

April 27, 1988

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Mr. Mitchell: — Thank you, Mr. Speaker. I would like to introduce to you, Mr. Speaker, and through you to members of this House, 60 grade 7 students from the Fairhaven School in Saskatoon in my constituency. They're accompanied by Mrs. Nora Sutherland and Mr. Howard Sproat who are the teachers with the tour, and the chaperon is Mr. Neil Pechey. So I'd ask you to join me in welcoming these students to this house, and I'll see them later for refreshments and pictures.

Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Mr. Speaker, it gives me a great deal of pleasure this afternoon to introduce to you, and through you, on behalf of my colleague, the member for Arm river, a group of special friends of mine and students from the Hillcrest Hutterite Colony School — 16 students from grades 4 to 9. They're accompanied today by their teacher, Mrs. Laura Kroeger, and one of the parents and bus driver, Mr. Mike Wollman. I look forward to meeting with this group after question period for refreshments, and I hope that you and all members of the legislature will join me in bidding this group a very warm welcome.

Hon. Members: Hear, hear!

Mr. Trew: — Thank you, Mr. Speaker. It gives me a great deal of pleasure today to introduce to you, and through you to members of the Legislative Assembly, a group of 25 students from St. Timothy School in Argyle Park. They're seated up in the east gallery, Mr. Speaker, accompanied by their teacher, Devin Anderson. This group has a little special interest for me in that one of the students, Rebecca Wytrykush is my constituency person's eldest daughter, so please join me in welcoming this group from St. Timothy School.

Hon. Members: Hear, hear!

Mr. Saunderson: — Mr. Speaker, it's my pleasure to introduce to you, and through you to the other colleagues of the Assembly, a delegation of people from my constituency from the towns of Carrot River and Nipawin. They are seated in the west gallery. There's the mayor of the town of Carrot River, John Comer; alderman, Doug Wells, David Stanger; alderwoman, Emily Grimes; the town administrator, Duril Touet, and board of trade president, Glen McIntyre.

And from Nipawin, the mayor, Mr. Jim Taylor; alderman, Harry Moore and the economic development officer, Wayne Tebbutt. They're in town to meet with several ministers and other people here this afternoon. I hope they enjoy the afternoon here and the proceedings in the House. I'd ask everybody to welcome them, please.

Hon. Members: Hear, hear!

Mr. Upshall: — Thank you, Mr. Speaker. I'm pleased to introduce to you, and to this assembly today, a group of 7,8, and 9 students from Colonsay in my constituency, 35 in number. They are with their teacher, Barry Peters and Kim Lee-Knight, and accompanied by a chaperon, Brian Lumsden.

I will be pleased to meet with them later this day for pictures and refreshments, and I would ask the members to give them a warm welcome.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Waiting Lists at Saskatchewan Hospitals

Ms. Simard: — Thank you, Mr. Speaker. In the absence of the Minister of Health, Mr. Speaker, my question is directed to the Premier. And it relates to one of the many thousands of problems being caused by the unacceptably high waiting lists at Saskatchewan's base hospital. I am referring, Mr. Minister . . . Mr. Premier, rather, to the case of a 76-year-old woman who requires a total hip replacement. She was advised of the need for this surgery more than nine months ago, and she was initially told that her surgery would be scheduled in February of this year, but is now being told she'll have to wait until June or July.

My question to the Premier is: do you agree that this lengthy delay is unacceptable, Mr. Premier, and will you please advise the House what you will do to ensure that this woman receives her surgery as soon as possible?

Some Hon. Members: Hear, Hear!

Hon. Mr. Devine: — Mr. Speaker, I can say to the hon. member that we are aware of the fact that people do wait to have hips transplanted. In fact, one of the things that we notice most of the time is that the waiting category is in three or four specific areas, and it's in terms of cataract operations and in terms of hips. In fact, Mr. Speaker, most of the line-ups are in three or four specialty areas.

We do many of those operations on a weekly basis. In fact, the turn around time is faster than it's ever been, and I can assure the hon. member that we're doing as much as possible with respect to providing that ongoing efficiency and effectiveness so that in fact patients in the province of Saskatchewan can have their operations as quickly as possible.

I will say to the hon. member that I will take her information and I will review it with respect to finding out if there's anything particularly unique about this situation. I can understand, certainly, that there are line-ups to have hip replacements because there are literally thousands of people who are now into the new technology of hip replacements, and they are something that is very prominent in society today, particularly among senior citizens.

Ms. Simard: — Mr. Premier, the Minister of Health already has the details of this woman's particular case. Her name is Mrs. Klotz, and she lives in Unity. Last week

her daughter wrote to the local PC MLA and sent a copy to you and to the Minister of Health, and has not received a reply from the government, not even a telephone call, I'm advised, Mr. Premier.

This woman is 76 years old and she's been rendered immobile as a result of her problem. She is rapidly deteriorating. Her condition is rapidly deteriorating because she can't move, Mr. Premier. So my question is: will you agree that these delays are causing unacceptable pain and hardship to people? Will you agree to make it a priority to do away with the long, unacceptable hospital waiting list, and will you agree to personally contact this woman and look into her personal situation?

Some Hon. Members: Hear, Hear!

Hon. Mr. Devine: — Mr. Speaker, I will agree with the hon. member that it is a priority, and that's precisely why the number of operations on any time period that we're looking at are increased at a very significant rate. I would also say that I would be glad if she would give me the name of the physician so that I can review with the physician as well why and how she would rank in terms of the priorities of having her hip replaced and the various procedures.

So I would certainly say to the hon. member, with the thousands of people that are asking to have their hip replaced, the medical profession decides whose hip will be replaced first. And it isn't the Premier that decides, and it isn't the members of the legislature that should decide; it is a medical question.

If she's asking whether we're allocating a great deal of money, literally millions of dollars to reduce the waiting lines, we are, and clearly we are. Are we doing more operations? We are. So the combination of money and dedication is there.

And the medical staff, I would submit, Mr. Speaker, are the people who should decide where the individuals rank in terms of their operational procedure. So I would be glad to talk to the physician about that particular case.

Kickbacks from Companies to PC Party

Mr. Tchorzewski: — Thank you, Mr. Speaker. I have a question I want to direct to the Premier. Mr. Premier, my question to you today is straightforward, and it's particularly important in light of the fact that this is day 27 of this session and you have yet to table the *Public Accounts* for 1986-1987.

My question to you, therefore, Mr. Premier, is this: is it the policy of your government that companies which do government business or receive government contracts should make kickbacks to the Progressive Conservative Party? Will you say in this House whether that is your policy, Mr. Premier?

Some Hon. Members: Hear, Hear!

Hon. Mr. Andrew: — Mr. Speaker, the hon. member raises a question with regard to *Public Accounts*, and I assume it's arising out of the member from Regina

Victoria now attempting to use the courts, quite frankly Mr. Speaker, to do, quite frankly, the work of this Assembly and of the Speaker, and I find that somewhat improper and misguided.

With regard to the hon. member's questions with regards to — I though it was kickbacks, I can assure you that there is no kickbacks on this side of the House since we have been government. Perhaps if the hon. member wishes to wallow in kickbacks, he might look back six years ago.

Mr. Tchorzewski: — Mr. Premier, Mr. Speaker, I have a new question to Premier who speaks for government policy. Mr. Premier, I have here a letter in my hands which I am going to send over to you in a moment. It's from a Mr. Bruce Cameron, one of the organizers of the Conservative Party convention last November. The letter is addressed to Dr. Peter Matthews, president of the PC Party of Saskatchewan.

And this letter discusses financial matters from the PC convention, and it names two firms that received government contracts and do work for your political party. I want to quote, from the letter, a small section for your edification. Here's how the quote goes:

I should observe that Smail Communications gave us a \$15,000 dog and pony show for nothing, and perhaps Dome Advertising with its far greater share of the provincial advertising budget should be expected to donate the cost of this particular bill to the Party.

Now I ask you, Mr. Premier: do you condone that suggestion that there should be a kickback to the PC Party, and is that the policy of your government?

Some Hon. Members: Hear, Hear!

Hon. Mr. Devine: — Mr. Speaker, I will take the letter, and I don't condone anything of the sort. And I will be glad to look at the letter and respond to the individual with respect to the details that he alleges.

Mr. Tchorzewski: — Mr. Premier, you may not want to admit that this letter proposes a kickback — and you have it on your desk — is a kickback to the Conservative Party. My question, Mr. Speaker, is a supplementary question. I'm asking the Premier to read that letter carefully, and having read it, he will know that Dome Advertising does hundreds of thousands of dollars of business with this government every year.

And in view of the fact, this fact, Mr. Premier — in view of the fact that a PC Party official is writing to the president of your political party of Saskatchewan, the PC Party of Saskatchewan, proposing that a kickback be made to your government, to your party, and in view of the fact that you're the leader of the PC Party and your government has a solemn obligation to protect the interest of all Saskatchewan taxpayers, how do you condone that sort of political kickback which is taking place?

Some Hon. Members: Hear, Hear!

Hon. Mr. Devine: — Well I . . . You're drawing a pretty long bow, from me reading the letter here. It . . . He suggests here that there could be expected to have a donation made to the party as a result of this. It doesn't say that the party did it or the government did it or anything else. Here's an executive director of the regional library who is telling the PC Party of Saskatchewan it'd be a good idea if this group made a contribution. I didn't say that anybody gave anything to anybody. So he wrote a letter and said it'd be a good idea if you did this.

So again, I will take this and I will examine it in some detail, but on the surface what you have here is somebody who's requesting a donation — requesting a donation.

Mr. Tchorzewski: — Question. A new question to the Premier, Mr. Speaker. Mr. Premier, the letter is very clear in its intent. It clearly states that not only has one of the advertising firms which you do business done a pay-off to your party, but that another one, Dome Advertising, should do likewise.

I ask you; how can you justify giving hundreds of thousands of dollars of taxpayers' dollars to the PC Party advertising company when your own PC Party officials are putting in writing — in writing — their proposal that there should be a kickback to your party. I call that immoral, and I ask you; how can you condone that?

Some Hon. Members: Hear, Hear!

Hon. Mr. Devine: — Mr. Speaker, all the hon. member is saying . . . If I can give him what happens in party business — he never talks about his, and we don't here in the legislature — but it's no secret we had about 1,400 people out to a fund-raising dinner the other night. And we have small businesses and supporters across the province, and in fact many of them compete for contracts that you will find in government. And they did previous to our administration and they do across the country.

