

April 25, 1988

## EVENING SITTING

## COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure  
Economic Development and Tourism  
Ordinary Expenditure — Vote 45

## Item 1 (continued)

**Mr. Lautermilch:** — Before we broke for supper, I was asking some questions on Tourism, and I'd like to continue along that line if I might.

Madam Minister, as you're aware the Canada-Saskatchewan tourism agreement that was signed in 1984 is well into its five-year term. And in questioning the minister last round of estimates we were given the figures in terms of provincial and federal expenditure for the years '85-86, '86-87, and for the partial year of '87-88. I'm wondering if you could update us in terms of the expenditures made by your government to this point.

**Hon. Mrs. Duncan:** — Yes. In response to the member's question, that was the \$30 million subagreement signed with the federal government. To date we have \$13,799,136 committed, or approved I suppose; and to date of that commitment, \$6,016,757 has been expended.

**Mr. Lautermilch:** — That would suggest to me, Madam Minister, that you're going to have to make a major financial commitment in the next little while in order to come up with your 50 per cent of that \$30 million. I'm wondering what your target date is for committing or for expending that total amount, the total 50 per cent of the 30 million.

**Hon. Mrs. Duncan:** — In response to your question, presently we are under negotiations with the federal government to extend the March 31, 1989 deadline for the expenditure of that 30 million.

I should point out that this agreement that was signed was the first tourism subagreement signed by the provincial government and the federal government. Most other provinces are already on their second or third subagreements on tourism.

Unfortunately, the previous government had never negotiated an agreement of this type with the federal government. So in our first start-up years under this present agreement — the first agreement signed by the government — we are in the process of negotiating with the private sector on coming up with projects to promote tourism in the province. As I say, we are having discussions with Ottawa to extend the deadline for the first agreement, and hopefully we can get that extension, plus negotiate a second subagreement, given the things that we're looking at in the tourism sector.

**Mr. Lautermilch:** — Madam Minister, what was at one time a \$15 million commitment then is considerably less, and I'm wondering what has happened between the

estimates that we did in the last session and now — the commitment. And I was told, and I maybe want to . . . I will quote the minister's statement to me. He indicates that it's rather a curve that would peak towards the end of the agreement, and what he was indicating to the people of this province was that there was going to be a financial commitment to the \$15 million peak. Now you tell us today that in actual fact that's not the case.

I would ask, Madam Minister, in terms of negotiating a subagreement, you maybe want to do a little planning in terms of whether or not it's a five-year agreement that you can keep — unlike this one. What I'm asking you, at the end of this five years now, then what is the balance of your expenditure going to be? What is your government's commitment to tourism? What is your financial commitment to tourism in dollars and cents by the end of this five-year agreement?

**Hon. Mrs. Duncan:** — Well this subagreement with the federal government is 50-50 cost sharing — the federal government puts up 15; we put up 15. And you may shake your head like this is a boring subject. However, I can point out again, that this is the first agreement of this type ever negotiated on behalf of the citizens of our province, on behalf of the business people of our province. Other provinces are already on their second and third agreements of this type.

Previous government, I would point out, never did put much emphasis on tourism and attracting that value-added tourist dollar to our province. So in essence we are playing catch up, and we respond to private sector proposals, proposals that are brought forward by either individuals or groups of people. We assess them and enter into agreements with them. And I think the strategy that we are developing right now for Saskatchewan will go a long way in promoting Saskatchewan as a major destination point. I can only reiterate that we are — under this agreement, which ends in March of 1989 — still in the process of getting the private sector involved.

**Mr. Lautermilch:** — Madam Minister, my question wasn't whether it was going to be private or public expenditure or through co-operatives. I guess what my question was, was what your financial commitment to tourism is in this province, or are we looking at another example of a program announced that you have absolutely no intentions of keeping the commitment to?

You will have had, at the end of the 1989 deadline, five years in which to determine how you would want to make these expenditures. You had five years in order to make a longer-term plan as to how you're going to commit your government's tourism dollars to the province of Saskatchewan. And what you're showing me this evening is another example of your government's incompetence. The lack of ability to plan for \$15 million of expenditures so that you can receive another \$15 million from the federal government tells me that you still have a problem and you're not willing to admit the fact that you've got the problem of planning for the future and making a long-term plan.

You tell me in 1988, four years into the term now, that you

simply can't find the money to commit to tourism in the province — the \$15 million that the federal government committed to you on a 50-50 cost-sharing basis, and we all understand how the agreement reads. Its not a secret.

What it says is that you haven't been able to plan, and you don't in fact have the dollar-and-cents commitment. You've got the media-hype commitment to tourism, just like you had open for business and Saskatchewan Builds and every other slogan you guys have ever pulled. What it says to me is, you don't have the financial commitment, and how are you going to build tourism in this province— this your new flagship — when you're not committing your 50 per cent of that \$30 million, and you're not willing to commit it? Are you waiting for the federal government to say, yes, province of Saskatchewan, we'll put in \$3 to your 1? What are you waiting for? Why don't you make commitments and plans to spend the 15 million that you committed yourself to in '84?

**Hon. Mrs. Duncan:** — Well obviously, Mr. Chairman, the member does not understand how the process works. The provincial government, for the first time ever in the history of our province, committed to spend \$15 million on the development of tourism, tourism destination points, tourism entities. That agreement called for the federal government to also kick in \$15 million. Now he, the member, wants a definitive, precise amount that we're going to spend by the end of the agreement. Hopefully the \$15 million will be expended by the end of the program. To date we have committed approximately \$7 million to . . . which is the province's portion of that. What the member doesn't understand is that we respond to private sector initiatives in the area of tourism development.

We still have till the end of this year to accept proposals from the public, so hopefully by the termination of this program, or the present program, that \$15 million of Saskatchewan money will have been spent. We still have quite a number of months for the private sector to put in proposals.

And I would point out again that this is the first of such agreement that has been signed. And I see the former member . . . the former minister of Finance shaking his head. The previous government had 11 years — had 11 years to negotiate a tourism subagreement and they failed to do so. This administration, in their first term, 1982 to 1986, negotiated, on behalf of the people of Saskatchewan, a \$30 million tourism subagreement, 50-50 cost shared by the provincial government and the federal government. We are still receiving proposals, and hopefully we will continue to receive proposals, until the end of this year so that that spending will still go on for two years after the close of the agreement.

**Mr. Lautermilch:** — Madam Minister, don't tell me that I don't understand. I understand clearly. I understand that you haven't been able to find the money to put into tourism development that you committed yourself to in '84 — that I understand. We all understand the 50 per cent formula, so you don't need to drag that out.

And what you're doing again is smoke, and mirrors, and

hype, and maybe, and I think, and maybe, and hopefully. Well that's not good enough, Madam Minister. I want to know what specific plans you have, in terms of the expenditure, of the remaining dollars from 6 million whatever it was, to the \$15 million. I want to know where you're going to commit that money. I want to know what programs or what developments you are going to commit your government to And I'd like to know tonight because we didn't get good enough answers from your administration in the last set of estimates that we had.

And the people of this province have a right to know. They have a right to know whether you're just talking a \$30,000 figure or whether you're serious about spending your half of that 30 million. And I'm asking you tonight: what specific plans you have, what proposals. Tell the people of this province where you're going to spend the rest of that money, if you're going to spend it.

(1915)

**Hon. Mrs. Duncan:** — Well I can inform the uninformed member that no eligible project, no eligible project, under this agreement has been turned down because of lack of funds. The funds are there, and all you have to do is look at the tourism strategy which involves the Duck Lake, Fort Carlton, Batoche area in North Battleford. We would hope, we would hope that when that proposal is shared with the public that we will have more than enough applications under the subagreement.

We expect that that tourism strategy will generate enough proposals to take up the remaining portion of this agreement. But I say again, and don't distort the facts — deal in fact, not fiction — no project, proposed by the private sector, has been turned down because the funds weren't there. The funds are there. We respond to the private sector, not the other way around. We as a government aren't going to go out and initiate a project. We respond — very effectively I might add — to the proponents that come forward.

**Mr. Lautermilch:** — Well then clearly, Madam Minister, what you're saying is that the private sector has little confidence in the economy of this province, that they're not willing to invest in tourism and don't believe that you're going to carry through with your media advertising and your hype and if there are dollars available. They're not willing to invest their time and their efforts in . . . is that what you're telling me?

And, Madam Minister, what I would like as well, I'd like you to send over a list of the projects that have happened so far under this program. I'd like to know where the 6 million — I believe 6,160,000 you were telling me. I'd like to know where that has been spent to this point in time.

**Hon. Mrs. Duncan:** — I will endeavour to give . . .

**An Hon. Member:** — Go slow Joanie for me.

**Hon. Mrs. Duncan:** — Yes, I will. I'll probably have to repeat it several times until it sinks in.

**An Hon. Member:** — You can just send it over if you'd

like.

**Hon. Mrs. Duncan:** — No, I won't send it over. I'll read it into the record, so that when you go out door knocking and whatever, it's not distorted. How's that?

This agreement ends in 1989 — that is for approval of projects. After that we have two years to spend the remaining funds. At this point in time, with \$7 million approximately expended, we are on target actually. But some of the tourism agreement projects, I'll list them off: the Duck Lake museum orientation centre plans and community strategy plans; the Canadian Western Agribition; Northern Lights Resort Incorporated; the Centre Culturel Maillard; the Moose Jaw tourist destination study; the White Bear tourist and development study; the Nipawin area tourist and destination study; the Big Valley development; the Northern Lights lodge; Armstrong Hillcrest Cabins study; Youth Unlimited Wascana Marina Restaurant; New Era Holdings; Kenosee Garden; Gopherville tourist attraction.

And there's the member from Quill Lakes just chipping and chirping from his seat about studies. Yes, because the normal, intelligent business men — who is Tory, not NDP — do marketing studies, do business projections and whatever, before they jump in. I know that if 2 cents was available to the member from Quill Lakes, he'd jump in there not even asking what he had to do or whether it was viable or whatever. But the good, solid business men, of which we have literally tens of thousands in Saskatchewan, do things in such a way, come up with an idea, and then develop that idea before they proceed.

**Mr. Lautermilch:** — Madam Minister, I guess we've clearly established the fact that the \$30 million — and your share, the \$15 million commitment — is another example of an advertising scheme and a program announced with little behind it.

Let's move on to another one. I want to speak about the tourism institute, the hospitality institute, that the former minister indicated would not be brick and mortar. And that's very clear — it's not brick and mortar. If it is around, I don't know where it's housed or what it is. It sounds to me like feathers in the wind. But anyway, I would ask, Madam Minister, what kind of progress has been made in terms of that hospitality institute.

**Hon. Mrs. Duncan:** — The hospitality institute was initiated in July of 1987 and it was established as a tourism hospitality institute following consultation with the industry. Subsequent to that a steering committee was appointed in November of '87 and they went out and met with various groups throughout the province. Two weeks ago officials from my department and myself met with them and they made their final recommendations to government. Right now we are assessing those recommendations and will be considering them, presenting them to Cabinet, and an announcement will be made after that.

I think this particular steering committee really points out the difference between a Tory government and a socialist government. Socialist Governments are so elitist and

impose us that they feel that they know what's best for the masses of people.

