charge of the property management corporation. In addition to his usual reticence to give me the time of day — and he wouldn't if he thought there wasn't a clock in the room; he wouldn't if he thought there wasn't a clock in the room; he wouldn't tell you the time of day — in addition, this year you've provided him with something of an excuse because it's not in his, it's in your.

So, Mr. Minister, this Saskatchewan Property Management Corporation which was introduced, all banners unfurled, all bugles blowing, you blew the end off the bugles when you introduced this thing, telling us how much it was going to save. We complained at the time that we weren't going to get any information. Well now we got two problems: we're not getting any information and the growth in expenditures has been explosive.

That is why, Mr. Minister, I think you and other ministers owe us a breakdown in the expenditures to the property management corporation. That's what I'm asking you for, Mr. Minister. I am not particularly trying to elicit information about your various moving around the province. You say you've gone from T.C. Douglas to Innovation Place. Mr. Minister, I would like a breakdown of the expenditures, and, I think, given the enormous

growth in the cost of leased space, you owe us that. I think, Mr. Minister, it's because you're leasing space in hotels. If there's a different story, I want it.

So I ask you, Mr. Minister, to give me a breakdown. It'll go a lot faster if you can do it in writing, but if you want to give it to me orally, I will copy it down with a pen. But I ask you to give me a breakdown of this expenditure in your estimates, of \$273,900.

Hon. Mr. Meiklejohn: — Mr. Chairman, certainly I'm not going to be making comments on behalf of the minister in charge of property management. I've already indicated to you the properties that we are involved with in Science and Technology. I can tell you that of the moneys that are listed there on page 81, that \$15,800 is for the photo services and mail and postage and that the balance is for accommodation charges and the capital expenditures, which I've just suggested to you is in the neighbourhood of \$40,000 for the leasehold improvements.

Mr. Shillington: — Okay. You say \$40,000 is for the leasehold improvements, a one-time-only expenditure. That's the thrust of the minister's comments. We're still missing another . . . Mr. Minister, what I want is, I want to be able to break down the 273,900; I think I'm entitled to do that. It's the only way I can get the information. I will not get it from the minister of supply and services unless he voluntarily agrees to supply it. What I want is your breakdown.

Now slowly but surely, painfully, inch by inch, figure by figure, I'm getting the information. We now have a figure of \$15,800 for photo services.

Mr. Minister, I don't want to digress into other departments, but I do want to remind you that you have been cutting costs in this government. The treasury benches have been cutting costs at very considerable expense to the Saskatchewan public.

You cut a drug plan which was badly needed, the subject of a fairly spirited discussion in question period today. You cut that because you didn't have the money. Mr. Minister, the increased costs in this area would cover the cost of that drug plan many times over.

Mr. Minister, you cut a dental plan — Canada's best dental plan; studies showed that dental health in Saskatchewan was superior to other provinces. You cut that because you didn't have the money. Mr. Minister, the increase in expenditures in the property management corporation, which we were told was going to save us money, would pay for that program — I was going to say a dozen times over; it's a couple of dozen times over.

Mr. Minister, where you're spending \$30 million more, you've been embarrassed, and rightly so, at renting a hotel to put public servants in. I know they're competent, Mr. Minister, but you don't need to rent a luxury hotel for them. They don't require that, nor is the Saskatchewan public, quite frankly, prepared to tolerate that sort of expenditure.

I say, Mr. Minister, the additional \$30 million that you're spending over what the supply and services spent is

political patronage. You're enriching your friends at a very swift pace at the expense of the Saskatchewan taxpayer.

An Hon. Member: — Nag, nag, nag.

Mr. Shillington: — There's a very simple . . . well, the member from Weyburn once again, has nothing to do with his splendid talents but to come here and interrupt the estimates. I would have thought, with his renown ability, he could have found some use for his talents but to sit here and chirp, but apparently there's no better use for the member's talents, and that genuinely surprises me.

Mr. Minister, I say the \$30 million, which is so critically needed . . . I say, Mr. Minister, that that's patronage — good, old-fashioned patronage for Tory friends. Now there's an easy way to prove me wrong. All you and your colleagues have to do is give me the breakdown in the figures. But so far all I have got . . . all I got from the Minister of Rural Development last night was an angry retort that he didn't patronize bars in hotels. I'm delighted that he's of such exemplary character, but that wasn't what I asked him.

All I got from the Minister of Justice when I asked him of where was the missing \$3 million that he's spending while he's renovating a court-house . . . all I can say is, if you renovated the Assiniboia Court House with \$3 million, I could see the thing from my back yard in Regina, it would be so tall.