Now you're saying that an individual requests a donation to the PC Party of Saskatchewan because they do business with the government. Well, Mr. Speaker, I am sure that when canvassers go out and talk to businesses, they will ask them for donations. And there are literally thousands of businesses in Saskatchewan that donate to political parties and, I might say, mostly to the free enterprise party which is the PC Party.

So I mean you can't deny that businesses don't donate to the NDP; some might even do that. And certainly they do to the PCs. What you're saying here is that they're asked for a donation, and you say that's immoral in a democratic mechanism. Well, Mr. Speaker, I say to the hon. member that he's drawing along bow to say that you can't make contributions to a political party in a democratic system.

Mr. Koskie: — Thank you, Mr. Speaker. I want to also direct a question to the Premier. And the Premier has a copy of the letter, and I would ask him to note that it's written by a public servant in a government institution, a regional library, financed by taxpayers' money. It's signed in the capacity of the public servant and executive director. It's written on the letter-head of this government

institution.

But you know what, Mr. Premier? The content is not public business. It's about the PC Party's business, about political kickbacks. That's what's the content of the letter.

And so I ask you, Mr. Premier: in light of that, will you agree with this statement that this government has deteriorated and become so corrupted to such an extent that you're now running the PC Party financial affairs out of provincial libraries?

Some Hon. Members: Hear, Hear!

Hon. Mr. Devine: — Mr. Speaker, this letter says two things. This letter says, one, that we had a very successful party convention and made over \$30,000; and secondly, the person who works for the public office, Mr. Speaker, wrote the letter to the president of the PC Party on government letter-head. Now I would not recommend he do that, and I will acknowledge to the hon. member that when I write letters with respect to the PC Party, I do it on PC Party letter-head; when I write on behalf of the government, I do it on the government's. And the individual . . . I mean, I would recommend to the individuals and anybody involved in the public service, when they're doing their party work, that in fact they do it on appropriate letter-head; when they do government work, they do it on appropriate letter-head.

But the letter says: we had a very good convention, made over \$30,000 at a convention, and he's asking for donations. I mean, that's quite understandable.

Mr. Koskie: — A new question, Mr. Speaker, to the Premier. Mr. Premier, I want to make it perfectly clear that I'm not attacking the civil servant here, in the capacity of civil servant. This is not a case of a public servant undertaking political activity as a private citizen — get that clear — that I encourage, that I respect. This, sir, is a public official, paid by taxpayers' dollars, writing a letter about a PC Party finances and political kickbacks on taxpayers' expense.

So I ask you: does that unacceptable conduct by your PC Party official — which he indicates he is — represent your ideal of the public service of Saskatchewan, or does it simply demonstrate the kickbacks and the corruption of the PC Party.

Some Hon. Members: Hear, Hear!

Hon. Mr. Devine: — Mr. Speaker, as I have said probably to the hon. member before, I've spent most of my professional life in the public service, either in government or the universities, and there are very clear rules. And the clear rules are that when you're at work, you operate under the professional guise of providing the best professional input that you can, and when you're on your own time, that you can do all the political activity that you'd like to do.

And I've been afforded that luxury; I did at the university, and I would recommend others do that. So I would say to the hon. member, I would recommend to this individual, as all public employees, that when they're at work, they

deal with work, and when they're on their own time, then they can deal with the democratic system and they can be as active as they like. And that's a free democratic process.

An Hon. Member: — How do you know?

Mr. Koskie: — Well look where he's writing it from . . . (inaudible interjection) . . . Yes, sure he did.

Mr. Speaker: — Order. Order, order. Order. I don't think that the debate should be between two members.

Mr. Koskie: — I have a supplement, Mr. Speaker. Mr. Premier, let's get serious. This is a very serious matter, and you can't deny it. And what I'm asking you as a supplement: will you establish a judicial inquiry into this matter to see, to determine whether there are any criminal charges can in fact be brought; and secondly, to review the unprecedented conduct of a senior civil servant, a Tory organizer?

Some Hon. Members: Hear, Hear!

Hon. Mr. Devine: — Mr. Speaker, I will examine whether the executive director of the Wheatland Regional Library has . . . reports to a local board and has any degree of independence with respect to local government. And if he does, I will be glad to extend my recommendations to local government as well as to the provincial government and anybody else involved in the public service.

So if they have used government letter-head at the local level to write a letter with respect to a PC convention, I would say: I don't recommend that you do this; keep your professional work at the office, and if you want to go do some party work, do it at home. And I've said that before and I would continue to say it in the future.

So I will find out what the rules are with respect to regional libraries, because this individual works for the regional library, and I will report back.

Mr. Koskie: — Mr. Premier, I think you have an obligation here because this, as I said, is a very serious matter, because within the content of the letter itself it indicates I ask you either to establish a judicial inquiry, or I ask you to refer the matter to the Department of Justice, the criminal prosecution division, in order to have a further investigation into any criminal charges can be laid.

Some Hon. Members: Hear, Hear!

Hon. Mr. Devine: — Mr. Speaker, I already said to the hon. member I will review with the Wheatland Regional Library how much independence they have, and if in fact they are at arm's length from government, and if they are, I would make the similar recommendations to them that their employees practise their politics outside the office hours and not inside. And I will recommend to all levels of government that they don't use government letter-head when they're working on party activities, Mr. Speaker.

Mr. Prebble: — My question, Mr. Speaker, is to the Minister of Social Services, and it concerns your government's unfair decision to eliminate the travel allowance for the vast majority of social assistance recipients in this province.

The travel allowance, Mr. Minister, used to be the equivalent of a monthly bus pass, and its elimination is making it very difficult for social assistance recipients to travel to training courses or to do a job search or to travel to and from part-time jobs. To emphasize this concern, the group Equal Justice For All has submitted over 500 appeals to you, Mr. Minister, asking for the reinstatement of the travel allowance.

And my question to you is this: will you reconsider your unfair policy to eliminate that allowance, and will you now admit that the elimination of the travel allowance is in fact preventing people from finding work and from taking training courses?

Some Hon. Members: Hear, Hear!

Hon. Mr. Schmidt: — Well, Mr. Speaker, this change in policy was made last October, and those questions were raised in this House at that time. And I answered them at that time, and since then nothing much has changed.

I will indicate to the member opposite that at that time the reason we made the change was that there was no uniform policy and it was at the discretion of the offices in different parts of Saskatchewan. So we found that in rural Saskatchewan people were not getting travel money, and in cities, where they were closer to services, they were getting travel money.

We have now set a policy that will pay travel money in specific cases: to go to school — that includes, if necessary, to training courses; for medical travel; and for special needs where, if somebody has to go to the funeral of a relative, or special needs, we pay the costs.

In addition, we instituted welfare cheque pick-up for single employables under the age of 50 in Regina, Moose Jaw, and Prince Albert last month, and we gave them travel, a bus ticket, if they lived more than two kilometres from the cheque pick-up office. We will be doing the same in Saskatoon this month.

The reason I drew the two-kilometre line, I drew it there, was because that is the school-board's busing policy that children within the two kilometres have to get to school on their own; they're bused if they're more than two kilometres away. I'm paying travel for welfare cheque pick-up if you live more than two kilometres away from the pick-up office.

And we find that at least half — and I'll get you the exact figures — half of welfare recipients who are single employables have cars.

Mr. Prebble: — Supplementary, Mr. Speaker. Mr. Minister, instead of virtually abolishing the travel allowance in urban Saskatchewan, you should have extended it in rural Saskatchewan so that both rural and urban people had access to travel. we're only talking

Elimination of Travel Allowance To Social Assistance Recipients

about some \$20 a month, Mr. Minister.

And my question to you is, since you are supposed to be the government that is encouraging people on social assistance to find work, when you are in fact the government that is putting obstacles in their way to getting work, my question to you, Mr. Minister, is: how is someone on social assistance supposed to do a job search, or get a job interview, get to a job interview without travel assistance, Mr. Minister? How is someone supposed to keep a part-time job, Mr. Minister, if they can't get travel assistance to get to that job? Your government is creating an obstacle for social assistance recipients, Mr. Minister.

Mr. Speaker: — Order. Order. Order.

Hon. Mr. Schmidt: — As I indicated earlier, Mr. Speaker, for special needs we give special travel money. I know the instance of a woman who thought she could get a job in Edmonton; we paid her bus fare to Edmonton, and back, because she didn't get the job. But we did that because we thought she had an honest chance of getting a job at that interview. We do that in special cases, but we don't give out travel money for things other than those necessary things — school, medical, special needs.

Now the NDP, the negative democratic party, is simply opposed to welfare reform, and that's the crux of the matter here. They are opposed to welfare reform. They don't like it because they want to create dependency.

Some Hon. Members: Hear, Hear!

Mr. Prebble: — Mr. Speaker, a new question to the minister. Mr. Minister, you talk about supporting families, but your policies are designed to hurt families. You refuse, Mr. Minister, to let children take the bus to school even in winter months. You force a grade 1 child, Mr. Minister, to walk a kilometre on a cold winter day before you'll cover any bus money to get to school. A single-parent mother and her children can't even get bus transportation for grocery shopping, Mr. Minister.

Mr. Minister, you should be ashamed of yourself for denying women and children access to bus service. And my question to you is this: will you now, Mr. Minister, reinstate the travel allowance for all social assistance recipients, recognizing that access to transportation should be a basic right for every Saskatchewan resident.

Some Hon. Members: Hear, Hear!

Hon. Mr. Schmidt: — Well, Mr. Speaker, the member opposite, in his emotional frenzy, forgot to recall that we also raised the rates for adults by \$17 per month, for children by \$13 per month.

Some Hon. Members: Hear, Hear!

Hon. Mr. Schmidt: — And that the school boards set the policies on where you go to school, and that we provide special travel, and that we spend in excess of \$270,000 a year just on taxis to help people, to help in a lot of cases single mothers take their children to a babysitter's and day care so that they can get on with their education. We

are doing a lot, but we are targeting this to the people that need it the most and can benefit most from it.

And we're saying to the single employables who have time on their hands, that they can spend that time looking for jobs or else getting further training or on the job experience. So you are opposed to welfare reform; we are in favour of welfare reform. Your motion will not change my mind. We will do what is proper.

Some Hon. Members: Hear, Hear!