When you look at something like the hospitality, tourism industry, it impacts on probably every person in Saskatchewan. And we took the view that rather than imposing, imposing a regime upon the total industry, because this industry had been ignored for 11 years previous to 1982, we decided that this institute would, or could, be created but we wanted input from the public, from the private sector, from those people that deliver the services in this area.

And as I said, the steering committee was appointed in November or '87, and they actually recommended the creation of a Saskatchewan hospitality council as a training, co-ordinating body as opposed to a mortar and brick thing that you could put E.I. Wood or McIntosh or C.M. Fines. You know, they don't believe that building a government building . . . (inaudible interjection) . . . that's right Kuziak, all those lovely ones, Kramer, I mean, there must be one in every town over 1,000. But their recommendation was not a mortar and brick institution, as opposed to a council that could co-ordinate all the various components, so that when a person needed information, they could be directed immediately as to where to go.

**Mr. Lautermilch:** — Madam Minister, let me take you back through the history, as we see it from this side. In 1986, prior to an election, you make an announcement of a tourism, hospitality institute. After the election is out of the way and gone, you can get on with your real agenda. You set up a study group in November of '87, and then in April of '88 when we ask you about your hospitality institute, you tell us that you've been busy consulting. You've had two years, and you're still deciding what you might do with this hospitality institute that you announced with great fanfare in '86.

And I ask you, Madam Minister, when could we expect specific proposals for the mandate, the structure, and the programming of the new institute? I'd like to know what the projected cost of the institute is, where in the department's budget are the funding for this institute, or are we to wait till 1990 or '91 when you can reannounce this phantom institute?

**Hon. Mrs. Duncan:** — It's under vote 66 — \$400,000; it is under economic diversification. But I must point out again, this is where the philosophical differences are. We believe that an institute such as this must be industry-driven, and we are there to help the industry help itself, not impose on industry — any industry — such as the NDP would.

**Mr. Lautermilch:** — I don't know, Madam Minister, where you're going. Like you want to talk . . . you want to talk philosophy and implementation of a phantom, because it's not there. And I asked you, and I'll ask you again, I want to know specifically what your proposals are for the mandate, the structure in the programming of the institute. I want to know when it's going to happen. And that's what we're asking over here. We're not talking here about how you would decide, as a government, to implement a program, or how this side might act. What

we're asking you is what you're doing now with an announcement that you made in 1986 prior to an election.

**Hon. Mrs. Duncan:** — Obviously you don't listen. I told you in my last answer it is vote 66. If you would care to open your *Estimates* book under Tourism development grants, \$400,000 of that 2 million-plus is earmarked for the hospitality council. Okay? And as I say, the first recommendation of the steering committee was not to create a mortars and brick institution, but there are better ways of delivering services rather than through a mortar and bricks institution. They, two weeks ago, presented their final report to my department. We are now in the process of developing a cabinet submission item, and after cabinet decides on how to deal with it, I can promise you, you would be the fifth one to know.

(1930)

**Mr. Lautermilch:** — One, two, three, four, five — not bad. I still haven't had my answer, but I'm still asking about the mandate and the programming for the institute. Surely you must have something in mind in terms of that. You're going to make a proposal to cabinet. Surely to goodness you're not going to walk in there with an empty piece of paper saying, well we've still got this idea about a hospitality institute. Tell me about the programming and the structure. How is it going to be delivered? Through . . . Where is it going to be delivered? By whom is it going to be delivered?

**Hon. Mrs. Duncan:** — I would reiterate that two weeks ago the final recommendations of the steering committee were presented to us. We are now in the midst of developing a cabinet agenda item. It will go to cabinet shortly. Cabinet will decide how to deal with the multitude of recommendations. I might say that the recommendations were well thought out; they were proposed by people who have hands-on experience in this particular sector, made a very valued contribution to the direction that the hospitality institute or council should go.

**Mr. Lautermilch:** — Madam Minister, if you would, I'd like to know who is on the committee, who was on your recommendation team, and I'd like to know what the cost of that particular committee has been.

**Hon. Mrs. Duncan:** — I do have the names of the members of the steering committee.

However, before that, I would like to indicate that during the 11 years of an NDP administration in this province, studies were undertaken to address the tourism hospitality training needs and nothing happened — absolutely nothing happened. Under this current administration, for one, there is a council made up of industry representatives, there are negotiations with other departments and the federal government on hospitality training needs and the costs that are associated with that. There is a provincial strategy addressing tourism and hospitality. There is a budget to address these issues. There is a budget — a \$400,000 budget in the hospitality area alone, let alone what's available in the area of tourism. And, as I said, it is industry initiated.

Now, you want the names of the board members of the . . . (inaudible interjection) . . . Now there, the former minister of Finance who couldn't add one and one throws up his hands. The member from Prince Albert-Duck Lake asked me for the names of the people on the committee. Now I will give them. And I also will give you a bit of their background so you know how competent this committee is.

Okay. The steering hospitality institute steering committee initially appointed November 3, 1987: John Remai, owner of the Ramada Renaissance, Okay, a very valued . . . Yes, and they laugh about the accomplishments of John Remai; Elizabeth Crosthwaite, assistant deputy minister, training division, Department of Education, because if the institute gets up and running and some of the recommendations come to fruition, education will play a large part in this industry; John Spicer, director of tourism development branch in my department — John Spicer. John Spicer is no longer with our department; he has taken a position in the Yukon and left about . . . In fact the last day at work was the day that the institute made their recommendations to us.

We also have Adrienne Susette, Chairman of TISASK (Tourism Industry Association of Saskatchewan) training committee — also is a business person in Saskatoon; Peter Williamson, executive director of the hotels association, an industry that has a big impact on hospitality in the province; Mrs. Peggy Takashima from Yorkton, she is the manager of the Yorkton Convention & Visitors Bureau. We also had Farouk Saleh from the college of Commerce, professor of marketing at the College of commerce, University of Saskatchewan.

**An Hon. Member:** — All Tories.

**Hon. Mrs. Duncan:** — Probably. Bob Davison, just a private business man who has business interests in Swift Current, Saskatchewan; Kathy Dawson, president of the Weyburn Chamber of Commerce, and also a business woman in that city; Voule Danakas, I'm sure you are familiar with the Danakas name her in Regina — this particular family has been deeply involved in the hospitality sector in the province for many, many years — Mrs. Dorothy Thomas, manager of Qu'Appelle Crafts Limited brought great insights to the steering committee; Mrs. Ev Mackay from La Ronge, the northern part of our province plays a key part in the hospitality sector. We had Ron Pareau, a member from Cochin, Saskatchewan, a small-business man who also brought a good insight to the committee from his point of view; Donna Braham from Tisdale, another up-and-coming business woman in Saskatchewan.

So as you can see, the make-up of the committee was very broad. We tried to hit on as many sectors as possible and from as many areas of the province as possible. I believe they met about eight or nine times as a committee and to draft the final recommendation to the department, and once we decide at cabinet what to do with the proposals, I think you will see some great things in the province.

**Mr. Lautermilch:** — Madam Minister, what did that committee cost in actual dollars and cents?

**Hon. Mrs. Duncan:** — My deputy informs me that because the final report has just been tabled with us, we don't have the final cost from the last meeting.

**Mr. Lautermilch:** — Can you give me the costs up until this time?

**Hon. Mrs. Duncan:** — We will provide that to you.

**Mr. Lautermilch:** — When?

**Hon. Mrs. Duncan:** — We could have it to you tomorrow.

**Mr. Lautermilch:** — Will you have it to me tomorrow?

**Hon. Mrs. Duncan:** — I said, we will give them to you tomorrow. Obviously you are also suffering from a hearing disability.

**Mr. Lautermilch:** — Well, Madam Minister, I want to suggest to you that I'm not suffering from a hearing problem, and I want to as well tell you, if you want to be talking about former administrations — which frankly I haven't got an awful lot of interest in — I'm more interested in what is going to be happening in this province in the future. And I want to tell you that I'm very concerned, when I see the kind of administration and the kind of government that you've been delivering, that the future may look awful bleak if you're in power much longer. We can go back to the 1930s and talk about your political party and their former record and draw parallels to your administration now, but I don't think that's what we're here for tonight.

I'd like to move on, if I could, to your . . . What I see, and what you were telling me before supper, was that there is no new initiatives in terms of economic development. What you have done is condoned everything that's happened prior to your taking over this particular department. You talked in glowing terms of the low unemployment rate in Saskatchewan, neglecting to talk about the 45,000 people who are looking for work or the numbers who have left this province because they can't find any employment opportunities here in Saskatchewan under your administration.

And if I could, I'd like to take you back, Madam Minister, to the opportunities '87 conference in Saskatchewan. I would like to know what they cost the department; and I would like to know what the immediate results might be of that particular conference.

**Hon. Mrs. Duncan:** — You asked: what is the cost to the department sponsoring the Business Opportunities Saskatchewan show in 1987. My department was the organizer and sponsor, as you probably know, of this show held in Saskatoon in September of '87. The total cost of the show was \$25,000. That's net cost, by the way.

I might say that 6,300 people participated; 85 per cent of those attending the show indicated that they would attend another one; and the show is rally organized in response to activity that we see generated in the 36,000 calls to the business centres scattered throughout the

province.

This particular show had 124 exhibitors offering a broad range of franchise, dealer, distributor, retail, manufacturing opportunities. And there were also a few exhibitors who offer a service to business, as well as a number of representatives from several communities throughout the province who were looking, you know, coming to see what areas may expand into their communities.

So when you have a show costing \$25,000 and attracting 6,300 people and 124 exhibitors, I think you would have to say it's a resounding success.

**Mr. Lautermilch:** — Madam Minister, can you tell me how many new businesses and how many new job opportunities were created as a result of that conference.

**Hon. Mrs. Duncan:** — I couldn't give you the job figure, but I could say that approximately 200 new businesses have already been started as of December of '87.

**Mr. Lautermilch:** — As a direct result of that conference, Madam Minister?

**Hon. Mrs. Duncan:** — Yes.

**Mr. Lautermilch:** — Could you give me a list of the businesses that have started as a result of that? Could you send that along to us?

**Hon. Mrs. Duncan:** — Okay. The follow-up that was done to that show was in contact with the 124 exhibitors, and my associate deputy tells me that we can pull that information together. However, we can't give it to you tomorrow, but we can get you that information as to the approximately 200 businesses that started up as a result of the show. I couldn't give you a definite time because it will take some time to pull that together.

**Mr. Lautermilch:** — Madam Minister, are you saying that you can definitively tell me that there were, as a result of that conference, 200 brand-new businesses that have started since that conference was held?

(1945)

**Hon. Mrs. Duncan:** — We will send you over the . . . a list of the 124 exhibitors who in turn were contacted by an individual or a group of individuals pursuing a business in that area. Okay?

**An Hon. Member:** — Pursuing? You said started.

**Hon. Mrs. Duncan:** — Started or pursuing in that particular area.

**Mr. Lautermilch:** — Well, now, you . . . A couple of minutes ago you tell me that there 200 businesses started and now you tell me started or pursuing. Can you give me the numbers of started and the numbers of pursuing?

**Hon. Mrs. Duncan:** — I can say that as a result of the show, approximately 200 businesses are being established or have been established in the province.

Some are pursuing it because they are pursuing financial arrangements to list that . . . start those businesses. That information we can give you. Okay?

**Mr. Lautermilch:** — Well, Madam Minister, I would suggest to you that there is an awful difference between those pursuing the opportunity to open a business and those that actually have. And what we're seeing here is just a record, everything we talk about, the hospitality institute, every other program you've announced, every conference you've had, is nothing but smoke and mirrors.