So, Mr. Minister, you say . . . And when I say, where has the money gone, you say, we're renovating — a one-time-only expenditure. I say to you, give me a breakdown in the expenditures. I think you owe us that, and if you don't, I think a goodly number of taxpayers are going to conclude that the extra \$30 million which you people are spending over what supply and services used to spend, is just simply patronage. And the public of Saskatchewan are going to find a better use for \$30 million, and I tell you, in the 1990 election they're going to find a better use for your talents than sitting on that side of legislature.

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, I'm not really sure if there was a question in all of that or not. I would just correct the member opposite again, though, that the \$15,800 that I indicated to you was not just photo services; it was mail and postage services as well.

I've already indicated to you what the capital expenditure is as we estimate them to be. I'm not sure whether you want a breakdown of that as to how much was electrical and wall-board and plumbing and all the rest of it.

An Hon. Member: — Yes, I would.

Hon. Mr. Meiklejohn: — I don't have that particular breakdown here for you, so I've given you all of the information that we have here. We've broken it down as to what we are paying for accommodation charges, the amount that we're paying for the on-time leasehold improvements, and the balance there is for photo services and mail and postage. So I don't know what further breakdown you want, other than if you want a specific

breakdown of the \$40,000.

Mr. Shillington: — Yes, I'd like the figures, Mr. Minister — if you'll just read the figures which you have into the record. Okay.

Do I understand that you're spending 15,800 this year on photo services? You're spending \$40,000 on renovations. The rest you put in one lump sum called accommodation. Okay. Now we're making progress. Inch by painful inch, we're making progress, and we might just make it by one.

Now give me the same figures for 1987-88; give me the comparable figures, Mr. Minister.

Hon. Mr. Meiklejohn: — Mr. Chairman, last year's expenditures of \$218,000, or what was estimated for last year, you have a total of about \$16,300 that was for this photo services and mail and postage. There were no renovation or leasehold improvement charges there, and the balance then was for accommodation charges.

Mr. Shillington: — Well then, Mr. Minister, you have an increase in your accommodation charges which is very considerable. You have an increase of approximately 10, 15 per cent in those accommodation charges. Mr. Minister, give me the accommodation charges, in absolute figures, for '88-89 and '87-88.

Hon. Mr. Meiklejohn: — Mr. Chairman, the information that I would have here is that there is about an 8 per cent increase as far as the accommodation charges are concerned.

Mr. Shillington: — For the moment let's assume your figure is right. Mr. Minister, that roughly parallels . . . it's a little less than the increase from . . . the overall increase in the property management expenditures are 11 per cent. Mr. Minister, how do you manage to be paying 8 per cent more for precisely the same employee?

Just in case the minister is going to provide the answer . . . provide and answer that the inflation has gone up, let me tell you it hasn't. The consumer price index for rents in Saskatoon is almost static. Why are we paying 8 per cent more for exactly the same number of people?

(1230)

Hon. Mr. Meiklejohn: — Mr. Chairman, the information that I would have that the 8 per cent increase would simply be . . . this is the increase that's been charged by the property management corporation, which I presume would be to closer compare to what the realistic price of that accommodation would be and the services that are being provided.

Mr. Shillington: — Well that's an astounding answer. I am just overburdened by that additional information. I assumed, Mr. Minister, that this 8 per cent was increased costs in accommodation. That's all you said when you stood up.

Mr. Minister, with the same number of employees and no increase in costs in owned or leased space overall in the city of Saskatoon, why are we paying 8 per cent more

here than we did last year?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, I don't really see that I can give the member opposite any more information. I think that I've given him the breakdown that he asked for.

The charges that are being made to us this year are dictated by the property management corporation, and as I've indicated, I would assume that that's probably a more realistic cost as to how the price of these types of accommodations would be today, so I'm not sure what more that he wants.

Mr. Shillington: — Well the theory, Mr. Minister, was when we set up the property management corporation, was that you would have a . . . you would introduce some of the much ballyhooed efficiency of the private market into the system, because then the departments' cost would be separated out and departments could make the decision as to whether or not they wanted another employee or another 10,000 square feet in space. That was the theory behind the property management corporation. It would introduce a level of efficiency because departments could then . . . would then know what their space is costing them, and your very able deputy minister would know whether or not he wants another 10,000 square feet, or another 1,000 square feet, I guess would be a better example, or one more employee.