PRIORITY OF DEBATE

Tabling of *Public Accounts*

Mr. Tchorzewski: — Thank you, Mr. Speaker. I rise, pursuant to rule 17 of this Assembly, to seek leave to move a motion that a matter of urgent public importance now be given priority of debate.

In accordance with this rule, Mr. Speaker, I provided written notice to the Clerk of the Assembly this morning, and I also provided a copy of that notice to you. And I will just take a moment to state the issue as we are presenting it to you today.

It is the failure of the government to table in this legislature the *Public Accounts* for the years 1986-1987, despite the clear statutory obligation to do so. The legal obligation is explicit, as you will know, and is contained in section 65(3) of the Department of Finance Act.

The matter is urgent, for we are now at day 27 of this session, more than a year after the completion of the 1986-87 fiscal year, and the Assembly's Public Accounts Committee has already begun to meet.

The issue is clearly of public importance, since the *Public Accounts* detail for the members of this Assembly and the public exactly how the government has handled and spent the taxpayers' dollars.

I therefore, Mr. Speaker, seek leave to move a motion along the following lines:

That the government's failure to table the 1986-87 *Public Accounts* in the Legislative Assembly now be given priority of debate.

Some Hon. Members: Hear, Hear!

Mr. Speaker: — The notice regarding this matter proposed for priority of debate was received in the Clerk's office at 11:47 a.m. today, for which I thank the hon. member. I refer all members to rule 17(6) which states that the matter proposed for an urgent debate must be in order and of urgent public importance.

The proposed matter does not violate any of the conditions set out in rule 17(10), nor does it at this point in time conflict with the *sub judice* convention which restricts debate on matters which are before the courts.

I would also agree that the issue raised is for much public importance. The question remaining to be answered is

whether it is urgent for the Assembly to set aside its regular business to discuss this matter now.

It has been frequently ruled in this Assembly that (and I quote):

The fundamental principle underlying rule 17 was to provide an opportunity within a proper framework of parliamentary procedure, where none otherwise existed, for the immediate discussion of any matter deemed to be of such urgency and importance that all of the normal or special business of the Assembly should be put to one side in order to provide complete right of way to a discussion of one specific particular subject.

I refer all members to similar rulings in the *Journals of the Legislative Assembly* of Saskatchewan of March 6, 1974; January 13, 1976; April 13, 1977; March 13, 1978; April 8, 1980; and December 12, 1980.

As noted above, rulings on priority of debate requests have hinged on whether, in ordinary parliamentary opportunity, to debate the matter will occur shortly or in time. The failure to table the *Public Accounts* has been raised on several occasions in the past week or two, and there has been sufficient opportunity for notice to have been given and the matter to have gone on to the order paper for debate in the usual way.

In addition, the notice has failed to demonstrate the urgency of having this matter debated today as opposed to putting the matter on the order paper now for debate after the usual two days notice.

I therefore rule that while this matter is of substantial public importance, there are adequate opportunities within the normal framework of parliamentary procedure to debate the issue, and this a request to set aside all the other business of the Assembly today is denied.

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

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

Item 1 (continued)

Mr. Koenker: — Thank you, Mr. Chairperson. Ms. Minister, the first point I want to make is that this is almost reduced to an exercise in futility by virtue of not having the *Public Accounts* before us, and I think that stands as an indictment of your government that the information that is necessary for the opposition to do its job is withheld and denied, in addition to your own personal stonewalling. This opposition is owed the *Public Accounts*. Without it, it cannot hold you accountable, and that is precisely the reason why they aren't forthcoming — because you don't want to be held accountable.

None the less, even if it be an exercise in futility, I intend to ask you a number of questions with respect to your venture capital program. And I would like to know how much you intend on spending on venture capital during this next year.

Hon. Mrs. Duncan: — I can tell the member that the operating and administration for the program in 1988-89, we have budgeted \$302,900, and we have also budgeted 416,000 for grants under the venture capital.

I have to say that that is an arbitrary figure because we don't know how many applications we may have in this year.

Mr. Koenker: — I'm sorry, due to a background noise I didn't catch . . . the \$416,000 is for what?

Hon. Mrs. Duncan: — The 416,000 would be for grants that would go to pension funds who may invest in a venture capital corporation. And as I said, that is an arbitrary figure because we don't know how many pension funds may invest. But that's our best calculation.

Mr. Koenker: — What was that figure for pension fund investment and the grants that were given to cover that for last year?

Hon. Mrs. Duncan: — Last year we had budgeted 750,000 for grants to pension funds. However, none of that 750,000 was taken up.

Mr. Koenker: — If I understand the figures correctly from two years ago, the corresponding figure for pension fund investment with grants given under the venture capital program would have been in the vicinity of some \$3 million. And correct me if I'm mistaken in that, but I'd like to know how you can explain that two years ago it would have been in the neighbourhood of \$3 million, last year nothing was paid out, and why it is do you expect to pay nothing out this year?

(1445)

Hon. Mrs. Duncan: — In 1986-87 the total grants paid to pension fund investors was \$1,260,000, and in 1987-88 grants paid to pension fund investors was a million and a half dollars.

Mr. Koenker: — If I understand correctly then, I thought I had heard you say earlier that last year you had allocated 750,000, but that nothing was paid out. And now I understand . . . Do you want to clarify?

Hon. Mrs. Duncan: — Yes. Okay, in '85-86, grants paid to pension fund investors was 1.26 million, and in '86-87, grants paid to pension fund investors was one and a half million. And last year we had budgeted \$750,000 and there was no take up on that, meaning that pension funds didn't invest in VCCs (venture capital corporations) last year.

Mr. Koenker: — And that, I presume, is why you've reduced the figure for this year to 416,000. And where does that figure of 416,000 appear in the *Estimates* book?

Hon. Mrs. Duncan: — It's business and development grants, vote 66.

Mr. Koenker: — Okay, can you tell me why it is then that under the venture capital branch, operating and administration expenditures, you're increasing spending by some \$76,000 over last year for the administration of this venture capital plan at a time when last year you had no grants given to pension fund investments, and this year you're reducing your expectations in terms of the tax credits that will be issued under the venture capital by more than half? In other words, the program seems to be winding down, if any thing, by far more than half over the previous year, and yet expenditure continues to climb. How can you explain that?

Hon. Mrs. Duncan: — To the hon. member, the funds are required to have independent audits performed on the selected venture capital corporations and eligible small businesses. And though the program may be winding down or not, from the pension investment point of view there were 36 new venture capital corporations established in 1987-88, bringing that total to 150. So we do selective audits on those. So the work-load actually hasn't gone down just because the pension funds haven't invested. There are other VCCs being established.

Mr. Koenker: — Is it safe to assume then that you are doing more auditing than you have done in the past?

Hon. Mrs. Duncan: — Yes. Well we're doing more auditing because there are more venture capital corporations out there. Take, say, the example in the first year, there would have just been, say, 12 created. So that year we would have had 12 audits, six audits, whatever. So the next year following, you add another 12, so you've got 24 firms to deal with. So it just keeps going up.

And as I said last year, there were 36 new corporations formed for a total of 151 which still have to be audited.

Mr. Koenker: — Could you give me the total number of venture capital firms that were created for each of the years since the program has begun?

Hon. Mrs. Duncan: — To the member, in the first year of the program, '84-85, there was six venture capital corporations established; '85-86, there was 46 established; '86-87, there were 60 new venture capital corporations established, and last year, as I stated, there was 36 new corporations established under that program.

Mr. Koenker: — How many audits were conducted last year?

Hon. Mrs. Duncan: — Last year 12 of the large venture capital corporations were audited by outside independent firms, and the department monitored all the others.

I should point out that one of the requirements under the venture capital program is that 40 per cent of their moneys be invested within the first 18 months, and an additional 30 per cent be invested in the next 30 months, or up to the 30 months. So these are the type of things we're auditing for.

Mr. Koenker: — How is it that you anticipate reduced tax expenditures this year, down to \$5 million under the venture capital tax credit, as opposed to last year when you anticipated tax expenditure of \$12 million?

Hon. Mrs. Duncan: — That was put in by Finance as a limit on the program, meaning that if we reach that \$5 million we'll have to go back to Finance. And it's a way of keeping track of costs to government.

Mr. Koenker: — It may be a way of keeping track of costs to government, but it also would seem to reflect a commitment to this particular program on the part of the government. Would you not agree?

Hon. Mrs. Duncan: — The \$5 million is by no way meant to limit the activity within the venture capital program, because it's been a very good vehicle, particularly in smaller centres, to raise the type of equity capital needed to establish new businesses. But as I've said, it's just a constraint put on us by Finance so that it's monitored for the whole year. As I said, this no way means that if we get to the 5 million that that's cut off right there. It just means it's an easier way for government to assess costs to the department. We would have to go back to Finance after that for more funds.

Mr. Koenker: — What is the figure for the tax expenditures that were credited against the venture capital program for last year?

Hon. Mrs. Duncan: — Two point eight million, approximately 30 per cent — 2.8 million.

Mr. Koenker: — Just so that I understand, let me clarify things. Last year 12 million . . . it was estimated that 12 million in tax credits would be required as expenditures . . . the tax expenditures of 12 million, I should say, and in fact only 2.8 million was spent. Is that correct?

Hon. Mrs. Duncan: — No. Last year in '87-88 with the 36 venture capital corporations that were set up, it had an investment pool of approximately 9 million, of which about 2.8 of that was for tax credits.

Mr. Koenker: — And yet the Department of Finance had estimated that the tax exemptions, or expenditures rather, that the tax expenditures would be 12 million. Is that not correct?

Hon. Mrs. Duncan: — That 12 million refers to other programs besides the venture capital corporation. There's the livestock tax credit plan, the stock savings plan, there's other plans. I think the 12 million is the total tax credits given . . . or non-budgetary expenditures.

Mr. Koenker: — Well looking at the budget address for last year, that's not what it appears to say. It appears to say that the total for the venture capital tax credit is 12 million; that the livestock investment tax credit is 6 million; that the livestock facilities tax credit is 2 million; that the stock savings tax credit is 3 million, and that the labour-sponsored venture capital tax credit is half a million.

So what I'm asking is whether or not the Department of Finance did in fact estimate that they would have tax expenditures of \$12 million for your venture capital tax program and in fact only issued tax expenditures to the tune of 2.8 million? Is that not the case?