And I want to read to you, Madam Minister, what the real facts are. And I also want to suggest to you, if for a cost of 25,000 you can create 200 new businesses in this province, that you should be holding them on a weekly basis. And let me tell you why I suggest you should be holding them on a weekly basis. Because in 1986 we lost 2,234 businesses in this province that just disappeared, and we had 351 bankruptcies. In 1985, under your administration, we had 2,210 businesses close down and just disappear, and we had 302 bankruptcies. And in 1984, we had 2,045 businesses disappear and 309 bankruptcies. And in 1983, we lost 2,084 businesses and had 314 bankruptcies.

Madam Minister, that's the legacy, and that's the truth, and that's exactly what's been happening in this province under your administration. We're losing hundreds and hundreds of businesses, and you've got the audacity to stand up in this House and try and make people in this province believe that for a cost of \$25,000 for a conference you've started 200 businesses.

Madam Minister, you want to be honest with the people of this province. You want to come clean and . . . People out there know what the real record is. Those small family businesses that have locked their doors because of your administration know full well that that \$25,000 conference didn't create any 200 new businesses. And I tell you, if you've got a map of Saskatchewan, you take some blue Tory pins and you stick them on the places where these businesses have been started, and I'll want to tell you that I don't believe that there is any 200 pins sticking on that kind of a map, and I don't think even you believe that that's the case.

Madam Minister, your government has created a legacy that has been unparalleled in this province since the 1930s. And I'm thinking the people of this province hope it will never be repeated again.

I want to talk tonight about some of the figures and some of the problems that there are in this province in terms of business and the small-business community. When you start looking at the list of bankruptcies since your government took office in 1982, it's a startling condemnation of your economic policies. And you stand in this House and indicate to the people of the province that as the new minister, someone who has an opportunity to turn things around and change things, that you aren't going to do that because you're still of the old order, those that believe in the smoke and mirrors type programs and who rally don't care about the business community in this province.

You know, in 1982 we lost 280 businesses; in '83 we had 314 bankruptcies; in '84 we had 309 bankruptcies — and that's not even counting, Madam Minister, those that just closed their doors and took off to other parts of Canada and to United States because you haven't created a climate where they can make a living for their families. That's the true legacy.

I want to know: in light of these figures, in light of the number of disappearances of businesses that have been operating in this province, some of them for many decades — how does that fit in with your rhetoric and your hype and your open for business and your economic diversification and telling us prior to supper that the economy in Saskatchewan in 1987 was strong?

In 1987 we had 361 business bankruptcies, and we had . . . I haven't got the figure before me, but I'm sure we had a couple of thousand that just disappeared out of the province. I want to know: how does that square with your statements prior to supper, prior to the break, that the economy in Saskatchewan is strong?

**Hon. Mrs. Duncan:** — Well obviously this type of rhetoric, which is totally baseless, based on fiction rather than fact, has permeated this House since the last election. Now I will deal in fact rather than fiction.

And 1987 was a good year for economic performance in Saskatchewan. Unemployment rate fell from 7.3 per cent to 7.7 per cent. New capital investment in the province, one of the highest levels of capital investment in the province in the 1980s — \$4.324 billion was invested in the province in 1987. Now that isn't small change by anyone's imagination.

We find that the number of Saskatchewan-based corporations increased from 30,653 in 1986 to 31,293 in '87. We also find that the number of employer businesses registered with the workmen's compensation increased from 37,708 in 1986 to 38,081 in 1987.

Now those are facts. That's not a figment of my imagination. That is a fact. so overall, the economic performance of the province last year was fairly good.

The value of building permits in the commercial sector only, in 1987, rose by 70 per cent. We have seen major new investment in the province or major investment in expansions and corporations that are already here in the province. And to me that is a measure of the confidence in our province, and in the people of our province, to overcome some of the more adverse conditions that our farmers find themselves in.

And I will just list again the industrial projects that went on in 1987, in case you forgot them before . . . or after supper. We see the Gainers bacon plant in North Battleford — a couple of hundred jobs. We see a Canada Packers poultry processing plant in Moose Jaw . . . or in Saskatoon. we have seen expansions of Thomson Meats in Melfort; of Canada Packers in Moose Jaw. Intercontinental Packers in Saskatoon have announced, or did announce in 1987, a major, major expansion of their facility in Saskatoon. We say a Vanguard recreational vehicles plant built in North Battleford.

We've seen a liquid phosphate fertilizer plant go up in Moose Jaw. And I need not mention the largest project ever in the history of our province, the largest project in the history of western Canada, the Co-op heavy oil upgrader being built right here in Regina. we've seen expansion of the pulp mill in Prince Albert and we've seen the construction of a paper plant in Prince Albert. That is just part of the 4-plus-billion-dollar new capital investment in our province last year.

So there are ways of measuring the economy which we have. But you know the diatribe that you and your colleagues go through day after day after day — I mean, you are the kind of people that go home and pray that people go into bankruptcy. Bankruptcy for anyone — whether it's a person that's invested \$500 or \$5,000 or \$50,000 or \$500,000 in a business — bankruptcies are a tragedy for the people involved, but bankruptcies happen and they happen every year.

But we have a net increase in businesses not a net decrease. We had a net increase in the number of businesses operating in Saskatchewan last year. One of the functions of my department is to help people and advise people through the formation of business plans to help them get over the one- or two- or three-year hurdle that a new business may have.

No government, whether it's our government or whether it was your—, likes to see bankruptcies but it just makes me ill to see how you relish and wallow in other people's misery.

**Mr. Trew:** — Thank you, Mr. Chairman, with leave of the Assembly, I'd like to introduce some guests.

Leave granted.

#### INTRODUCTION OF GUESTS

**Mr. Trew:** — Thank you, Mr. Chairman. It gives me great pleasure to introduce to you, and through you to members of the assembly, 11 young men ages 11 to 14 as well as their leaders. these young men seated in the Speaker's gallery are from St. Timothy 49th Scout Troup here in Regina. I'm introducing them on behalf of John Solomon, the MLA for Regina North, but unfortunately Mr. Solomon is out of town this evening and asked me to sit. I'm sorry, I forgot the names. My apologies.

I'd like to point out the leaders are Jack Zess, Ralph Latta, Stan Rowe, and Ed Manz. I will be joining this group shortly for pictures as well as drinks in the members' dining room. Please join me in welcoming the group.

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

#### COMMITTEE OF FINANCE

##### Consolidated Fund Budgetary Expenditure Economic Development and Tourism Ordinary Expenditure — Vote 45

#### Item 1 (continued)

**Mr. Lautermilch:** — Madam Minister, let me assure you

that nobody wants to wallow in anybody else's pain. Members from this side, I'm sure, are all feeling the same.

What I would suggest to you, Madam Minister, we're trying to do here, is to point out to you the economic realities of this province as they are, not as you want to see them — not as you want to see them from behind your minister's desk. And if you want to talk numbers and figures let me talk to you about the real growth rate — the gross domestic product growth rate, 1.6 per cent in Saskatchewan in 1987. that's a record you're proud of? You're right in line with Nova Scotia, one of the have-not provinces of the Maritimes.

And let me talk to you about the number of jobs in manufacturing in this province right now. The growth rate of this province, the economic growth rate is not one that you should be very comfortable with. In terms of manufacturing, prior to 1981 there were 21,479 people employed in manufacturing in this province, and we sit with 18,166 in 1986. I ask you, does that show a healthy economy? And is that a record that you are proud of? Is that your brand of economic development, Madam Minister?

**Hon. Mrs. Duncan:** — Well, you want to talk about a have-not province — and yes, this year we are getting a transfer payment from Ottawa. But let me point out my dear colleague who keeps his head in the sand, it has been 30 years since equalization has been introduced by the federal government. In those 30 years there was only six occasions when Saskatchewan did not, and I repeat, did not — not! — receive a transfer payment from Ottawa: once under the Liberals, once under the NDP, and our of our seven years in government, under tough economic conditions, we have not received a transfer payment. And that my friend is the proof in the pudding. We manage well under difficult conditions. You didn't even manage well under good conditions.

(2000)

**Mr. Lautermilch:** — Madam Minister, let me remind you that what you inherited prior to 1982 was eleven balanced budgets and an economy that was working. And if you want to listen to the percentage of business growths that happened in those years: in '75 the percentage of business growths was 13.3; in '76, 14; in '77, 11.9; in '78, 10.5; in '79, 13.2 — percentage in terms of business growth. And what happened since you were in: '82, 3.2; '83, 4.2; '84, 3.7; '85, 3.9; '86, 4.5; and '87, 2.1. And you want to talk about a government that creates a stable economy for business to grow on.

Let me list you what's happened since you've been in government. Let me list you some of the business opportunities that have been lost in this province and some of the investments that have been lost: GWG, 150 employees in Saskatoon gone; Swertz Brothers, Weyburn, 52 people gone; Sheldon Manufacturing, 15 employees gone; August '83, Eftoda Pontiac, Buick, Yorkton, 25 people gone; September 14, '83, CIT Office Interiors, 14 people gone.

I've got pages of this stuff — pages of what's happened since you have been involved. Intercon Packers 1983,

124 people gone; Moose jaw mall scrapped '84; Bell's Dairy, Melville, 25 employees gone; Dad's Cookies — 46 years this business operated in this province — gone under your administration; Vencap Equities, the first VCC (venture Capital corporation) in Regina, down the tubes in '85; Battlefords Venture Fund Inc. in '85, gone; Prairie Industrial chemicals in Davidson, gone.

That's your record, Madam Minister, and that's what you stand up here so proud of and sanctimoniously indicate that you never had transfer payments for four years when you first go into power. Well, there's good reason why. Because there was a premier, and a cabinet, and an executive council in this province that knew how to manage a government, and that knew how to deliver balanced budgets. And they knew how to keep people employed. And you, Madam Minister, don't have any of those qualities and nor does the Premier that leads you. And I say to you that you ought to be ashamed of yourself.

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

**Mr. Lautermilch:** — I want to know, Madam Minister, how you explain the business closures that I listed. And if you'd like I can add more: Pro-Star Mills in Saskatoon, gone; CSP Foods, Nipawin; Looks Manufacturing; Patrick Pipeline; Dominion Bridge — how many more do you want? How many more do you need?

I mean, when are you going to realize that you haven't created a decent economy, a decent business climate in this province? Ask any retailer how much his retail growth has been since you guys have been in power. I tell you it's the lowest in Canada, and under your administration, it'll continue that way because what you've done is created a litany of people on social assistance and 45,000 people unemployed and thousands leaving this province to other provinces to find employment that you can't offer here.

If you want to stand up and quote the statistics in terms of the numbers of jobs you've created, you do it. But you tell those part-time employees that are working at \$4.50 an hour and working 12 and 15 and 16 hours a week that that's the kind of employment you want to see.

Your minister has got to revamp the labour legislation in here to cover the number of part-time employees that you've created. And what do you do in terms of extended store hours? Where have you been? You've got to know that that's creating more minimum wage and part-time work. And is that the kind of society — the kind of province you want? Is that the kind of climate you want in this province? Because I tell you that's what you're creating.

I want to know, Madam Minister, how you explain the number of closures of businesses, that have made money and employed people, since you guys took power. How can you explain that? I want to know, as well, what you're going to do to change it.