Mr. Minister, what is happening is, ministers are coming in and they're saying, I have no idea why we're spending more; why are we spending more; don't ask me, ask somebody else.

Mr. Minister, the whole point of the property management corporation was it was going to reduce cost. As I have pointed out, costs are increasing at an explosive rate — 11 per cent last year, 30 per cent in the three years — this, at a time when the overall increase in government expenditures have been almost static.

What I think the Saskatchewan taxpayer hoped, Mr. Minister, when you introduced a period of restrain, is that you would keep a lid on costs such as . . . well I guess I've offended the member from Canora. That's heartbreaking; it's ruined my whole weekend.

Mr. Minister, what was hoped, when the property management corporation was introduced, was that you would keep a lid on costs, such as property costs, and we would be able to continue the programs which we need, such as health costs. That was the theory — was that we would reduce costs, such as accommodation costs, and, where possible, the number of employees — we would keep those costs at a minimum — but that we would be able to continue and expand programs that were needed, such as health care costs. I have mentioned drug and dental programs. What we got is the opposite. What we got Mr. Minister, is that our health programs are being slashed, and our property costs are running away with us.

It isn't just a minor issue, Mr. Minister. It goes to the very basis of why you guys are going to get creamed in the two by-elections, which are going to be held the week after

next. The reason why you're down in the cellar in the polls, why you're going to get creamed on May 4, has to do with this very item.

What people had hoped was that restraint would mean that costs, such as accommodation and employee costs, would be kept to a minimum, and that essential programs would be retained. They never voted to cut essential programs; nobody in Saskatchewan did. If you can find them, I want to talk to them because they are very, very rare. They voted to cut non-essential costs. You have elected to cut essential programs and let these expenditures run away with themselves. So, Mr. Minister, it's not just a minor item, it goes to the very heart and soul of why you people are in as much trouble as you are.

Now I ask you again: why the 8 per cent increase in costs? What was the mental process that you went through when you decided you'd accept that 8 per cent increase in costs rather than spend the money somewhere else? So I ask you, Mr. Minister, to tell me why you bit, why you took the extra costs? I'm going to asking every other minister the same thing. I don't think there's charitable explanation for it.

I think what you're doing, you are going from low-cost space to high-cost space, and you're doing that right across the government. I think you're moving out of the relatively efficient buildings such as the T.C. Douglas building, a low-cost building, and I think you're moving into high-cost buildings, the Renaissance hotel. I think that's the problem.

Now if I'm wrong, and if the cost of floor cleaner accounts for the entire increase, I retire, but I don't think it does. I think the problem is that the property management corporation has gone bananas. They're moving people out; they're moving your employees out of low-cost space, which is the existing space that we own — in the admin building, in the health building, in the T.C. Douglas Building, and some long-term leases — you're taking them out of that low-cost space; you're putting them in hotels.

And when I asked the Minister of Rural Development if he really needed to be that close to a bar, he took offence at the comment, so I won't ask you the same question. Mr. Minister, why do you have to be moved out of low-cost space into hotels?

An Hon. Member: — Sit down and let me answer you.

Mr. Shillington: — All right, I'll sit down. The minister's finally got an answer; I'll let you go.

Hon. Mr. Meiklejohn: — Thank you. Mr. Chairman, in so far as the 8 per cent increase, I would point out to the member opposite — and I would certainly hope that when we have our grand opening up there that he will be able to attend and see exactly what we are moving into, and also maybe where we're moving from — the facilities that we're in right now were not designed to house the Department of Science and Technology particularly. They were designed as incubator malls for small companies that wanted to come in and do research and development. Certainly with the increase in activity in the

high-tech industry, and there are more and more companies coming in, this space is required for them.

The space that we're going to be moving into then in the SEDCO Centre is a higher quality type facility, and also that, of course, is going to mean higher rental rates over the years. It's much more accessible. We do a lot of work with the Saskatchewan Research Council; we will be housed in the same building. But it's also going to enable us to share certain services in that particular building.

So there are several advantages, not only of Science and Tech moving in there, but in fact it is a higher quality facility and it certainly is going to cost a little bit more. But at the same time, the advantages are there. It's going to free up that other space in the malls that more of our high-tech companies — new high-tech companies, I might add — can be moving in there. So that certainly is going to account for a portion of the 8 per cent increase that you're concerned about.

Mr. Shillington: — Well, Mr. Minister, I rest my case and I thank you. You have been the most forthright of the ministers I have dealt with.