(1500)

Hon. Mrs. Duncan: — I don't have last year's budget address here. Now I'm going to go off the top of my head. The 12 million that they're referring to may be a projection of the investment in the venture capital corporation. I've asked for last year's budget speech to see if that is in fact correct.

If it is correct that Finance was forecasting that there would be approximately \$12 million invested in venture capital corporation program . . . Last year approximately 9 million was invested in the program, resulting in about 2.8 million in tax credits.

Mr. Koenker: — Madam Minister, we are talking about the tax expenditures, not the amount of investment in the venture capital tax program. We're talking about the tax expenditures estimated by the Department of Finance on page 59 of last year's budget address, and surely to heaven your officials must have that. And it seems to indicate very clearly that there is a tax expenditure calculated by the Department of Finance for venture capital tax credit of \$12 million. Will you not agree?

Hon. Mrs. Duncan: — No, I'm not going to agree until I see it, and if you are quoting from the budget speech on the tax side, you should be directing the question to the Minister of Finance.

I'm telling you that last year, under the venture capital program, there was 36 new venture capital corporations created with a capital equity of approximately \$9 million, which resulted in tax credits of approximately 2.8 million.

Mr. Koenker: — Are you telling me, Madam Minister, that your officials do not have the figure for the Department of Finance tax expenditures last year, with them at the present time?

Hon. Mrs. Duncan: — Don't be so insulting. We are dealing with this year's budget, not last year's budget . . .

An Hon. Member: — You are being insulting.

Hon. Mrs. Duncan: — . . . and I am attempting to answer your questions, if you don't mind.

Mr. Shillington: — Madam Minister, I want to respond to that comment about being insulting. You are being insulting, coming here for your estimates ill-prepared. I just cannot believe that your officials do not have this information with them; and if they don't, then, Madam Minister, you ought to adjourn these estimates and we'll come back another day when you're prepared. It is you who is insulting the Assembly.

Hon. Mrs. Duncan: — Okay. On page 59 of the budget address of June 1987, the Saskatchewan tax incentives

programs, the VCC tax credit, \$12 million — that is a forecast. That's a forecast, and they forecast to the best of their ability. And probably, based on the growth of the program over the previous two years or since its inception, perhaps Finance was expecting in an investment pool of approximately \$36 million. However, if you recall, there was a downturn, or there was a crash in the stock market which perhaps scared off some potential investors.

But I'm saying that for '87-88 the actual investment in the program amounted to \$9 million, resulting in a \$2.8 million tax credit. But I would say that the 12 million is based on previous year's results of the program where you had almost 34 million invested in one year, 33 million in another year, and these are our forecast. And I would imagine they expected the investment last year to be in the area of 36, but it didn't happen.

Mr. Koenker: — Well, Madam Minister, what we have just seen is an example, and a very good one, of how your Minister of Finance plays with the public's figures and the budgetary process to artificially inflate his estimates, or maybe we shall say "guesstimates," as to what the deficit is going to be. So that at the end of the year he can very handily come back and say, look at how well we've done to estimate the \$12 million in tax expenditures are going to be issued under the venture capital program, and then to be out by some 9 or \$10 million is really plain reckless — either that or being very incompetent, on the part of the Minister of Finance.

And we see here very clearly how it is that he can stand in this Assembly, not more than a month ago, and crow about how much he's reduced the anticipated deficit. Well sure he can reduce it if he plays with numbers like he has here. Will you not agree that that is the case?

Hon. Mrs. Duncan: — No, I won't agree that that is the case, because if you look at the program since its inception, I would say that, based on the performance of the program that the projection of raising 36 to \$40 million last year was not an unreasonable figure. Because of circumstances — a bit of a downturn in the economy, the crash of the stock market — the venture capital corporation program did not achieve that level of investment last year. But given the performance of the program since its inception, it could have.

Mr. Koenker: — Well since we're into this now, perhaps we ought to go a little bit further. And I'd ask you to provide the figures for each of the years since the inception of this program for the investment pool raised and the venture capital tax expenditures for each of the years, and then we'll see whether or not the minister is playing with figures.

Hon. Mrs. Duncan: — In the first year of the program there was, 1984-85, approximately 1.2 million was invested initially in the program; 1985-86, there were 46 venture capital corporations established. There was 33.9 million invested, 11.3 million was tax credit, less the 1.2 million which went to the pension fund . . . grants to pension fund investors; '86-87, there were 60 venture capital corporations established for a net pool of \$32.9 million raised. Of that, approximately 11 was for tax

credits, less the one and a half million which would have went to a grant to the pension fund investors. This year we have 9 million . . . or '87-88 is 9 million raised; approximately 3 million — 2.8 for tax credits — and there was no grants to pension funds in that fiscal year.

Mr. Koenker: — And based on your experience with the department, what do you project then for this coming year?

Hon. Mrs. Duncan: — Okay. This year we expect a slight improvement maybe in the 11 — eleven and a half — \$12 million range of investments. Probably an improvement over last year.

Mr. Koenker: — What is the mortality rate for investment for venture capital firms?

Hon. Mrs. Duncan: — Since the program was brought in, eight venture capital corporations have been deregistered.

Mr. Koenker: — Can you get . . . could the minister give me the names of those venture capital companies that have been deregistered?

Hon. Mrs. Duncan: — Of the eight venture capital corporations that have been deregistered, three were deregistered voluntarily and five were deregistered because of bankruptcy, and we will send you a list of the names of the eight venture capital corporations.

Mr. Koenker: — When might I expect to receive the names of those eight venture capital corporations that have been deregistered?

Hon. Mrs. Duncan: — Within a few days.

Mr. Koenker: — It appears obvious that the minister has those names in front of her right now. Would the minister read them to us now, rather than just go through the unnecessary trouble of supplying them down the road?

Hon. Mrs. Duncan: — Yes, I'll read them. The three that voluntarily were deregistered was the Meadow Lake and District Venture Capital Corporation, HDSZPFB Investments Ltd . . .

An Hon. Member: — What number?

Hon. Mrs. Duncan: — No number. Venture 2000 Corp. — now those three were voluntarily deregistered. The five companies that suffered financial bankruptcy were StrataFrac Venture Fund Inc., Agro Equities Limited, Tyner Valley Venture Capital Corporation, Balcarres Community Development Corporation, and Valley Venture Capital Corporation.

(1515)

Mr. Koenker: — Is the Ambrosia Venture Fund still operative?

Hon. Mrs. Duncan: — With regards to the company named, based on affidavits filed with the department, it initially was registered as a venture capital corporation.

However, subsequent investigations by our department and a hearing by the Securities Commission indicated that the requirements of the program had not been met, and therefore it really was not a venture capital corporation.

Mr. Koenker: — So you're telling me that Ambrosia Foods . . . the Ambrosia venture fund was not in fact a venture capital corporation. Is that what you're telling me?

Hon. Mrs. Duncan: — The venture capital corporation had never had a closing, therefore they could not invest into Ambrosia Foods.

An Hon. Member: — Run that by me again.

Hon. Mrs. Duncan: — The venture capital corporation never had a closing of their share issue, therefore they could not invest into Ambrosia Foods.

Mr. Koenker: — I want to make sure I understand what you're saying. You're saying that the venture capital corporation never had a closing of the share issue — therefore, what?

Hon. Mrs. Duncan: — I could tell the member that the moneys that were raised by the venture capital corporation, because the Securities Commission ruled — and that money has to be held in trust and must be held in trust until the closing date of the offering — the Securities Commission ruled that there had in fact not been a closing date, therefore the money could not go into the venture capital investment.

I would say, as I'm sure the member is aware, there is an investigation going on at this time into this matter, so I would prefer not to say any more on this matter.

Mr. Koenker: — I'm not sure that I understand. Maybe just to clarify again: were there venture capital tax credits issued with respect to Ambrosia venture fund? Did the Government of Saskatchewan issue venture . . . tax expenditures — the 30 per cent tax credit — to those people who invested in the Ambrosia venture fund?

My question is, Madam Minister, did the Government of Saskatchewan issue tax expenditures, or in other words the 30 per cent tax credit, to people who had invested in Ambrosia venture fund?

Hon. Mrs. Duncan: — Yes, there was approximately 200,000 issued in tax credits. All the individuals have been notified that it was an ineligible program and that the tax credits will have to be paid back. However — well, it would be 30 per cent of the 200,000 would have been issued as tax credits — however, no action will be taken pending the outcome of the investigation that's going on at this time.

Mr. Koenker: — Well, you indicated that the money that was raised was held — is being held in trust, is that correct?

Hon. Mrs. Duncan: — The moneys that are raised by any venture capital are to be held in trust for a certain period

of time until they reach the amount that they are targeting for, okay, whether it's this one or any other venture capital, when you're soliciting money from the public.

Mr. Koenker: — So those people who invested in the Ambrosia venture fund and received the tax credit which they're now required to pay back, have they — are they able to recoup their investment from the trust fund that was established?

Hon. Mrs. Duncan: — That's what the investigation is trying to determine.

Mr. Koenker: — And why wouldn't they be able to recoup that investment if the funds are being held in trust?

Hon. Mrs. Duncan: — I can't say anything more about it except that that is an essential part of the investigation by the RCMP as to the use of those trust funds.

Mr. Koenker: — Who is holding the funds in trust, Madam Minister?

Hon. Mrs. Duncan: — I can just tell you that the disposition of the funds held in trust is at the centre of this investigation, and that's all the information I can give on this matter.

Mr. Koenker: — Well surely you must know, Madam Minister, who is holding the funds in trust.

Hon. Mrs. Duncan: — As I stated, that's what the investigation is about, and until the investigation is complete, I can't say any more.

Mr. Koenker: — What is the role of your department, Madam Minister, with respect to the protection of investors and how funds are in fact held in trust on their behalf? What is your responsibility as the minister responsible for the administration of the venture capital fund in a matter like this?

Hon. Mrs. Duncan: — I can tell the member that the venture capital corporation regulations are under my department — the implementation of the program, helping people set these up — but the actual raising of public moneys through share offerings are under the regulations of the Securities Commission. And once it's vetted there and approved, then the portion that we are concerned about is whether or not the regulations as to the disposition of those funds are correct — such as the 40 per cent in the first 18 months, and another 30 per cent invested within the 30-month period. So the investigation is the result of concerns raised by us and the Securities Commission.