**Hon. Mrs. Duncan:** — Well, we'll deal in facts here. I will reiterate that a government's ability to manage is clearly a question here. And I would remind you under the boom times of the '70s when to get balanced budgets, you had

horrendous rate increases in all utilities including insurances — rates that have never been matched in the last seven years — when inflation was running at 15, 14, 16 per cent in constant dollars, things looked very, very well here.

You cannot deny that 33,000 new jobs have been created between 1982 and 1987. You cannot deny that there has been an investment program going on in our province under the program initiated by this government, the industrial incentive program. That particular program has had a major impact on manufacturing and processing. The department has paid out \$12,585,000 to date on 294 projects representing new investment of \$84 million. That in itself has created 1,770 new jobs. And that's just in the private sector. Sixty new co-operatives were incorporated in the last fiscal year — more than ever created under your administration.

You want to know where some of the success stories are? Well I will begin to read to you the number of businesses that have been created under the industrial incentive program, most of them small businesses employing 5, 10, 30 people — solid businesses, businesses that wouldn't have proceeded without an industrial incentive. We have AGC Enterprises in North Battleford; Ace Fibreglass in Saskatoon; Actionwear, Saskatoon; Ad-Ventures Ltd., Saskatoon; AgTech management employing 14 people here in Regina; Apex Graphics, 3 people; Appel Printing; Armco Holdings; Armco Elevator Saskatchewan Limited; B & D Plastics Ltd. Employing 6 people; Bailey Bros. Seeds. I mean I could go on and on and on. These are the success stories.

But there you go dwelling on the failures, and we admit there have been bankruptcies in the last six years. There have been bankruptcies in the last 20 years; there have been bankruptcies in the last 30 years; But you cannot deny the simple fact that there are 6,023 more businesses registered with the workmen's compensation at the year end 1987 versus the year end 1982. That is a fact.

Our unemployment rate continues to be amongst the lowest in Canada. We were first, lowest of all provinces for about five years in a row. We were second for two years in a row. This past year we've dropped to third, but we continually have one of the lowest, if not the lowest unemployment rate in all of Canada since 1982. And you look at what we've gone through since 1982 — low crop prices, low commodity prices, lower resource prices, a crash in oil prices, a drop in potash prices. Each one of our sectors . . . And I can go back, and in spite of those things — in spite of those things — for years, since we have become government we have not got a transfer payment from Ottawa, and that is because of good, prudent management.

I would remind you that in 1981 the present member from Regina North East, this financial guru that you have on your side, when he was minister of Finance, told the international investment community — now bearing in mind this is 1981 — that oil revenues in Saskatchewan would increase by almost 180 per cent by 1986. And what have they done? Have they increased by 180 per cent? They have decreased by 60 per cent.



He also told this illustrious group of people that potash revenues would increase by almost 220 per cent by 1986. And what have they done? Have potash revenues increased in 1986 by 220 per cent? No, they've dropped by 80 per cent.

And he also said that uranium revenues would increase by 350 per cent. Instead, they've declined by 40 per cent. And I could go on and on, but these are the type of economic predictions being made by your minister of finance and not one of them came true — not one of them, but the spending of the government were based on those predictions.

I can only reiterate we have more businesses doing business in this province than we did in 1982 when we took over. Four out of the seven years that we have been in power we have not got a transfer payment from Ottawa. Only once in 11 years that you were in power, in the supposedly boom times of the '70s, did you not get a transfer payment from Ottawa. And you supported huge increases in power, huge increases in SGI (Saskatchewan Government Insurance), huge increases in all utilities, in the area of 50, 60 per cent.

**Mr. Lautermilch:** — Madam Minister, don't embarrass yourself by comparing Finance ministers of the 1970s up until 1982 with anything you've had over there since. Please let's not get into that because I think the people understand the difference between a Finance minister who dared to balance a budget and finance ministers who dared to balance 11 consecutive ones, and your administration who hasn't balanced one since you've been in power.

And maybe we should be talking about real people here; we should be talking about the 41,000 people that are unemployed in this province. Maybe we should be talking about the kind of employment opportunities you've created, and maybe you'd want to share with us what the number of people in the labour force in Saskatchewan is right now, and how many of those are part-time jobs.

**Hon. Mrs. Duncan:** — You'll have to ask the Minister of Labour.

**Mr. Lautermilch:** — Oh, that's not good enough, Madam Minister. You're the Economic Development minister, the guru of employment, and the guru of business opportunities. If your officials have those figures, would you share them with us.

**Hon. Mrs. Duncan:** — Well, I can tell you that 33,000 new jobs have been created in the years between 1981, the end of 1981, and 1987. I can tell you that we have 6,023 more businesses registered with workmen's compensation at the end of 1987 than we did at the end of 1981, and where the jobs have come has been through the small-business sector.

Some of the names that I read to you before . . . I don't know how many are on this list but I would imagine it's in the hundreds. I think there's 500 businesses doing business in this province as a direct result of the industrial incentive program, I might add, all employing people in

their businesses, in their communities where there's large urban centres like Saskatoon, Regina, or in the Maple Creeks, or the Piapots, or the Podunks of the World.

**Mr. Lautermilch:** — Madam Minister, you should have been an entertainer because I'll tell you, you've pulled more figures out of a hat tonight than anyone would have ever believed.

Madam Minister, look at what's happened with youth unemployment in the province. In the past year, youth unemployment has increased from 13.4 to 15 per cent while the national rate dropped from 16.2 to 13.3. I mean, how do you explain this, with all this magnificent industrial and economic development that you've created? How do you explain the fact that young people are leaving this province in hordes because they can't find employment in here? I mean, if you've created some 33,000 jobs, and if those job opportunities are there and they're all well-paying and full-time employment — you're not willing to discuss whether it's part time or what kind of work it is — how do you explain these figures?

(2015)

And I want to tell you, in terms of the numbers of new businesses that have started, I can tell you where an awful lot of them came from. They came from employees of businesses that went bankrupt, that couldn't find a decent job and had to start a little business of their own and therefore registered a business which gives you a number. And I don't want you to stand in this house and deny that that is in fact the case, because my riding is no different than any other riding in this province, and I can name you dozens from my riding who have had to strike out on a small-business venture in order to support their families, and part of the reason is because you're not allowing Saskatchewan people to work in Saskatchewan. And I want you to explain that. And do you disagree with me that that's where a lot of these business openings came from?

**Hon. Mrs. Duncan:** — Well quite frankly I think that's good when people strike off on their own and start their own businesses — businesses that can stay, businesses that can flourish, businesses that may start out just with the individual but flourish and end up employing 2 or 5 or 6 people. The more people we have striking out on their own and setting up businesses that provide services that people will purchase, more power to them.

**Mr. Lautermilch:** — Well then you can maybe explain to me, as well, why a lot of them have left this province to work in other areas. We lost 4,151 in '85, 7,276 people in '86, and 9,185 people in 1987. Maybe you can explain to me why these people — if you have created such a wonderful climate in here — have had to leave this province for other jurisdictions in order to find employment.

**Hon. Mrs. Duncan:** — Well I might, in response to the member, say that Saskatchewan as a province has experienced many years — many, many years — of out-migration in the past. And the current situation, though unfortunate, is not entirely new. In fact over the past 30 years, there has only been seven years where total

net migration has been positive as opposed to out-migration. So when you look at that you have to come to the conclusion that net in-migration is the exception rather than the rule. And I might add that even in the resource-boom years of the late '70s, the province at that time saw years of net out-migration, and I might say specifically years '70-81 were a period of net interprovincial out-migration.

**Mr. Lautermilch:** — Well, Madam Minister, your own forecasts to Executive Council indicate that we're going to be losing or could stand to lose 85,000 people between now and 1995. And I would like to know: what's your vision? What is your dream in terms of your department? And what programs are you going to implement as Minister of Economic Development and Tourism in order to stop this out-migration?

The ball is in your court, and if you have the answers or if you think you have the answers, share them with the people in the province.

**Hon. Mrs. Duncan:** — Well I can tell you one area that I really am optimistic is the development that's going on in northern Saskatchewan at this time. I believe very strongly that northern Saskatchewan is poised to embark on a major boom. Any time you have potential for job creation in the resource areas, you always have an in-migration. I recall that when the Husky announcement was made some years ago, there were people coming from as far away as the Maritimes looking for jobs.

I might say that since 1982 the total labour force in our province has increased by 8.5 per cent. Since 1982, total employment has increased by about 5 per cent, so . . . You know, and here we have members from northern Saskatchewan, or near that area, do not even know, Mr. Chairman, what is going on in their area.

The exploration for gold, for platinum, for forestry products, is ongoing. It's very, very exciting, and I've met with many people from that area who are very optimistic about their future and would just as soon not listen to the doom and gloom and the praying for a failure — actually praying that things don't turn out in that area of our province.

But I can tell you, Mr. Speaker, they will be surprised when they see what actually happens in northern Saskatchewan.

**Mr. Lautermilch:** — Madam Minister, you speak in glowing terms of northern boom and how those northern citizens of this province are experiencing the positive effects of your administration. Can I ask you when the last time was that you were in the North?

**Hon. Mrs. Duncan:** — I made a visit up there, I believe it was about a month ago. I spent three days on the western side of the province, then flew over to La Loche for about a five-hour visit there at meetings with the mayors and the councils and the economic development committees. And I can tell you that they are very optimistic on what is transpiring in northern Saskatchewan, not only in the resource sector, but the potential for the tourism . . . (inaudible interjection) . . . And look at that, Mr.

Chairman, the member from Prince Albert-Duck Lake sitting in his seat chatting with the member from Quill Lakes, making fun of people in northern Saskatchewan, making fun of them because they see, they see up there the potential that they have, not only in the resource sector and the jobs that that we'll create, but they are very, very excited, Mr. Deputy Chairman, as to the impact that tourism will have on their areas. And everywhere I went, every council that I met with, they all are in the process of co-operating with other towns and villages in their regions to take advantage of the tourism boom that's coming.

**Mr. Goulet:** — Since the minister was talking about northern Saskatchewan, I will ask her a few questions in relation to the North. I think she talked about the boom. I think she used the word boom in northern Saskatchewan. Of course the Tories have been talking about a boom in northern Saskatchewan since 1982. And like I said last year, the biggest boom was in the area of the welfare system, the justice system, and so on. But we really haven't seen a boom in terms of the jobs in the North.

And I'd like to start looking at the facts about the different areas of northern Saskatchewan. And maybe the minister who now seems to be implying that she knows everything about the North after she made one quick little trip into the North a little while ago. She seems to be saying that she understands everything about the North and knows everything about the North, and so on. And there are major development projects in regards to northern Saskatchewan. So I would like to ask the minister exactly what does she know about the northern situation. And I would like to know whether or not she knows the legal aspects of agreements in relation to, let's say, the whole area of mining and in relation to even the lease agreements that are part and parcel of the economic development.

I would like to know from the minister, therefore . . . My first question is in relation to the overall aspect of employment. We well know that the unemployment rate is about 60 to 80 per cent in the different communities of northern Saskatchewan. Now it's a very important question. There are existing aspects of economic development that we have looked at in terms of the history of northern Saskatchewan, and one of them has been in relation to mining.