What we have is you admitting that you're moving . . . Oh, no, I don't believe that you spent \$3 million on the Assiniboia Court House. I don't believe that. As I say, I could see the thing from my back yard if you'd actually spent that much.

Mr. Minister . . . That's right, I could. If you spent that much money on the Assiniboia Court House, I could stand in my back yard in Regina and I could see it and I could appreciate it. You didn't spend three million bucks out there.

Mr. Minister . . . He nods his head, he did. Well I just . . . I do not believe that.

Mr. Minister, what you admit is that you are moving public servants out of low-cost space into high-cost space, and you are . . .

An Hon. Member: — No, we're not.

Mr. Shillington: — Yes, you are. You say it's better quality space. I say to you, it's more expensive, but it isn't any better. I don't believe those able and dedicated public servants who sit around you are going to get any more work done in Saskatoon than they did in that low-cost space in the T.C. Douglas Building. I don't believe that for a moment.

Mr. Minister, you're doing this across the board. This property management corporation has gone berserk in moving people out of low-cost space into high-cost space. We asked the Premier why. He says, we're building, we're building, we're building. Mr. Minister, you are building a slush fund and you are building the odd building, but in the meantime you can't afford programs which are absolutely essential, such as health and drug care plans.

Mr. Minister, I want to just conclude for a moment on funding for research. I think in Canada as a whole we

seriously under fund research. Mr. Minister . . . And it has meant that we don't have the kind of industry, the kind of technology which it would take to make Canadian industry the most productive in the world. It means that we tend to be hewers of wood and drawers of water, and the main reason for that is that we don't spend enough on research.

Mr. Minister, your department is indicative of the problem — not the whole reason for the problem, but it is indicative of it. Your expenditures are virtually static. They go up by a little less than 1 per cent.

Mr. Minister, I would much, much rather you had taken the additional money that you're spending on the high-cost space, and I wished you'd put it into a . . . in some fashion enhancing a program, because I don't think those public servant, as able and dedicated as they are, are going to get one lick more work done in that expensive space than they got in the cheap space. And I think this province would have been a lot better off had you spent the money on programs rather than on fancy digs.

Ms. Smart: — Thank you, Mr. Chairman. Mr. Minister, I've heard you say here in the House today things like: you don't know anything about the guarantees on the contracts going to support some of the high-tech industries; that you don't know much about what's happening in your area. And just in response to questions from colleague, the member from Saskatoon University, who asked you whether there were any contracts for SED Systems to do with nuclear development of weapons, I heard you describe that question as a hypothetical question.

And for a minister of the Crown to describe a question like that as hypothetical was quite a surprise to me, and quite a shock, because I would call that question a question of policy, not a hypothetical question. It's a question of the policies of your department.

Now you are a small department; Science and Technology in itself doesn't get a lot of money. There's been an order in council last March, just last month, for over three and one-half million dollars to go to Develcon over the next few years. That was signed by you as the Minister of Science and Technology. That's a lot more money than the *Estimates* in your department would indicate that you have control over.

And the problem for science and Technology, for us on the opposition, is similar to the problem that my colleague from Regina Centre has indicated in terms of the property management corporation — the money is spread out over the estimates in every direction, the money for Science and Technology for firms who can persuade you that in some way they have something to do with research and development or high tech, or whatever, can get money from this government.

And you indicate that you have very little knowledge sometimes of what's happening with that money or where it's going, and very little concerns about accountability to the taxpayers; very little concern about the need to ensure that there are jobs provided; very little concern about

the fact that people can get laid off, and that ends up being a brain drain out of Saskatchewan because we can lose people who are skilled, who will go to another province where they may get guarantee for longer-term work.

You've indicated a lack of concern about people who get laid off from these jobs being told they have to retrain and retrain and retrain. And while it's absolutely something that I'm very well aware of the fact that people have to change jobs along the course of their lifetime, I find it unacceptable on behalf of the people of Saskatoon who have to go through these hoops of getting trained for high tech and then getting laid off.

(1245)

And my question to you is, Mr. Minister: where are your policy statements for your department? Do you understand the term "policy?" Do you have any policies? And what policies are you operating under in giving away all this money from the taxpayers of Saskatchewan to these industries?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, it's interesting for the member opposite to make the statements that she does, I mean, just flying off in all directions and based on absolutely no intelligent thought whatsoever.

Certainly I'm aware of the contracts that Science and Technology have put forward. I am certainly surprised at the comments you just make about the fact we need to do more . . . or we don't know whether we're spending the money on research and development or what we're doing with it. The member from Regina Centre has just said we need to do more in research and development. That, in fact, is what we're doing.