Mr. Koenker: — You indicated earlier that you anticipate doing more auditing this year than you have in the past. Does your auditing of the venture capital programs include an audit of those funds that are being held in trust?

Hon. Mrs. Duncan: — Yes, we audit, firstly, to see whether the 30 per cent requirement of holding 30 per cent of the fund in trust, is one of the things we look at. We also look to see whether or not the 40 and 30 per cent have been invested in the proper categories.

(1530)

Mr. Koenker: — Well if your department is responsible for those 30 per cent of the funds that are being held in trust, and if your department issued the 30 per cent tax credit with respect to Ambrosia venture fund, how is it that they now find the investors, who in invested in that fund, now find themselves holding an empty bag. How can that possibly be?

Hon. Mrs. Duncan: — It was an audit done by personnel in the department that uncovered potential irregularities which were than reported to the Securities Commission for further investigation.

Mr. Tchorzewski: — Thank you. Madam Minister, I just have a couple of questions which come from the discussion that I have just been listening to. Can you clarify for the House what the nature and the purpose of this investigation is? Can you, with some precision, tell the House about this investigation?

Hon. Mrs. Duncan: — It's a fraud investigation by the RCMP.

Mr. Tchorzewski: — Madam Minister, am I correct that I heard you say earlier, moments ago, that your department is responsible for assuring that the funds are held in trust? Do you oversee it?

Hon. Mrs. Duncan: — The venture capital program works on this basis: 30 per cent of the total funds raised must be held in trust. Okay? And this 30 per cent is released on a *pro rata* basis on investment in eligible small businesses, so that once the 70 per cent investment in eligible small businesses has been met, then that 30 per cent that's to be held in trust is released.

But initially when the corporation is set up, 30 per cent of a hundred thousand or a million — whatever they're raising — must be held in trust. And as the venture capital corporation invests in these eligible businesses, this 30 per cent is released on a *pro rata* basis. And once 70 per cent of all the funds are invested, then this 30 per cent in trust is released.

Mr. Tchorzewski: — Thank you, Madam Minister. So you are saying, therefore, that your department is responsible for overseeing this trust to make sure that it is in fact being looked after and that it is put wherever it ought to be put — it is a responsibility of your department.

Hon. Mrs. Duncan: — That's correct.

Mr. Tchorzewski: — Madam Minister, then why are you not able, if that's correct — your department is responsible; you oversee it — why are you not able to tell the House who is holding the funds in trust? If you are not able to tell the House that, then somebody has been irresponsible.

Hon. Mrs. Duncan: — Okay, with regards to this particular corporation, the department received sworn affidavits that the money was there and had been raised.

We also received legal confirmation that the 30 per cent that was to be held in trust was held in trust, and so that when the department received the investment documents which indicated investment in an eligible small business, that 30 per cent of the trust fund was released.

Mr. Tchorzewski: — I hear what you're saying. Now will you finish the rest of the answer and tell us where it was being held in trust?

Hon. Mrs. Duncan: — It has been held in a solicitor's trust.

Mr. Tchorzewski: — Well it may have been, according to the way this thing had developed, member from Regina South; it may well have been held in a shoe box somewhere. Either that or somebody who was supposed to be overseeing it didn't quite oversee it adequately.

Now you're saying, Madam Minister, that there were sworn affidavits saying that the money indeed was there, and you took it at face value without any checking.

Hon. Mrs. Duncan: — As I said, the documents received by the department were sworn affidavits, sworn in front of a commissioner of oath. We received legal confirmation that the 30 per cent was being held in trust. We also received the necessary investment documents which indicated that the investment had been made to the allowable limit, and the trust fund was released.

It was after this that some irregularities occurred and that an investigation was asked for. And the crux of the matter is the sworn affidavits and the holding of the trust moneys in the solicitor's account. This is what the investigation is all about. And as I said, it's being conducted by the RCMP fraud squad.

Mr. Tchorzewski: — Madam Minister, in other words you are — if I am correct in hearing what you're saying — is that you're investigating whether in fact the sworn affidavits involved fraudulent statements. Am I correct?

Hon. Mrs. Duncan: — That's what I've been saying all along.

Mr. Tchorzewski: — When did this investigation begin?

Hon. Mrs. Duncan: — This VCC was registered December 31, 1986. In February of 1987 we did an internal VCC audit which prompted the city police of Saskatoon to conduct an investigation of their own, and upon completion of their investigation they turned it over to the RCMP for further investigation.

Mr. Rolfes: — Thank you, Mr. Chairman. Madam Minister, I stand to be corrected, but the date you gave me was December 6. Was that the date you started your investigation?

Hon. Mrs. Duncan: — February, it was during February.

Mr. Rolfes: — Okay. On what was December 6, 1986?

Hon. Mrs. Duncan: — 31st, '86, they were registered.

Mr. Rolfes: — All right, Madam, that's what I thought you had said. They were registered on December 31, 1986. My understanding is that Gerry Halischuk, who is a lawyer with the commission — is that correct? Or was? All right. My understanding is . . . let me just read to you from the *Leader-Post*, Friday, September 25:

Gerry Halischuk told a commission at a hearing Thursday, Ambrosia Venture Corporation didn't raise the minimum amount of investments required before it closed its share offering last November 30.

They were registered on December 6, and they closed their share offering on November 30, before they were even registered?

(1545)

Hon. Mrs. Duncan: — Did you quote the *Leader-Post* from December of '87 or '86?

Mr. Koenker: — '87.

Hon. Mrs. Duncan: — '87. Well as I say, the venture capital was registered in December 31, '86, okay? And it was an investigation done by the department in February of '87, also an investigation done by the Saskatoon City Police. Well there's still hearings held. There were security hearings held as a result of all of this. So don't . . . In the fall of '87 the RCMP were referred the file by the Saskatoon City Police.

Mr. Rolfes: — Mr. Chairman, Madam Minister, look, this was September 25, 1987. They are referring to November, all right?

An Hon. Member: — '87.

Mr. Rolfes: — How can they? It's September. Goodness gracious!

Look, November of '86 they closed the share offerings. You said they were registered on December 6, 1986, which was after they closed their share offering. How can they have a share offering closed, and then you register them after?

Do you mean to tell me that they weren't registered? Is that why you said before it was an illegal venture? You said before that it was an illegal venture. Why was it an illegal venture? Would you mind explaining why you said before it was an illegal venture?

Hon. Mrs. Duncan: — Okay. Any company, before they are registered, must raise the funds that they say they're going to raise. Those funds have to be held in trust, okay. So this particular company went out and supposedly raised funds and were to hold those funds in trust before they were registered. The department received sworn affidavits that the amount of money had been raised. We had legal confirmation that the 30 per cent that was to be held in trust was held in trust. It was at this time that they were registered when we got the sworn affidavits that they had raised the amount that they had set out to raise.

A subsequent investigation in February of '87 indicated some irregularities. In September of '87 a hearing was held by the Securities Commission to in fact establish whether or not a share offering had been closed prior to registration of this company.

The RCMP fraud squad have been brought into the situation by the city of Saskatoon police. So I hope you understand the sequence of events.

An Hon. Member: — He understands. The question is, do you?

Hon. Mrs. Duncan: — Yes, I understand it fully. We don't know whether there is anything illegal or not. I said it was not an eligible . . . I said it was deemed to be not an eligible VCC. There's a big difference.

Mr. Rolfes: — Mr. Chairman, I know there's a big difference, and I think if you check the records, maybe you meant ineligible, but you said illegal, because I wrote it down as soon as you said it. And if you meant ineligible, okay, fine, I can understand that. That's why I asked the question, if it was illegal, why did you find it illegal? But you meant ineligible, and ineligible because the minimum amount of moneys were not raised. I can understand that. If that's what you meant, okay, fine.

Madam Minister, there are a lot of people who are going to suffer because of the failure of the Ambrosia venture, particularly some young construction people who put in about 120 or \$130,000. And I really think that it's incumbent upon the Securities Commission to be a little more forceful in its investigation before it registers companies for venture capital.

I don't expect a response because some other members want to ask some questions, and I know we're running out of time.

Mr. Koenker: — Madam Minister, when do you expect this investigation to be concluded?

Hon. Mrs. Duncan: — Really that's up to the RCMP. I wouldn't have any idea.

Mr. Koenker: — How many investigators do you presently have doing audits?

Hon. Mrs. Duncan: — We have a staff of two, plus the contracting out of the larger VCCs to be audited by outside firms.

Mr. Koenker: — When did you begin contracting out of the audits of the larger firms?

Hon. Mrs. Duncan: — The second year of the program, '85-86.

Mr. Koenker: — Could you give me the figures for the amount of venture capital tax credits that were expended for those eight venture capital corporations that were deregistered?

Hon. Mrs. Duncan: — It amounted to \$726,000.

Mr. Koenker: — That is the total of the venture capital tax credits issued for all eight deregistered companies?

Hon. Mrs. Duncan: — We recovered \$86,000 of that 726,000.

Mr. Koenker: — But that 726,000 represents the total public investment in the eight deregistered companies minus the 86,000 that you received; is that correct?

Hon. Mrs. Duncan: — That's correct.

Mr. Koenker: — Is Ambrosia ventures still allowed to issue — it hasn't been deregistered, I note — is it still allowed to have share issues and to raise capital at the present time?

Hon. Mrs. Duncan: — No, it isn't.

Mr. Koenker: — I note, Madam Minister, that Supercart venture capital corporation has not been deregistered. Why is that the case?

Hon. Mrs. Duncan: — Well even though its investment has gone, the corporation is still in existence.

Mr. Koenker: — Is the corporation active? Are you . . . and secondly, are you actively monitoring that corporation?

Hon. Mrs. Duncan: — The department is currently in discussions with the corporation to deregister it.

Mr. Koenker: — Would the minister endeavour to provide me with a list of the 150 or so venture capital corporations that are presently in existence, along with the amount of share capital that was associated with that corporation; also the corresponding 30 per cent tax credit that was issued. Is that a possibility, Madam Minister?

Hon. Mrs. Duncan: — Yes, yes we will, and we'll get it to you within a few days with the other information you'd requested.

Mr. Koenker: — Okay. Just for the record, I'm asking for a list of the venture capital corporations, the registration number, the amount of capital raised under that venture, the amount of tax credit issued under that venture.

Does the minister also have figures for the number of jobs that were created by these venture capital corporations?