I would like the minister to tell me, especially in regards to the jobs aspect, what the lease agreement has to say in regards to jobs for people in northern Saskatchewan. What does the lease agreement say on Key Lake mining development corporation right now? Could the minister enlighten us about her knowledge in regards to the Key Lake lease agreement in regards of what the law says about hiring in the area of administration, and the hiring of the first-year apprentices, and the hiring of the different aspects of the lease agreement. Could the minister enlighten us on that.

**Hon. Mrs. Duncan:** — That really indicates to me how your party treats women; you hold them in extremely low esteem. And the answer to the member from Cumberland — you say, well just because I spent three days up there I know everything there is about northern Saskatchewan.

And I would be the first to admit that it's impossible for any individual, including yourself, to know everything there is to know about every situation.

We are concerned, however, with the unemployment rate in northern Saskatchewan. It's very apparent that the old DNS (department of northern Saskatchewan) really did nothing, did nothing to improve the situation in northern Saskatchewan. The high unemployment rates in any northern province, whether it's us or Manitoba or Ontario, those are things that have to be addressed. But I really believe, I really believe this — I was met very graciously. The meetings that I had with the economic development committees of the various villages that I stopped at, the meetings that I had with the mayors and their councils, there was a great deal of optimism, optimism in the sense that with some of the programs that we have initiated, with some of the strategies that we are working on, these people in northern Saskatchewan, these councils, can see the opportunities, the potential opportunities that there are for their areas.

You know, I talked to the member from Prince Albert-Duck Lake about the tourism strategy. There had never been a definitive tourism strategy in our province, but one is being developed right now and northern Saskatchewan will have a big part to play in that strategy.

(2030)

With regards to the various lease agreement that are signed with the companies that are working in northern Saskatchewan, our northern affairs secretariat does get involved in the development and the drawing up of those leases. And I must say things are improving.

The Key Lake surface agreement, I believe, has a 50 per cent northern hiring policy as part of the agreement. But those things don't happen overnight. What Key Lake has done . . . And you must, as I'm sure you're aware the Key Lake mine is a high-tech mine. They are very intent on committing, making that commitment to 50 per cent northern hiring, and they have instituted various training programs to upgrade people's skills to enable them to take advantage of being part of that sector. They went from a 27 per cent northern part of their force in 1983, to 1987, they've increased that to 29 per cent of their work-force are made up of Northerners. And they will continue to do the necessary training and upgrading to enable more and more people.

When we talked to people from Key Lake, the area that they were really concerned about was more in their inability to hire Northerners for some of the more specialized jobs. So they are instituting raining programs, and they have training programs in place that will enable Northerners to take this training so that they get those jobs.

When I look at Cluff Lake, the Cluff Lake mine, in 1983, 46 per cent of their work-force was made up of Northerners; in 1987, it's 51 per cent. So there is always progress being made in that area, and the secretariat at that I'm responsible for will continue to work with northern communities with companies, in helping develop the necessary programs to allow this development and this

upgrading to go on.

I was very, very impressed when I was in La Loche. And I mean, you said it. I mean, we spend massive amounts on social welfare, on the justice system. But that's not the answer. And the road building project at La Loche was a indirect result of the council coming to government and saying, look, there's got to be a better way. So it's just working with those communities. A simple redirection of funds does a lot of things.

You look at . . . They must have 30 diamond drilling outfits exploring northern Saskatchewan. We have three producing gold mines who are actually milling and refining gold, and that's only three of many companies that are looking. There's a potential platinum mine scheduled for there. You look at Cigar Lake — largest, richest uranium deposit in the world, and Northerners should have access to that.

You look at the area of tourism and the potential for up North. There are problems involved in it — transportation problems, money for people to put together the kind of things that can attract people up there — but I must say to the member that I was really impressed with the planning that's going on right now, with the optimism that is there, with the confidence that things will happen in northern Saskatchewan. A lot of things are happening up there. However, we must take a hard look at the serious problem of unemployment, but through development those things can be overcome.

**Mr. Goulet:** — Madam Minister, in regards to the questions in relation to the law, I think you've clearly shown that you are not following the law in relation to the Key lake agreement.

You mentioned something about the past strategies of the NDP government in relation to hiring, specifically in relation to the largest mine, which is Key lake. We well know that the figures were a lot better, hovering around 40 to 50 per cent to 55, 57 per cent hiring of people from northern Saskatchewan when the NDP government was around.

It started dropping when your government came into power in 1982. And the reason is very clear. Being a new minister in this area, you may not realize that the first thing that the minister of northern Saskatchewan did was to do away with the monitoring committee that was to check into and to make sure that the hiring rates were being followed on the Key Lake agreement and the Cluff agreement, as well; and that these affirmative action lease agreements were put in law so that there would be a commitment by the Saskatchewan government because the Saskatchewan government, people thought, would finally follow its own laws. But it was very different during the NDP era and today. There was a sharp drop from the 40, 50 per cent hiring rates. It dropped right down to about 15, 19 per cent, 21 per cent — all these figures where the law said about 50 per cent. You were hovering around 15 to 19 per cent.

In the past while you said there was an improvement. Of course there was an improvement. You had to improve from 19 per cent, but that doesn't mean you're still

following the law. You're breaking your own law. The fact is that it's hovering around 26 per cent the last time I checked, and it fluctuates in every month from about 25 to 27.

For information to the minister: I would like to provide you, in respect to the statement that you said on training, of course we need training. That has been clearly expressed. Whether you look at the initial studies that were done in relation to the mining development right from Cluff lake, from the Cluff Lake inquiry and the Key Lake inquiry, people talked about jobs and training. It's an important aspect of the overall development.

But I looked at your statements and you can talk about these booms that you've talked about since 1982 and I must remind the minister, of course people are optimistic. Every year they've been optimistic and waiting and waiting and waiting and they will continually and perpetually be optimistic. I know the people of the North. They're always optimistic about every years. But that does not mean that when they show optimism in front of you, that the stark reality of you not following the laws in regards to the Key Lake agreements and so on, is something that is not a bare fact in northern Saskatchewan. They know that the hiring that you have done in relation . . . You have not wanted to follow the laws.

I would say this in relation to the jobs aspect. You seem to say that all of the people that you talk about are either underskilled or lower skilled. Well just to give you three cases in regards to Key lake this past while. One person with a journeyman in the mechanics area was working there right from the beginning of the mine, ever since that mine operated. And that person looked for a job in a supervisory capacity. And he knew all the operations of the mine right throughout. But another person who was working in another section of the mine wanted a job, the same job. Then this person in the end result got squeezed out — a highly qualified person, somebody who got picked up by Lynn Lake immediately when he was knocked out of the Key Lake system. Somebody who was in high demand and a highly paid and skilled person was knocked out by that system. He was knocked out by a person, for example, who later on hired their own relations to be put into his job later on. To me that's one example of the fact that even the skilled people . . . I'll give you another example, from my own town. There was another person that was put into a position where he was at a higher level class of equipment operation. He was told to go and work in the mill area. He was supposed to improve, but later on he got squeezed out again. He needed the law to back him up later on, and they had to reinstate him in his previous position.

But I guess what I'm trying to show you, Madam Minister, is this, that sure, you talk about optimism. I know there's optimism for the Weyerhaeusers and for the top executives and so on. Sure there's optimism for a lot of the leaders that are there. You're not going to see leaders that are going to be pessimistic when they meet with you. They're going to be optimistic. They're going to be wishing and hoping that this year, for the first time, you will fight hard to meet up with the laws and deal with people fairly in regards to the hiring rates and the training

rates that are in Saskatchewan.

I know I've worked in the colleges system. I know the degrees of training that we have fought for throughout the years, and I know the changes that have taken place, but I also know that this problem of training has been well-known for many years.

Now I guess I would like to see the minister follow up on those laws, make sure that if the Key Lake agreement says 50 per cent in an area, 15 per cent in another area, and 10 per cent in another area, that these are met. I would like to hear from the minister. What are you going to do? What are your plans for 1988 in the light of the fact that you did away with the monitoring committee? What is the minister going to do to make sure that those hiring rates are up to par this coming year and that, indeed, the training problem that you have talked about . . . Explain to me exactly how you're going to resolve those questions.

**Hon. Mrs. Duncan:** — Mr. Chairman, I think the member from Cumberland is either misinformed or deliberately trying to mislead the House and people of Saskatchewan. He refers to the fact that under an NDP administration at Key Lake that they had 40 to 50 per cent of Northerners working in that mine. Now, that's what he said and I'll check the record tomorrow. But he said after we got in, after your government got in, that fell way off.

Well I should tell the member, you're either taking liberty with the truth or you're misinformed, because Key Lake was never in production during the times of the NDP. Key Lake came on production late 1983, late 1983 or 1984.

And there he is chirping from his seat saying, yes, there's a Cluff lake agreement. well there is a Cluff Lake agreement. No longer are they required by law to hire 50 per cent or 40 per cent or whatever of Northerners . . . (inaudible interjection) . . . There you go, he says. Deal with fact and not fiction. You people over there continually deal with fiction rather than fact.

In 1983, 46 per cent of the employees at the Cluff Lake mine were Northerners — 46 per cent, prior to that requirement being taken out. Was there a big drop in the number of Northerners hired at that mine? No. They went from 46 per cent in 1983 to a grand total . . . (inaudible interjection) . . . I'm talking about Cluff Lake — you said Cluff Lake — to a grand total of 51 per cent. And that is the type of progress that is being made across northern Saskatchewan through training programs that are instituted not only by the Department of Education or advanced education, but by training programs of the companies that are up there.

I might say that Star Lake gold mine has no statutory hiring policy in place, yet today, 35 per cent of the people working at Star Lake are Northerners, and northerners will continue to get jobs. You say, what are we going to do, what are we going to do. I'll tell you what we did. We built an institute in Prince Albert mainly to serve northern Saskatchewan, the northern institute of technology. I believe now it's called Woodland College. And they work closely with industries so that industry can tell them the type of skills they need in their workers.

(2045)

You know, when I look at the amount of investment in northern Saskatchewan through the northern economic development revolving fund — made 87 loans in 1987-88, worth \$2.6 million for northern business development. And these loans stimulated \$3 million in private investment, created 167 jobs. That's the kind of progress . . . Certainly you'd like to see it go faster and quicker, but it's there, and it will continue to be there as long as those opportunities are there. Since 1983, the revolving fund has contributed to the creation or maintenance of nearly 1,500 jobs — 1,500 employment opportunities that are new up there. It's slow, but it's there.

Two thousand five hundred jobs have been created to date under the federal-provincial NEDSA, Northern Economic Development Subsidiary Agreement. So progress is being made, and progress will continue to be made because we are listening to what these people have to say. You know, they are banding together into economic development regions and looking beyond just their village boundaries. But they are getting together and saying, well how can we collectively explore avenues for development in our area. And that's going on today, and it's going to go on tomorrow.

We have the northern advisory council that is invaluable not only to the communities of northern Saskatchewan, but invaluable to the government of Saskatchewan. So I would only say that, though progress is slow, progress is there. When you look at some of the things that have been initiated by our government in the resource sector, whether it's mining, forestry . . . I believe culture and youth or the department of parks and renewable resources are actively discussing with communities in the forestry areas how to come up with a forestry agreement that's good for everyone. When I look at the number of companies doing exploration in northern Saskatchewan, that has a potential for thousands and thousands and thousands of jobs — thousands of jobs.