We have some very specific policies within the Department of Science and Technology. We understand the importance of technology to increasing the economic situation in this province, and we are committed to helping firms in whatever way that we can if they have proposals that certainly qualify under the terms of research and development — and this could be to do with products or processes.

You talk about the amount of money that we give to certain companies, and you don't understand totally what it goes for. You've been invited, as colleagues of yours have on more than on occasion, to visit a company like Joytec, and you still, to this point, have never, ever gone there to find out exactly what they're doing. That's probably the best way for you to find out what any of these high-tech companies are doing is to go and visit them. An you've got a good number of them, certainly, in Saskatoon, and I would invite you to go and do that. I'd be happy to go along with you as well because there are very interesting activities going on in those places.

As far as the general policies, we have a policy statement. If you don't have a copy of it, we'll be certainly be very

happy to provide you with one that clearly identifies where grants from Science and Technology can be utilized and who is eligible for them. Whether we're talking about people that are doing research within the universities; whether we're talking about the research councils; whether we're talking about companies that are involved in developing new products, all of that information is readily available and I'd be very surprised if you don't have it. But I would certainly be very pleased to provide that information for you.

Ms. Smart: — Thank you, I would appreciate getting a copy of that. But I understand from our discussion this morning that your policies don't include any kind of investigation of the kinds of companies or the connections that they might have in terms of their stability or their ability to provide good investment here in the province of Saskatchewan; that you are willing to go along with just about any kind of a company as long as it applies for money and is one of the ones that you want to patronize.

Mr. Minister, I want to ask you — also connected with policy — if you're familiar with the science policy and the national advisory council on science and technology.

Hon. Mr. Meiklejohn: — Well certainly I'm familiar with the national policy because a lot of it is based on the Saskatchewan model, and I was one of the signators of that particular policy.

Ms. Smart: — Well I understand that part of that was that the Prime Minister had an advisory body on science policy which has put together a report which has not been made public, but it was leaked to *The Toronto Star*. And this policy has to do with the . . . Canada's policy on high tech. It talks about Canada's weak industrial position that will deteriorate further without a massive increase in spending on science and technology to improve competitiveness. And the study points out that the high levels of foreign ownership in Canada contribute to this situation, and that Canadian-owned firms spend 60 per cent more on research and development as a percentage of sale than foreign-owned firms.

And the reason I want to raise this with you, Mr. Chairman, and Mr. Minister, is because it has to do with the concern about free trade. And I've had a lot of examples here in the House that suggest to me that the members opposite are not familiar with the free trade agreement, the details in the free trade agreement, and are not concerned about what's going to be happening to our high-tech industries and our science and technology if we go forward with this free trade program.

The Prime Ministers advisory body on science policy has put together a report which indicates and recommends a number of initiatives which could come into conflict with the terms of the free trade agreement, and some of the initiatives are the use of government procurement to support emerging Canadian industry.

Now you've already talked about the fact that you see the need from time to time of governments having input into the firms that we've talked about. You're prepared to give more money to Joytec if they meet your criteria, whatever

they are. You've talked about SED Systems getting more money from time to time. you have accepted as part of your policy, I understand then, of government intervention in the market-place; that government grants, that taxpayers' money can go on into these firms on an ongoing basis; but that government procurement is going to be threatened by the free trade agreement, according to this report which the federal government will not release.

Targeting government funds to firms which create new technology for world markets will be threatened, accelerating the purchase of Canadian-developed high-tech products for us in Canadian industry through low-cost financing. And that's been one of the programs that your government announced they were going to do was to help our firms in Saskatchewan purchase high-tech equipment.

Now I want to know if you know about this report, Mr. Minister. It was apparently not released, but it was reported in *The Toronto Star*. Are you at all familiar with that report from the national advisory council on science policy to the Prime Minister?

Hon. Mr. Meiklejohn: — Mr. Chairman, the only comment I can make with regard to the report — we have not seen the report. We met with the Prime Minister in Saskatoon last week and had a good discussion on the biotechnology sector in that particular city and in this province. He is very involved, as you're well aware, with the science and tech movement within the country, and we are going to be having the regional conference here in Regina on May 2 and 3. Maybe we'll hear much more about the report at that time.

But I can simply point out to the member that the high-tech firms in Saskatchewan have very strongly endorsed the free trade agreement with the United States.

The committee reported progress.

The Assembly adjourned at 12:54 p.m.