Hon. Mrs. Duncan: — Jobs aren't tracked with the registration of the corporation.

Mr. Koenker: — Can the minister give us an idea of how many jobs have been created, in her estimation, under the venture capital program?

Hon. Mrs. Duncan: — That would be difficult because the venture capital corporation may invest in an existing business or in a new venture. You know, one fund may invest in four or five different types of businesses.

Mr. Koenker: — Well it may be difficult for you to provide that figure, but your government talks an awful lot about how many jobs it's creating with its economic activity and programs like venture capital. The public has made an

investment of some . . . well probably \$30 million in venture capital tax credits, and we really have no figures to substantiate your claim that it's creating jobs.

I think the question still remains, and you obviously can't give us an answer. Does this venture capital tax program really in fact significantly stimulate economic activity and create real meaningful employment for Saskatchewan people? And I would appreciate any figures that you could provide in that respect.

(1600)

Hon. Mrs. Duncan: — I can tell the member that since the inception of the program the net equity capitalization of the 151 VCCs have been \$73 million, which means that over \$58 million of that has been invested in the eligible small businesses, a lot of them in the rural areas.

It would be nice to track that job creation component of it; however, a lot of the investments may take three years to get up and running. Some of the investment is put into existing businesses to protect existing jobs, some of it is just put into a business for expansion, some into a brand-new business.

But I agree, it would be a good statistic to try and track.

Mr. Koenker: — Madam Minister, I'll just conclude by saying, the public again has made an investment of some \$30 million, approaching \$30 million in this program, and you can't tell us what we have to show for it.

I can point to companies like Joytec who have received 1.125 million in venture capital tax expenditures by the people of Saskatchewan with nothing to show for it but jobs going to Japan. We all know about Supercart, that received venture capital tax credits, and again there were no jobs associated with that. The Ambrosia food venture we just spent half an hour talking about — no jobs associated with that.

I think it behooves you, as minister, to provide some sort of statistics with respect to the job creation, when the public is investing this kind of money in these kinds of corporations. And I'm just curious to know how many other corporations, venture capital corporations, are being looked at with a view toward deregistration at the present time.

Hon. Mrs. Duncan: — We can't say how many would be deregistered upon an audit; all we can say is that the audits and the monitoring of the remaining 151 are in place, and hopefully none of them will show up any irregularities.

Mr. Brockelbank: — Mr. Chairman, Madam Chairman, I want to ask a question about a company — and this is just a general question — about a company that may want to start up a venture capital corporation, and it begins to collect funds. and when it has collected the funds and applies and is registered as a venture capital corporation, then I believe you said earlier they have to invest 40 per cent within a certain number of months and another 30 per cent within 30 months, I believe, and then they can, at

that point, they're free to release the 30 per cent that's in trust for further investment in venture capital. Have I portrayed that correctly, and what are the figures?

Hon. Mrs. Duncan: — Okay. Normally how a VCC would be set up: if you and I wanted to raise some capital, we would go talk to the department, tell them our intentions, and say we were going to raise \$50,000. Then we would go out, and once we met Security Commission regulations and stipulations, we would raise that — say we were raising 50,000 — we would go out and raise 50,000. That money that we collect prior to registration must be held in trust.

Once we have reached the amount that we want, the company is registered, at which time another trust account is set up and 30 per cent of that 50,000 would have to be held in trust. Then we would make decisions as to what we would invest that in. And we have 18 months to invest 40 per cent, and we have 30 months to invest the other 30 per cent, and once we reach that investment level of 70 per cent of our VCC, the trust provisions are taken off of the 30 per cent — the remaining 30 per cent.

Mr. Brockelbank: — Thirty months, is that an aggregate of the 18 months, plus an additional number of months — 12 months, or is it another additional 30 months on top of the 18 months.

Hon. Mrs. Duncan: — It's 30 in total. In the first 12 months we invest the 40 per cent, and then we have up to, what? 18 months to invest the remaining 30.

Mr. Brockelbank: — Twelve months, right?

All right, Madam Chairman. And once the venture capital corporation is beginning to invest the funds and it has the 18 months on the first 40 per cent in which to invest it, at that point they're eligible to give the tax credit, is that correct?

Hon. Mrs. Duncan: — Once the VCC is registered and the 30 per cent trust account is established, then the tax credits are issued to the investors of the VCC.

Mr. Brockelbank: — Right, and they would be issued as the time is passed and as the money is invested?

Hon. Mrs. Duncan: — They are issued upon registration and the setting up of the trust account.

Mr. Brockelbank: — Okay. I think I have it now, Madam Chairman, or Mr. Chairman. Once the 40 per cent is approved and invested, the tax credits are issued for that 40 per cent?

Hon. Mrs. Duncan: — No; all the tax credits are issued to the investors at the time of registration and the setting up of the trust account. Like if you and I went out and started a VCC and we go 10 people here, these 10 people would receive their tax credit once we registered our company and set up the 30 per cent trust account.

Mr. Brockelbank: — Your department polices that, is that correct, to make sure those conditions are maintained?

Hon. Mrs. Duncan: — Yes, we're there to place it. That's one of the reasons the 30 per cent trust is put into place until the eligible investments are made. If we don't meet the criteria, that 30 per cent is there.

Mr. Brockelbank: — And what if the tax credits are issued, but the company, the venture capital corporation, fails to make the investments, the necessary investments, what happens to the tax credits?

Hon. Mrs. Duncan: — Yes, if a company is deregistered because they don't meet the investment requirements of 40 and 30, the department, or the government, can attach that 30 per cent that's in the trust fund.

Mr. Brockelbank: — I wonder, Madam Minister, if I was to give you a name of a company, could you take me through it? I don't have to have the information now; just give me a written explanation of it and whether they've conformed with all the regulations that are related to the venture capital corporation. Could you do that for me . . . (inaudible interjection) . . . Yes, at a later time.

Hon. Mrs. Duncan: — Yes, we can.

Mr. Brockelbank: — I'll just pick one out of the top here. I have a list here. Take a Saskatoon one — take First Merchant Equities Incorporated. And I want to know if they've conformed with all the rules and regulations, and if I could have the figures attached that would serve to satisfy me. Thank you, Madam Minister.

Mr. Trew: — Thank you, Mr. Chairman. Madam Minister, I want to turn these estimates to co-operation and co-operative development. I want to start by illustrating your government's lack of understanding and your lack of commitment to the co-operative sector of our economy.

In 1982, you took over a government that included a department of co-operation and co-operative development that provided 89 person-years of employment, that was dedicated to promoting co-operative principles and supporting co-ops at all levels.

Since then, we on this side of the Assembly have been chastising your government year after year after year for your repeated reductions in service there. You, simply put, fail to recognize the importance of this third and distinct and important engine of growth in our Saskatchewan economy.

I want to point out that the Leader of the Opposition, in major addresses and in smaller gatherings clear across the province, mentions and talks about — discusses the issues involved — talks about people of Saskatchewan co-operating with each other for the betterment of all.

The member for Saskatoon Riversdale truly understands that what the co-operative ideal requires is simply some confidence — a firm confidence by our own people in their own abilities; investment of our own money; and a requirement that we can work things out amongst ourselves, a sort of a "we can do it together" attitude.

And this working together attitude and action is what built our Saskatchewan into the province that we have today. Our pioneers came to a land that was prairie; there was bush. There was promise of a future, but there was many, many hardships to overcome. But they very quickly realized that to make their dreams and their visions and their ideas a reality, that they had to work together, get together and work co-operatively. And that was the one critical area that . . . the thing that they could do together to improve their economic and social lot in life.

Saskatchewan has been well endowed with natural resources, but we're particularly blessed with people that truly understand that we have to share dreams and vision, and work together co-operatively to meet those dreams and those visions.

Saskatchewan, Madam Minister, does have some economic disadvantages in relation to, say, New York or Toronto. The disadvantages, economically speaking, are we do not have a mass population gathered in one location, so truly, things that work in New York or in Toronto may not be the best thing for us here in Saskatchewan. We genuinely rely on our friends and our neighbours in a manner that people in the larger urban centres such as Toronto and New York, don't have to.

I mentioned earlier that the department of co-ops and of co-operation and co-operative development employed 89 person-years of employment in 1980 and '81, but let's observe what's happened since then.

In 1982-83, the first full year you were in office, you reduced 10 person-years, leaving 79 person-years of employment; then the following year, '85-86, you cut it to 71 person-years; the following year you again cut it to 62.3 person-year. After four years, you had roughly two-thirds the number of people working in the department of co-operation and co-operative development that were there and working and promoting and supporting co-ops when your government came into office. Clearly, that illustrates that you just have no feeling for co-operatives, no understanding of the importance that co-operative have had in the development of our province.

And then, taking you a little further, in 1987-88, the department of co-operation and co-operative development simply ceased to exist. You put it into a new department of tourism, small business and co-operatives, co-operatives being the third and minority group in that new department. That was formed, again the person-years declined. Certainly the person-years in the co-operative area did. We went through that in last year's estimates and very clearly there was a major reduction there.

Then in 1988-89 you again reorganized. Only this time, Madam Minister, I defy you to find co-operatives mentioned anywhere under any government department. It simply does not even get mentioned. We have now a Department of Economic Development and Tourism. Small business and co-operative are somewhere . . . you're responsible for them in that department, but co-operatives is not mentioned in the title, even. How in the world can anybody that has any interest in finding

something out about co-operatives, how can they find out who to go to, even? You've got a major problem there and one that I sincerely hope you address.

Madam Minister, I ask you: how can you justify to the people of Saskatchewan, and particularly to the non-aligned co-ops, how do you justify these continuing cuts in services and promotion of co-operatives, and how can you justify that lack of vision for the co-operative sector?

Hon. Mrs. Duncan: — It's obvious, Mr. Chairman, that the member is giving the same speech that he did last year in estimates, and once again, the member is not dealing in fact but he is dealing in fiction and typical rhetoric.

I might point out to the member that this government views the co-operative movement as a very important and integral part of the economic development and diversification of this province.

We are now dealing with the estimates of Economic Development and Tourism, not Economic Development, Tourism and small business as he stated. We view the co-operative movement as an economic development movement, the same way small businesses or large businesses are part of the economic development and diversification of our provinces. He knows full well the impact that the four or five very large co-operatives have on the economic stability of our province.

I might point out to him that last year we had a record number of new co-operative formed and registered in the province. And since 1982, on an annual basis, we have exceeded yearly, the largest number of co-operatives that were ever registered in a single year under the NDP.