Our tourism strategy has a potential to pump millions of dollars, tens of millions of dollars into northern Saskatchewan. And this is what the councils and the committees are looking at, ways to attract that. So it's not doom and gloom . . . (inaudible interjection) . . . And there's another little chirpy that came in — chirp, chirp, chirp from their seat.

There is opportunity, there is planning to be done to see that these things come to fruition and they will; I can assure you of that. The councils up there are looking with great, great interest at the La Loche project and are looking at things that can be done in their own areas under the same vein, under the New Careers Corporation.

And I tell you, in talking to them, they'd rather work together under his administration under the northern affairs secretariat than they ever did under the DNS (department of northern Saskatchewan).

**Mr. Goulet:** — Madam Minister, the point I was making is this: you've got a law that we abide by . . . You expect

everybody to abide by the law in this province. The major question I've been raising this past while is whether or not you're following the law in Key Lake. And the point we can get from you — of course you're not, you're not, you're not living up to the agreement. And I asked you how you're going to do it. You didn't give me an answer again. You always go off on a tangent. Your government always goes off on a tangent every time we want to raise a direct question in regards to how you're going to introduce something very specific and in straightforward developmental terms.

You raised the issue of training. Well, Madam Minister, on the training dollars, there was over \$6 million that was slated for having facilities development right here in northern Saskatchewan. The former minister, minister of northern Saskatchewan, first job was to take that \$6 million directly slated for northern Saskatchewan and put it into P.A. That's where the training went. We know. I asked questions last year into training — how many people were being trained in a technical institute? — and nobody knew. Because we knew from the history of the past 30 years of training that training into the North . . . Moving people from the North to the South has had only minimal success. If you want to have training strategies that are effective, you have to have them right into the north. That's why we wanted that \$6 million that you stole from the North to give to the Prince Albert area. Sure, Prince Albert benefitted from that, and that's good. But the fact remains, the record remains, and the historic record is that you took from the North and you never put it back at a same level. That \$6 million has disappeared.

When we look now at the overall question, I'm still waiting. I'm still waiting because I still don't know . . . There are so many questions I could ask that you've really flunked out on in regards to tourism. You talk about this tens of millions of dollars. Last year you threw around a figure of \$60 million. How much of it went to the North? Of course it didn't. We haven't seen it in the North. You put one person in an advisory committee from northern Saskatchewan and you call that, you know, tourist development in northern Saskatchewan. We haven't seen it.

I'd like to see . . . There's a lot of people that come up to me that want to get into tourist development that do not have the dollars to start it up. How much of that tourist dollars I geared directly to people right in the north? There's a lot of people that are looking at it.

And let's look at the question of stats that you throw at me, and the question of a Northerner. Well it used to be that the northerner definition used to be 15 years or half of your lifetime. Later on it was shifted around and of course in a legal agreement that still has to be followed.

But there's been a more recent practice where if you go to the North for six months, then you're considered a Northerner and so on. And people then start utilizing and playing around with stats from the most modern basis. And I don't know whether or not your stats, when you say Northerner, means 15 years and half of your lifetime. I know that was sort of done away with in your administration.

So the basis of statistics would not be the same from '82

to, let's say, '87, because you have changed the criteria in terms of the definition of Northerner. And besides, the essence of the affirmative action lease agreement was looking at the question of native Northerner.

Native Northerners compose 70 per cent of the population in northern Saskatchewan. And the fact remains, how many of those jobs in Key Lake are held by native Northerners? That's the question I would like to ask. And those native Northerners that are in each of those situations, from the administration level, how many native Northerners are in the administration? And how many out of the total percentage — and also in the first year apprentices — how many are native Northerners? How many are native Northerners in regards to the question of the 50 per cent rate? That's the type of thing that I would like to know.

And once you give me the stats, I would like you also to give me the information on how you intend to improve it for 1988, this coming year. You've devastated that monitoring committee that was supposed to look after that. You've knocked off the manpower secretariat that was to look after that. You've done most of these things. What mechanisms are there to improve the situation? And I also want you to tell me the exact situation of Key Lake again in regards to especially native Northerners.

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

**Hon. Mrs Duncan:** — Well, I can give you a very tangible example of what's happening. Okay? I'll start with the training programs. You seem to think that the training programs don't work. Well, we know that there's a lot of mineral exploration going on in northern Saskatchewan at this time. The La Ronge Community College brought in 30 young men — Northerners — from all over northern Saskatchewan to La Ronge to attend a diamond drilling course.

Now these 30 young men graduated with a certificate in diamond drilling and at their graduation ceremonies Coates diamond drilling company made an offer to hire all 30. Now that's one company — one company hired all 30, or made an offer to hire all 30. They made an offer. They would have hired — now I'm going to have to ask Mr. Keys, but they made an offer to hire all 30 of them.

Now if you look across Canada, in talking to rock miners, They have a big shortage of these type of skilled technicians. Now that's 30 young men from across northern Saskatchewan who took a course, upgraded their skills, received education in a course that has very good job opportunities not only in northern Saskatchewan but also right across Canada.

With regards to Key Lake, as I said, I mean you made a big production when you stood up a while ago and said that, you know, when your administration was, in, 40 to 50 per cent of the people at Key Lake were Northerners, and as soon as we formed government that that dropped right off to zip. And as I said, that is not true. You were either misinformed or deliberately misleading this House because Key Lake was not in production until late '83, early '84. And today, as these training programs go on, they have gone from 27 per cent of their work-force in '83

being northerners, to 29 per cent.

And it's a slow process. There was never opportunities in northern Saskatchewan, or very limited opportunities for many of the young people there, or even the older people, to upgrade their skills. And this is a priority of this government, to work together with those communities in providing the necessary skills to take advantage of the opportunities that are there today and that will be there tomorrow and in the future.

**Mr. Goulet:** — Just one quick question, Madam Minister. You said that you hired — 30 people were offered. I would like to . . . you know I have talked to some of those people that were offered, but they said they did not get the jobs. Everybody was indeed offered. The question that came up to me was in regards to whether or not . . . there was 15 of them that called our office and some of them didn't get paid, weren't able to come out of their community, and we had to make inquiries on their behalf. And there is no way that 30 were hired like that as you seem to imply. I want to know those names of the 30 and which company did they go get hired by — those 30 names of those, and which companies were they hired by.

**Hon. Mrs. Duncan:** — Quite frankly, I don't believe that rhetoric because when I pointed this out to you were unaware of this fact. So now you stand there and say, well 15 of them phoned me, or 16 or them phoned them. At the graduation class of these 30 young men, all of them received a letter, an offer of a job. Now whether they took it or not, I don't know. But I'm going to put you on the spot. You send me those 30 names or those 15 names of people that phoned you — young men that phoned you — and said that they weren't hired, and we will follow that up.

**Mr. Goulet:** — Madam Minister, you're raising a question in regards to calling me in terms of not telling the information correctly. I asked you very straightforward, I'm here to ask the questions, number one; you're here as a minister in charge to answer them.

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

(2100)

**Mr. Goulet:** — I would like to know, Madam Minister: of the 30 names in regards to mining development in northern Saskatchewan, I would like the 30 names, and I would like to know where they were hired? That's the question that I ask you; could you answer it, yes or no?

**Hon. Mrs. Duncan:** — you got up and you said 15 of those 30 young men phoned you and said they didn't have a job or they weren't paid. So I am going to ask you to send me those 15 names of those 15 individuals and we will follow it up for you. You are very, very good at jumping up, day after day, and saying this person, that person; this is happening, that's happening; and you never pass on names. And I'm telling you, if you don't send me those 15 or 16 names it's a figment of your imagination.

**Mr. Goulet:** — Madam Minister, you still haven't

answered my question. This is the third time I will ask you. There were 30 names that you implied were hired, and the letters were there. I would like to know what the names of those 30 people were and which companies they were hired by? That's the question that I'm asking you. And you're the minister responsible for it. What is the answer to this question? What is the answer to this question, Madam Minister?

**Hon. Mrs. Duncan:** — Thirty young men from across northern Saskatchewan were chosen to attend the La Ronge Community College which put on a diamond drilling class, a class that they got a credit for. These 30 young men came from all across northern Saskatchewan; they were housed at the friendship centre; they all received a certificate in hard-rock diamond drilling; and at their graduation all 30 of them received an offer . . . Listen to me, listen, please listen! All 30 of them received an offer of employment from one company; that company was Coates diamond drilling company. Now when I first brought that up, you were unaware of it, but you jump right up and say, well, 15 or them phoned me and said they don't have a job. So it's either a figment of your imagination, or you are again deliberately misleading this Assembly.

So I will tell you, tomorrow you send me the 15 names of young people that phoned you, and when I receive that I will send you the list of 30 names with addresses, with addresses of the 30 young men who took this course and were offered a job.

**Mr. Goulet:** — Madam Minister, there is . . . every time that we raise a question from this side of the House, you seem to be on the questioning trip. You're always wanting to find out what information in regards that we do have. Our job is not that. Our job here is to question you, Madam Minister.

You're making assumptions that I do not know, but if I give you a name, if any connection, any name from this side of the House is given to you, they will never be hired — and that's a simple fact. You knocked off a hundred people in terms of the department of northern Saskatchewan; you have knocked off everybody.

In many cases if people provide you with names from this side of the House, the worst happens to them. And there is no way that we would present you with any names from this side of the House, because every time that happens, they lose their jobs. There is enough jobs lost in northern Saskatchewan from your administration than for me to ever offer to give you any jobs.

That in fact I still want the answer to the question: how many people of those 30 were actually hired? I'm not talking about job offers. Job offers can happen to anybody any day of the week. The question is: how many were hired? How many were actually hired by the company that you say offered them a job? Although you said Coates offered them 30 jobs, how many did Coates actually hire? Tell me that, Madam Minister.

**Hon. Mrs. Duncan:** — Coates wanted to hire all 30 of them. They made a job offer to all 30 individuals to work for their company.

**An Hon. Member:** — We want an answer.

**Hon. Mrs. Duncan:** — That is the answer, but you, you, member from Cumberland, stood up and made an allegation, receiving phone calls . . . now either these 15 people are real or they're fictitious, and I can tell you, if the member from Athabasca raises a concern on behalf of an individual or a group of individuals, he passes the names on so it's dealt with.

So I again say to you: this is a fact. All 30 of those young men who graduated from that course were offered employment with the Coates diamond drilling company. Now you send me the 15 names of young men who are concerned, who have raised concerns with you. I will send you the list of 30 names of kids or young men that attended this course and graduated from this course. We will follow up on the 15. And if you don't, it's empty rhetoric, empty allegation, typical of the NDP.

**Mr. Goulet:** — Madam Minister, this is very typical of your government. Every time that we want to have a question, you never, ever, ever give us a straight answer.

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

**Mr. Goulet:** — I want the answer to the simple question I raise to you for the umpteenth time. Of those 30 people that Coates offered a job, how many of them were hired by Coates? I'm asking you a very simple, straightforward question. Do you know, or do you not know? As a minister you are supposed to know — I don't think you know. You either know or you don't know. Just give it to us straight there, Madam Minister.

**Hon. Mrs. Duncan:** — Look it, you're not going to worm your way out of this one. You either send me the names of those 15 people that you allege phoned you saying they couldn't get a job — I will follow up on each individual name. I do know that Coates diamond drilling company gave a letter of offer to every one of those 30 individuals who graduated from the La Ronge Community College after they had upgraded their skills. You send me those 15 names and I will send you the 30 that attended that college and upgraded their skills and had a job offer. But I would say, member, you didn't have one phone call.