This year we have 60 new co-operatives registered. Last year we had 77 new co-operatives registered. In 1985-86 there was 45 new co-operatives registered. In 1984-85 there was 55, and I think that's more than double, if I recall, what the former deputy minister of co-ops had told me. I think he told me a number of years ago that each year that we have been in, we've more than doubled the largest year of registrations under the NDP. This month alone we've had four new co-ops registered, with seven pending — alone, just for this month.

I might point out the accomplishments of the co-operatives branch of the department. We've had 19 new feeder co-operatives incorporated to allow members to participate in the feeder associations loan guarantee program, and total membership will exceed 500, and they will be eligible for loans of more than \$12 million to purchase cattle for feeding. That's one co-operative program introduced by this government.

Twelve co-operatives were established in other agriculture-related areas, including forage, soil conservation, and marketing. Three rural development co-operative were established with government assistance, and municipalities will join together to promote economic development in their area. And one community development co-operative was also established with similar goals.

We had 17 co-operatives established to provide non-profit services to their services to their communities, and they include play schools, a day care centre, a swimming pool, a restaurant, and a variety of other services.

Last year we had three new housing co-operatives established, and the value of these three projects alone to the provincial economy is \$10 million.

So for you to stand there and weep and wail and gnash your teeth and wring your hands and say that the co-operative movement is dead in the province, is sheer balderdash. I can't believe that you would say that. You are not looking at what's going on in our province.

The Co-op upgrader here in Regina, I think right on the back doorstep of your seat, the largest project ever in the history of Saskatchewan and western Canada, done co-operatively with a Progressive Conservative government and the federal government and the co-operative movement. That was something that was never accomplished, never ever suggested under a New Democratic government for 11 year. You weren't interested in becoming co-partners with the co-operative movement. You wanted to do things yourself. It took our Premier Devine to talk to the . . . oh, sorry.

Mr. Chairman: — I'd ask the member not to mention member's names, please.

Hon. Mrs. Duncan: — I apologize.

It took an astute, forward-thinking Premier like the Premier of our province, the member from Estevan, to approach Federated to enhance that facility out there — the biggest single project in the history of our province.

Now you say that the co-operative effort of the department is dead. Well I'm going to read into the record so that next year when you get up with the same tirade, please change your speech from the year before and the year before that and the year before that.

I will give you the branch activity summary for 1987-88. This is meetings attended by representatives of my department. Public relations meetings — they attended 934 meetings throughout the province; meetings attended on co-operative development — 404 meetings attended by the astute people of my department; general membership meetings — 230 meetings attended by officials of my department; board or committee meetings attended by representatives of the Department of Economic Development and Tourism — 736; other meetings, whether it was with two or three, or five or six people — 1656. Total attendance at these meetings — 13,859 meetings attended last year by representatives from here in Regina and the people that have scattered . . . the co-op accounts are scattered throughout the province.

Some Hon. Members: Hear, Hear!

Hon. Mrs. Duncan: — A very, very good record, and they have the audacity to stand there and say, oh, you don't

care about co-ops. That's balderdash.

An Hon. Member: — Oh, she's using that word again, the b-word again.

Hon. Mrs. Duncan: — Not only do we, and officials from my . . . It's better word than boondoggle, by the way.

Not only do officials in my department attend meetings but they also provide services to the co-operative movement. Last year, 1987-88, these were the services that were provided by people in the department: training workshops held, 105; periodic reviews doing follow-up 268 workshops were reviewed; training for members with regard to their legislative programs or requirements, 1,077 meetings were held . . .

An Hon. Member: — We'd need to have a 25 hour day if they were to do any more.

Hon. Mrs. Duncan: — They do; they literally do. They have dedicated their like to the co-operative movement. Meetings held to provide services of accounting and of a financial nature, 706 . . . (inaudible interjection) . . . see, now the member from Regina North East doesn't want to hear the truth, doesn't want to hear the truth . . .

An Hon. Member: — Well you hit a nerve.

Hon. Mrs. Duncan: — Now he's saying we'll never get through your estimates. I should re-read those: 13,859 meetings held with co-operatives throughout the province.

An Hon. Member: — Tell him how many feeder association co-operatives we've got across the province.

Hon. Mrs. Duncan: — Feeder association co-operatives, I think I have that — all over the province — 52 feeder co-operatives established since this government came to power.

Other agricultural programs — 2, 4, 13, 27, 34 — other agricultural-type-based co-operatives formed; 12 — 19 marketing co-operatives formed since 1983-84; native handicraft co-operatives formed, 10; consumer co-operatives formed, 13 since 1983.

How many housing co-operatives formed since 1983? Two, five, six, nine — 14; rural development co-operatives, three; community service co-operatives, well over 100; and various others. So we can be proud of the record in the area of co-operatives.

And I will tell the member, because he probably doesn't know the statistics, but the importance to the economy of Saskatchewan in the area of doing things in a co-operative way, we have nearly 1,400 co-operative and credit unions. They employ . . . The co-operatives throughout the province employ 15,000 people, with total salaries of 322 million; 600 . . .

An Hon. Member: — Take it as read.

Hon. Mrs. Duncan: — Now he's saying, take it as read.

Over 600,000 residents are members of a least one co-operative. The co-operative movement in Saskatchewan has assets of in excess of 7 billion, and annual revenues in the whole area of co-operatives exceed 4.8 billion.

Twenty-five of Saskatchewan's hundred top businesses are co-operatives or credit unions, and three of these are in the top 10, and two top are the Saskatchewan Wheat Pool and Federated Co-operative Ltd.

More than 50 types of co-operative can be found in Saskatchewan. Six hundred Saskatchewan fishermen in 21 co-operatives in northern Saskatchewan market three and a half million dollars worth of fish each year. We have 198 retail co-operatives in 280 locations throughout Saskatchewan, with combined sales of 725 million. We have 46 child care co-operatives and 78 pre-schools which provide services for over 5,000 children.

(1630)

So I can say that new developments in the area of co-operatives range from small, locally owned and controlled community service co-operatives to the \$650 million NewGrade upgrader here in Regina.

So I just don't buy the rhetoric spewing from your mouth, because our record matches and exceeds the record of co-operatives and the co-operative way of any other administration in the history of our province.

Some Hon. Members: Hear, Hear!

Mr. Trew: — It's been a while since I say a minister gerrymander her own estimates.

Madam Minister, I want to match understanding of co-ops, yours and mine. And I'll tell you that you come out a far distant second. I don't care how you count it. I've been a member of the co-operative sector of our economy since I was eight or nine years old, when I first joined a credit union. I've been part of co-ops ever since. I've worked for 13 years for the biggest co-operative in this province. I grew up on a co-operative farm. Let me tell you, you know about as much about co-ops as my dog.

I said, when you were reading out your rhetoric, I said, take it as read, because I came to these estimates prepared. I looked at that information before I even came here. You don't need to waste our time in this Assembly with things that you should know and I certainly do know.

Madam Minister, 27 out of the top 88 companies in Saskatchewan are co-operatives. Why didn't you say that? Maybe next time you can. You talked about me giving you the same speech as last year. I'd be happy to provide you with a copy of last year's speech and a copy of this year's speech, and you'll see that there are some very significant differences in those speeches in those opening remarks that I made.

You spoke of fiction, and you also spoke of some weeping and wailing and thrashing about here. I want to remind you, we're MLAs, not actors and actresses. we're here

doing some serious estimates in a once-proud department, what used to be the department of co-operation and co-operative development, and now doesn't even rate a mention in any government department. You're big on rhetoric, but the fact speak volumes.

I pointed out earlier that in '82-83 the department of co-operatives and co-operative development had a budget of \$3.3 million and it had employed 89 person-years in 1981-82 dedicated to supporting co-ops. In 1988-89 the co-operative branch within the Department of Economic Development and Tourism has a budget, as near as I can see, of about \$681,300 and a staff of 15 person.

Over the past six years we've witnessed the dismantling of the once proud department of co-operation and co-operative development. We've seen a huge reduction in the moneys allocated to co-operative development. Would the minister try again to explain to the people of Saskatchewan how this mere skeleton of a once important department demonstrates the commitment of this government to the promotion of co-operatives in this department.

Hon. Mrs. Duncan: — Well I would like to refer to the 89 people who were employed in a separate department in 1982. This government views the co-operative way as an integral part of the economic development of this province. And today we have 160 people in the Department of Economic Development and Tourism working with all types of businesses. We have tourism; we have venture capital; we have business development. All those sectors involve the co-operative movement.

So we've gone from 89 people to 160 offering information on the co-operative movement. We have people throughout the province, highly qualified people, that can give advice to groups of people or individuals wanting to start a business, whether it be a co-operative or a partnership or a new corporation, or whatever.

I do not by what the member says because, yes, the record does speak for itself. And since 1982 each year we have had record number of co-operatives formed in the province. This government has introduced a number of new, innovative, co-operative type ventures, including the feeder co-operative. So for the member to say that the emphasis is not on co-operatives, that's just not true.

Mr. Trew: — Madam Minister, I point out to you that last year in the department of tourism, small business and co-operatives as well as in the department of economic development, there was some 264 person-years of employment. When you reorganized it and put it all into one super department, you reduced a hundred person-years from 264 to 163. Now I may be missing by a couple or three person-years, but no more than that. Now again I ask you: how can you so drastically reduce staff and still maintain any facade, any illusion that you're providing the support in all of these important areas?

Hon. Mrs. Duncan: — Well some of those people were transferred to the Department of Trade and investment. But I would point out, just in the department under vote 8,

the person-years have gone from 13 to 15 for this year, people that will deal along with other people in the department.

You take tourism marketing, the co-operative movement has a large part to play in that; tourism and business development, the co-operative movement has a large part to play in that, so your statement is not correct.

Mr. Trew: — Madam Minister, I'm going to leave that and move a little off of that. And I'm asking you: are there any co-operative development officers remaining in the employ of your new department? By background, the advice and supervision of the co-op development officers, the level of this service that used to be provided in this province is what made Saskatchewan into a banner co-operative province.

There has been some detrimental impact for the smaller non-aligned co-ops; for example, day car, employment, community service co-operatives. And how are these non-aligned co-ops going to be serviced? So it's a two-part question. Just to sum it up, are there any co-op development officers remaining? Please tell us where they are and how many they are, and how are the non-aligned co-ops going to be serviced?