**Mr. Goulet:** — Madam Minister, for the umpteenth time I'm asking you a simple question. You know the names of those 30 people; why would I want to send you a list of 15 out of 30? You already have the names of the 30. Then the thing that I want to know from you is whether or not you know your own business; whether or not you know that you are responsible for economic development; whether or not you know that you are responsible for people in terms of hiring in northern Saskatchewan. You give me a statistic that 30 people were offered a job by Coates. Now all I'm asking you is: how many of them were hired by Coates? How many of them were actually hired by Coates, that's what I want. I want to know, madam Minister, what it is. Come straight.

**Hon. Mrs. Duncan:** — I would suggest you come straight, but I'm going to reiterate what I said. You asked me for an example of how training works. I gave you an example.

You weren't aware of this example, but you suddenly jump up and allege that you had phone calls from 15 of these young men who didn't receive a job, and I'm telling you that this company made an offer to all 30 to hire them in their own company.

You're saying 15 didn't get a job . . . (inaudible interjection) . . . I will. Oh, and they holler from their seats, because you know you're not winning on this one, because he made a very serious statement, allegation, which is not unlike what members across do. The member from Saskatoon Centre, I believe, is famous for that, bandying about names.

I understand we're not going to finish tonight, that you want this department to come back on Wednesday afternoon. I will bring the list of 30 names, and I will pass them to you when you send me your list of 15 that you allege . . . You stand up in a very sanctimonious way, make wild accusations. I will send you the list of names with the date that they were employed, when the offer was made, the date of the offer to all 30, who was hired, the date that they were hired — but I want that list of 15 names.

**Mr. Goulet:** — Madam Minister, you talk about sanctimonious. I've never heard of such a sanctimonious display and lack of responsibility since I've been here in the legislature for a year and a half.

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

**Mr. Goulet:** — I have been asking you a question. You are responsible for jobs; you are responsible for economic development in northern Saskatchewan. You made a statement and it implied that 30 of those people were hired by Coates. I would like to know, madam Minister, how many of those people were hired by Coates. I would like to know very directly, Madam Minister. Can you be responsible and answer that question, because you are . . . You could have answered this 10 minutes ago, but you chose not to answer this question of which you are responsible for. Why don't you be responsible and give us the answer and that would resolve the issue and we would quit spending time on this issue. Why don't you just . . . And I think, Madam Minister, you are trying to bluff your way out of it. I think what we are starting to find out is that you simply don't know your own business.

**Hon. Mrs. Duncan:** — That is so ridiculous, so ridiculous. You have got yourself in a box, that you don't know how to crawl out of it. You stood up here and you made an allegation that 15 young men phoned you, saying they weren't given a job. Send me the list of that 15 and I will . . . I will send it to you. The job offer was made at a public graduation ceremony by a Coates representative. Each person was given a letter of intent, a letter to be hired. This company wanted to hire all 30 of those young men to help them in northern Saskatchewan. But I'm just . . . You know, every day one of you, or two of you, or three of you, pop up usually using a fictitious person as an example.

On Wednesday I will provide you with a list of the 30 names, the date that the offer was made to all 30 of them, the date that they commenced working. But in exchange I

want the list of the 15 and if — you know, you're going to have egg on your face — if tomorrow and Wednesday morning that 28 of them are working, or 29 of them are working, or 27 or them are working. Perhaps a few of them didn't take up the job offer. But if there's 28 or 29 of them working, you should get up and apologize for using fictitious people to make a political point.

(2115)

**Mr. Lautermilch:** — Well, Madam Minister, I would only want to say that if the member from Cumberland never shared the list with you, it would only be to save them from persecution and prosecution, the same as you've done to every other person in this province who hasn't totally agreed with your particular philosophy. People are scared throughout this province and there's no doubt about it.

Madam Minister, I want to ask you under subvote 12, estimated '88-89 payments to the Sask. Property Management Corporation, You've indicated some \$2,092,700 — '87-88, about one and one-half million, a difference of some 539 million. I'd like to know how much of this is going to be in empty office space, and if there is, how much it's costing the people of this province.

**Hon. Mrs. Duncan:** — Okay, of that extra amount 320,000 of that is for the North Portal reception building and that is a — it's under construction right now. It should be open the beginning of June. That is a one-time cost and that is cost-shared 50-50 with the federal government. We do the up front funding for that project but then we're reimbursed. Approximately 60,000 of the remaining will be used for regional office, upgrading our business resource centres, that type of thing.

**Mr. Lautermilch:** — How much of that is empty office space, Madam Minister?

**Hon. Mrs. Duncan:** — None of it is empty, except for the North portal that's under construction.

**Mr. Lautermilch:** — A further question regarding the business resource centres. I'm rather curious as to what you see for a need for the business resource centres at this time in that they have no programs to administer or deliver or inform business people in this province about. You've scrapped every program that was available to the business community in the province, and I would like to know, you know, what you see for the future of the business resource centres?

**Hon. Mrs. Duncan:** — There is a great need for the business resource centres. They're particularly popular in centres outside of Regina. Last year the 15 regional offices handled 36,000 inquiries. And some of the things that they do is they provide information on any business that a person is either thinking about going into to, an existing business they want to know what opportunities . . . expansion, whatever. So it's delivering of information.

We do some counselling with businesses. We also . . . Last year we developed 5,700 business plans, and these plans are used by business people when they're applying



to say, the subagreement on tourism, the WDO (western diversification office), to the bank, whatever. And really the objectives of the regional offices are to ensure that Saskatchewan business community is aware of the services provided throughout government, not just Economic Development and Tourism. And it's there to ensure that information is readily available and usable by small businesses. We like to ensure that Saskatchewan businesses have access to management counselling and advice, and really to ensure that concerns of small businesses are identified and brought to the attention of appropriate government officials.

In the regional office we really work as a liaison with businesses to access other departments. And I might say that since the opening of the business resource centres, activities has increased over 300 per cent.

**Mr. Lautermilch:** — Madam Minister, I have one of your kits in terms of information for the business people of Saskatchewan, and I note you've used a marketing work-book here from the Government of Manitoba. I see further underneath this \$30 package, you've got some information that you're will to share with the business community that comes from the U.S. small business administration, and are charging the people of Saskatchewan. I look on the inside and I see a full-blown picture of the former minister and a little message as part of the package, and I'm wondering if you think it's fair to be delivering this kind of political rhetoric to the business community and then charging them for it?

**Hon. Mrs. Duncan:** — Well in response to the member, the kit actually contains a lot of useful information, information that's available. It does cost the department money to reproduce that type of booklets or pamphlets or whatever you have, and the requests for that kit are very high.

**Mr. Lautermilch:** — Madam Minister, tonight we've gone through a number of different topics, and we talked about the hospitality institute that seems to be a phantom. We talked about the Canada-Saskatchewan agreement, of which you've put only half of what you had committed yourself to in 1984 — and, I might add, a big disappointment to members on this side of the house.

There seems to be another bag of feathers here that I'd like to try and tie down, and that's the entrepreneur institute that you promised last year, without any details, in last year's budget address. And then five months later . . .

**An Hon. Member:** — Another institute.

**Mr. Lautermilch:** — Oh yes, another institute and yet another study. And then in November of '87, five months later, the minister appointed an advisory council to undertake development of the institute, another advisory board. I'm wondering if you could tell me how much the cost of yet another advisory board that you've embarked upon — if you could tell what the costs of that one and who the members of that board might be.

**Hon. Mrs. Duncan:** — The entrepreneurial institute committee is made up of Al Nicholson, Ken McNabb, Elizabeth Crosthwaite, Marlow Ross, Pamela Shaheen,

Brian Larrivee, Eleanor Rock, Constance Young, Wayne Steadman, John Lalonde, Murray Hutchings, and Gordon Keats. They have had a number of meetings in Saskatoon and Regina to date with various business groups such as the chamber of commerce. They have met with officials from the University of Saskatchewan — I believe the College of Commerce. Unfortunately, right now in the province there is no entrepreneurial training available. In the area of hospitality, our technical schools do have some courses available in that area in the hospitality industry, but in the area of entrepreneurial training there is really nothing available in the province.

Very shortly the committee will be travelling to about seven communities to discuss aspects of the concept of an entrepreneurial institute, really to gauge whether the attitudes are the same, whether the approach in various parts of the province is the same. I would hope to have a final report from the committee after their travels, probably mid-June, the latter part of June. I can't give you a cost right now, but we could probably provide that tomorrow with the other one that we said we would.

**Mr. Lautermilch:** — Thank you, Madam Minister. As I said before, another no bricks and mortar institute, and we're hoping that it will be in place for the 1990 or '91 election campaign, as I have come to believe the hospitality institute will be as well.

I'd like to ask you, Madam Minister, if I might, about the industrial incentives program — and you're now fully responsible for that. I'd like to know these questions, and if you could have your officials jot them down for you: what percentage of the 10.6 million in the diversification and investment fund is to be paid out under the industrial incentives program? I'd like to know what percentage is earmarked for entirely new development programming, and I would like to know when we can expect this new programming, if there is any in the offing? If you could answer those question, Madam Minister.

(2130)

**Hon. Mrs. Duncan:** — The officials will break out those percentages and we'll get them to you — you know, it won't take long, like tomorrow or whatever.

**Mr. Lautermilch:** — Madam Minister, can you tell me, is this 10.6 million earmarked for large manufacturing, larger corporations, or what are the plans for it?

**Hon. Mrs. Duncan:** — It's a performance-based program, so size is not the underlying factor. It's the number of permanent jobs created is really the criteria. And some of the ones that I . . . Just a minute.

The program, member from Prince Albert-Duck Lake, is clearly earmarked for small businesses. And the officials say that at least 75 per cent of them, of the businesses that have qualified for the IIP (industrial incentive program), would have 10 or less employees. So the vast majority of the companies are in that small business category — 10 or less employees.

**Mr. Lautermilch:** — Madam Minister, I would ask that you would undertake to give us a list of the companies

that took advantage of the program from its beginning to the end.

I'd like to ask you, as well, about the business development grants and 3.7 that you've got earmarked for what appears, to me, small business. Because if my perceptions of these two programs are correct, and I believe they are, the industrial incentives program dealt more with the larger entities — the Pocklington's of the world. And I would like to know how much of this 3.7 is for pay-out under the old small business interest reduction program and how much is for new business programs?

**Hon. Mrs. Duncan:** — Approximately two million of that is for the small-business interest reduction plan. And I just reiterate that about 75 per cent of the companies that have taken advantage of the industrial incentive program by far are small businesses employing 10 or less people. So it is, basically — though it's a performance-driven program — it is targeted to the small-business person out there.

**Mr. Lautermilch:** — Madam Minister, you're indicating to me then that there is, instead of \$3.7 million available for business development grants, only \$1.7 million in this year's budget.

**Hon. Mrs. Duncan:** — The 1.7 million is made up of the venture capital program, the public issue assistance, northern economic development, Big Valley development, the commerce student counselling, the entrepreneurial institute. So this 1.7 is sort of direct moneys going out. And you have to understand that we have the western diversification opportunities. We still have the tourism subagreement that go to that type of development, too.

**Mr. Lautermilch:** — I think, Madam Minister, you're biting off a little more than you can chew. If you figure you can deliver realistic programs — all of those programs — with \$1.7 million, what I would say to you is that you don't have much interest in what happens in terms of small business in the province. And again, another example of smoke and mirrors. You're cleaning up an old program with \$2 million of funding, and you indicate in your estimates in the *Estimates* book that you have got \$3.7 million for small business, when in fact what you've got is \$1.7 million that you're going to have to spread as thin as silk.

And I say to you, Madam Minister, every question that we've asked you tonight, every program that you have said you've delivered . . . that you promised to deliver, has either not come in terms of — and I'll go through them again: the hospitality institute that never came, and probably never will; the entrepreneur institute that is being studied by another board and another commission. And now we look at the business development grants, and you've already spent \$2 million out of the \$3.7 million. And I ask you: how do you expect to maintain any credibility when one simple question will show that more than half of that \$3.7 million has already been spent, and isn't new money and isn't a new program and won't be a new program.

And you talk about venture capital corporations and you talk about this, that and the other thing. And what I say to you is you haven't got the funds in order to produce the programs and deliver the programs. And why, why in your estimates don't you be clean and clear with the people of the province and tell them what's happened to the \$2 million, that it's in a program that's already gone.

And I ask you, Madam Minister: why don't you be honest with the estimates? And why don't you tell the business community that under item 1, business development grants, instead of \$3.7 million you've only got \$1.7 million to spend?

**Hon. Mrs. Duncan:** — Well, obviously you haven't gone through the total *Estimates* book because there is a multitude of programs government-wide, not only in my department but government-wide, that supports small business in the province. You've got the venture capital program, the stock savings tax credit. Science and Technology supports small business through various R&D grants out of their department. The agriculture diversification fund is another one; SEDCO is another vehicle that supports small business and has had 25 successful years. Trade and investment has, I believe, 10 million in it that supports business. Rural diversification is another program that supports small business. So you're narrowly focusing on one vote in my department rather than looking across all of government to see what is available.

But I find it rather funny— you get up in a tirade on one hand and talk about the deficit, and on the other hand there's never enough. But if you look at total government spending, total government programs available to support small business, the moneys are there.

**Mr. Lautermilch:** — I believe, Madam Minister, you're missing the point. The point is that this figure of \$3.71 million is a deception. And the other point to be made is, if there was a department that would look after small business, you would have it all itemized where we could question one minister who was in charge of one department that dealt with one sector of our economy, namely small business. But that, under this government, isn't the case, and I suggest to you that it's not fair, and it's not the way you should be doing things.

So you've got under subheading 1 some \$1.7 million. I would like to know when we can expect the new programs from this, if there are any new programs in the guide-lines, and when there will be some application forms out there for the business people. And I would like as well to get verbal confirmation of a breakdown of the industrial incentives program that you indicated with a nod of the head that you would pass on to us.

**Hon. Mrs. Duncan:** — Yes, we will send you that information that you requested previously.

With regards to your last statement, that is really one of the functions of the business resource centres of which there are 15 of them scattered around Saskatchewan, to be able to direct a business person to the right department when they are looking for support or information.

So that's really one of the functions. And many of those 36,000 inquiries that were handled last year was done in that matter, you know, telling a person that there was something through the agriculture diversification fund, or go see Trade and Investment, or go contract SEDCO. So that really is a . . . We act as a liaison between all departments that provide economic development funding.

**Mr. Lautermilch:** — Madam Minister, I wasn't asking about the function of the business resource centres, because I understand clearly what their function is. What I was suggesting is that in your government reorganization, you're making it very difficult for the opposition to scrutinize your spending. We've just . . . under one subitem here — and if we wanted to drag these estimates on for two weeks, we probably could — but under one subitem we found a deception of some \$2 million. What you've put in here in terms of an expenditure, under business development grant, is actually money that you've committed previously. And I say it's an earmark of this government. And tonight, very clearly, it indicated that that's where you were at.

Madam Minister, there are other problems that your department hasn't addressed and that your department hasn't addressed and that your government hasn't addressed, and I'd like to go through a few of them. In terms of expediency, we just don't have the time that I would like to have, but there are some problems out there that your department and your government hasn't been addressing.

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And one of them, I want to suggest to you, is the matter of store hours and the effect that extended store hours and going to have on rural Saskatchewan and small businesses in small town Saskatchewan. And I say to you that you haven't thought it through clearly. Because you, on one hand, talk about keeping rural Saskatchewan alive and repopulating rural Saskatchewan, and then on the other hand you introduce legislation that will give wide open store hours in this province — and make no doubt about it that's what's going to happen — and going to make those business people those little grocers, and those people that run little confectioneries and restaurants and hotels in rural Saskatchewan, you're going to make them compete on a seven-day-a-week basis with urban Saskatchewan. And urban Saskatchewan right now is already creating problems for small-town Saskatchewan, and I say it's a problem that your government hasn't been willing to address.

What you've done is you've shifted your responsibility to the municipal Government of Saskatchewan, allowing them to dictate their own store hours, and you know full well what's going to happen. One jurisdiction will extend their hours, which will mean a neighbouring jurisdiction will have to extend their hours, which means you're going to see seven-day opening and extended hours. No matter how you look at it, that's what the end result of the legislation is going to be. And I say, instead of you being responsible to the small business community in rural Saskatchewan, you've thrust that responsibility onto the municipal Government of Saskatchewan and clearly abdicated your responsibility to make sure that those rural operations remain viable.

And while I'm talking about rural Saskatchewan, let me address your proposed liquor legislation. What in this proposed liquor legislation is going to keep viable rural hotels alive? There are dozens of them out there right now that can't afford insurance. And instead of addressing that problem, what you're hell-bent on doing is destroying SGI, the only vehicle that could develop an insurance system and an affordable insurance system for rural Saskatchewan hoteliers. But what do you do? You're putting them to the whims of the market-place and throwing it wide open. And there will be no more comparison between SGI and the private companies, and they'll be held at the whim of the market.

And what have you said about that, Madam Minister? What have you said to protect those small hoteliers? I tell you, you've said little or nothing. And what in this new Act will put more money into the pockets of rural hoteliers? Again I say, nothing. The proposal, as I understand it, is that you're offering that they can sell canned beer at half of the mark-up that they did on their bottled beer. But your answer, of course — your government's answer is to tell them that they're going to increase their growth by 100 per cent and pick up that mark-up.

Well, Madam Minister, as minister responsible for Economic Development and Tourism, you should hold yourself accountable to those small town hotels, but you don't. You talk about pie-in-the-sky hospitality institute and entrepreneurial institute — nothing concrete, no bricks and mortars, just more promises. And I say to you that it's not acceptable.

You talk about enhancing tourism and it's got opportunities to bring in tens of millions of dollars in revenue to the people of this province and the business community. And what do you do? You hold back on the road system dollars that would have kept a decent highway system in this province since 1982. And there's holes. And what do you say to your cabinet colleagues and to the Premier whom you support? And I tell you, you're missing out on that boat as well, because people aren't happy driving over your pot-holes and watching your red flags as they go mile by mile through Saskatchewan roads.

And what have you said to protect the business community from the gas tax? What have you said, Madam Minister? I haven't heard a peep from you. I haven't heard one thing about the bureaucracy that your Premier instructed his minister to design — not a word. And tell me, Madam Minister, are you convinced in your mind that the truckers and the travelling salesmen can afford that 7 cents a litre after you've heaped upon them flat taxes, and increases in business taxes, E&H tax increases, and cut-backs to every service; the drug prescription plan, a \$125 deductible? Where are they to get this money? Where are they to find these dollars?

And then you address the business tax, really address the business tax. You put \$10 million into the blue book for a reduction in the business tax, but you're asking the municipal Government of Saskatchewan to match the 10 million. Well where do they get the 10 million from? I mean, does this

10 million just fall out of the air the same way your deficit money seem to appear from? I say to you, Madam Minister, you're not speaking for the business community in Saskatchewan, and they're beginning to understand that you don't govern for Saskatchewan businesses, but that you govern for the Weyerhaeusers and the Pocklington. That's where your loyalties are, and that's where your programs have been directed.

You want to enhance tourism and bring in tens of millions of dollars of revenue, and then at the same time you increase the park fees to where they're the highest in the western world or . . . I'm sure, or least in western Saskatchewan . . . or western Canada. You increase the rates, even down to the rates for kids that are going out to take swimming lessons in the summer, and chase those people out of the park.

And you've got to know full well that rural Saskatchewan people can't afford another penny of increase because of the agricultural situation in this province. But what do I hear from the minister?

**An Hon. Member:** — Zip.

**Mr. Lautermilch:** — My colleague says, zip, and that's what I've been hearing. and I hear the same lines that were spouted by the former minister of Economic Development in the last estimates, so it tells me that, in terms of your vision of Saskatchewan, it hasn't changed from that of the minister before you, that didn't have one.

And I tell you, Madam Minister, that the people of this province are not going to accept it. The business people are going to be along with the working people, and along with the farmers, and they're going to be in 1990 or 1991, whenever your Premier gets the courage to call an election, they're going to all join together and they're going to turf you guys.

And what I want to say to you is, you're going to get a little taste of that on May 4 when the people from Saskatoon Eastview and the people from Elphinstone indicate very clearly to your candidates what they think of your economic development program.

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

**Mr. Lautermilch:** — And I tell you, Madam Minister, I want to watch the faces of your colleagues, your cabinet colleagues and your back-benchers, as two new NDP MLAs walk into this room with a message from the people of Saskatchewan.

And you can talk about Manitoba; you've been chirping about Manitoba for months as I've been in here. But I think, Mr. Deputy Premier, what's more relevant is your political future, and I'm telling you, on May 4 you're going to get a taste of what it is whenever you call that election.

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

**Mr. Lautermilch:** — And I would say to you, if your cabinet colleagues had any courage, they'd be telling the Premier of this province that he can't be tearing this

province apart as he's done. Every institution that has been built up over decades in this province, you're tearing apart, right from Sask Power to SGI, Sask Minerals — you name them.

And I think, Mr. Deputy Premier, since you seem to be interested, I say to you that on May 4 you'll be facing the voice — and a very strong voice — from people of two ridings, and one whom you haven't given a chance to speak for many months, and it's long overdue.

I want to say, Madam Minister, that the performance of your government has been a shame. And I want to say to you, as well, that what you've shown me tonight is that your performance in the Department of Economic Development and Tourism will be just as shoddy as that of your Premier and the Executive Council and the kind of government that you've delivered.

And you talk about a negative attitude. Well I tell you, Madam Minister, there's a lot of optimism on this side of the house. And I want to tell you why there's optimism on this side of the House, because people in this province have come to understand your government for what it is. They've come to understand that you're a wing of the Fraser Institute, the rip and tear and gouge organization out of B.C. They've come to understand that you'll deliver no better government than what Maggie Thatcher did in Great Britain. And I would suggest to you that they know all about your colleague, Vander Zalm, in British Columbia, and they are seeing through right-wing administrations like yours, and I say you're going to pay dearly at the polls whenever you call another election.

I want to close, Madam Minister, tonight by thanking your officials for spending this time with us — and a difficult time they've had, indeed. I think one of my other colleagues would like to ask some questions in terms of the co-operative movement and the development of that particular vehicle of our economy.

It being close to 10 o'clock, I will complete my remarks. Thank you very much.

**Hon. Mrs. Duncan:** — Mr. Chairman, a diatribe like that doesn't require a response.

The committee reported progress.

The Assembly adjourned at 9:56 p.m.