Hon. Mrs. Duncan: — There are 12 co-op specialists throughout the province offering services and advice. But I want to point out a few of the things that the department does in the area of co-ops.

We hold workshops and seminars on accounting, on bookkeeping; we counsel day-care setups; we have feeder associations; we provide board of director training; we hold the co-op merit awards on an annual basis; we take part in co-op week festivities; we attend trade show and provide displays; we have the co-op junior achievement program; the youth employment co-ops are under our department; we also have soil conservation co-ops; we have specialists that specialize in emphasis on employment co-ops; we sponsor women and employment co-op workshops; we are dealing with grazing co-op workshops; now we're dealing with the rural development co-ops.

But I must say, I can tell you where these co-op specialists are: we have two in Regina, we are located in Estevan, North Battleford, Prince Albert, Tisdale, Swift Current, Yorkton, La Ronge, Saskatoon.

With the reorganization of the department, we envision having all department people very well-versed in the area of co-op development, whatever sector they . . . whatever branch they might be working in, because the co-operative way can be utilized virtually in every branch of my department and this is our long-term goal.

We want to improve our business resource centres which are found throughout the provinces so that these people are really specialists and we would be housing our specialists here, along with other people. And really, we look at our mandate as service-oriented to the needs of people from all walks of life.

Mr. Trew: — So what you're telling me, Madam Minister,

is that two years ago there was 18 district representatives when the department of co-operation and co-operative development still existed — 18 regional district reps. Last year that was reduced to 14. From the tally you gave me now, it's reduced again to 10.

And you point out so ably that ... but their duties have expanded. Now they're responsible for all other economic development. They're responsible for areas of tourism and all of the other things that your new super-ministry does. You're saying they should be well-versed in co-operatives, but the hard reality is that you have reduced the numbers to 10 and given them much, much expanded duties.

I want to know, Madam Minister, if you can explain why there is a major decrease in funding under personnel services, and yet an increase in the staff.

Hon. Mrs. Duncan: — I'd like to point out to the member that the co-operative movement has grown and become very sophisticated in the last 50-or-so years. Some of our most astute business people are in the co-operative sector. And as they become more sophisticated they don't need hands-on guidance.

Many of the co-operatives in Saskatchewan, whether it's in the day-care area or the feeder area or the retail area or the energy area, are leaders in those field — absolute leaders in those fields — and they don't need the hands-on support, say, of the '20's and the '30's. People are much more informed today, much more sophisticated, and I would say, much more capable.

Mr. Trew: — Well that's an amazing non-answer. I'll ask it again. Can you please explain why there is a major decrease in funding under personnel services, yet an increase in staff?

Hon. Mrs. Duncan: — Okay, in 1987-88, as compared to '88-89, with the increase in manpower, we are sharing services with the business centres — clerical, that type of thing — because those people are now housed in the business centres throughout the province.

Mr. Trew: — So again, we have an example of people doing work throughout your whole new super-ministry and not directly with co-ops. I would appreciate, Madam Minister, if you will undertake to provide me a detailed account of the allocation of staff resources, how many staff deal specifically with program and service development; how many positions are administrative and how many positions are in communication, that sort of information.

If you will agree to provide it in writing, because of the time, I'll be prepared to accept that, given a reasonably short time period for you to get that to me.

(1645)

Hon. Mrs. Duncan: — Yes, we'll provide that to you.

Mr. Trew: — Thank you, Madam Minister. I want to switch to co-op education in Saskatchewan and imply want to ask: what is the state of the minister's

commitment to co-op education, education preparation for co-operative careers, the promotion and extension of the co-operative philosophy? Does your department currently have any co-op education programs similar to those provided by the co-operative education unit in the previous department of co-operation and co-operative development?

Hon. Mrs. Duncan: — We have the co-op junior achievement program, the youth employment co-op program, but we work very closely with the Canadian co-operative association and provide them with resource material and training techniques for the educational component.

I think one example would be using our model for health care co-operatives, to go out and teach people how to do that. But we work very closely with the Canadian co-operative association. As I say, they draw on our department as a resource base.

Mr. Trew: — I wish to turn to the co-operative youth program, Madam Minister. I have here an interdepartmental memo, and it states:

Among the various programs currently being reviewed and examined is our involvement in co-operative youth seminars. (this is from last year) A decision has been made that the department will, for this year, take a leave of absence from any active participation. The impact of this is that we will no longer be requiring field staff to act as resource people.

Is your department actively participating in the co-op youth seminars, Madam Minister, this year?

Hon. Mrs. Duncan: — Yes, we have a department person on the board. We also have one resource person allocated to the program, and two other people dedicated to that program on an as-needed basis.

Mr. Trew: — Good. Glad to hear that you're actively back in that program.

With respect to business development grants and the economic diversification and investment, are there any grant programs for co-operatives, and how much money is involved in those programs?

Hon. Mrs. Duncan: — There is no direct grant funding available.

Mr. Trew: — Right. I'm going to move to different are. What I'm interested in, Madam Minister, is the names and the salary of each of your ministerial assistants at December 31, 1987; and names and salaries for each ministerial assistant at March 31, 1988.

If you will provide that in writing to me, I'm prepared to accept that at a later, you know, reasonably later date.

Hon. Mrs. Duncan: — That's December 31, '87 and March 31, '88.

Mr. Trew: — Yes.

Hon. Mrs. Duncan: — Right, we'll provide that.

Mr. Trew: — Thank you, Madam Minister. We've also got some other questions. There's actually a few of them here. I'll just take it if you nod or shake your head, then we can discuss it. Again, I'm looking for the details coming in writing, but I'd appreciate an itemized list of the facilities such as offices, camp ground, parking lot, that sort of thing, provided to your department by Saskatchewan Property Management Corporation. Okay. I see you nodding in the affirmative.

Secondly, the number of square feet or, in the case of parking lots, the number of stalls that are provided, outlined in the . . . Good. You're nodding, yes, thank you. And in the instances where the facility is not leased, would you indicate the amount which the department is paying to Saskatchewan Property Management Corporation for its use today, and how much was paid in fiscal '87-88?

Hon. Mrs. Duncan: — We'll provide that information, but I'll indicate right now, we lease all our facilities. We don't have any . . . You mean, do we own any ourselves? No, we don't. It's all leased.

Mr. Trew: — Thank you. And would you indicate the use that you're putting the facilities to, if its office space or if its storage space, that sort of thing.

An Hon. Member: — Parking lot.

Mr. Trew: — Parking lot. And could you provide an itemized list of the services being provided by the Saskatchewan Property Management Corporation and the amount being charged to the department for those services today, and how much was paid in fiscal '87-99?

I'm asking specifically about mail services, the dollar amount of mail services; government automobiles, again the dollar amount; furnishings, dollar amount; that sort of thing that is supplied to you by Saskatchewan Property Management Corporation.

Yes, okay, thank you. Thank you for the affirmative answer to those.

What I'd appreciate also is a detailed list of advertising and printing-related expenses incurred by the co-ops branch in the last fiscal year — that's '87-88; and a list of names of the advertising companies with which you had contacts in the last fiscal year, and a total amount paid to those company or companies, and a brief description of the service provided. Yes? Thank you.

The final area for this sort of questioning, Madam Minister, is regarding travel. Would the minister also provide information related to travel expenses incurred by personnel of the co-operatives branch in the last fiscal year? What I'm specifically wanting: if you could indicate the person incurring the expense and the total amount in each case, the destination, and purpose of that travel. Seeing you nodding in the affirmative, I thank you for that.

This question will require a response, Madam Minister,

today, and it's in light of what we have gone through. Will you take a hard look at the potential for co-operation in Saskatchewan, and will you urge the Premier to reinstate a department of co-operation and co-operative development so you can help people of Saskatchewan to help themselves? Will you that?

Hon. Mrs. Duncan: — Well I can indicate to the member that we're restructuring the department around the co-operative sector. And I do truly believe that the co-op sector is being better served now than before.

Mr. Trew: — Madam Minister, you government's economic development strategy has shown that you have a misunderstanding of the particular economic circumstances and the traditions here in Saskatchewan.

We have a very unique and a healthy mix of private and public and a co-operative sector of our economy — three engines of growth that we have had traditionally here. You are essentially ignoring the co-operative sector, that engine of growth. Your government's economic development strategy places a great deal of emphasis on incentives for capital investment, trying — always trying to attract large scale investors. The member for Saskatoon Sutherland and a few other of my colleagues have pointed out some of the pitfalls in that. You're really walking a land-mine with your ideas, yet you paid little or no attention to community-based opportunities and the development of human resources.

The qualities, Madam Minister, required for successful long-term economic transformation are very much similar to those of a strong co-operative society. Co-ops enable local people to be part of the developmental process, to understand and agree what needs to be done, and to work together to achieve the desired change.

People become directly and deliberately responsible for the developmental outcomes, and therefore they're devoted to seeing that it's a success. Successful long-term economic change calls for a high degree of intelligence, a very great level of community organization, and the ability to compromise when one's self-interest is at stake. Madam Minister, self-interest is clearly something this government has not been able to get past.

I have been honoured to speak out for Saskatchewan people and for the co-operative sector and those of us who proudly proclaim that we are co-operators here in Saskatchewan. I have been appalled by your obvious lack of understanding of co-operation and co-operative development, by your lack of putting some emphasis into that very important area of our economy.

I very much look forward to the day when we have a government that truly understands, as the member for Riversdale, the Leader of the Opposition, that truly understands what the third engine of growth, the co-operative sector, is in Saskatchewan. I very much look forward to the day when we have a government with a vision for the future, with some ideas, and the intelligence to see that that happens.

Just before closing, I want to thank you and your officials for your time, and I plead with you, get serious about

co-operative, get serious about development. Please take these estimates seriously, and please take the cry for more emphasis seriously.

Thank you, Madam Minister.

Hon. Mrs. Duncan: — Thank you. Well in closing, I would just say to the member that we are going to agree to disagree, because I feel that our record in the area of new co-operatives being formed since 1982 speaks for itself. The building of the Co-op upgrader on the north side of town is the epitome, I believe, of how we feel this government can work with the co-operative sector to stimulate economic activity and diversification in our province.

We are very proud of the number of co-operatives that have been formed since 1982 — as I said, a record set every year. So you may think we're not interested, but we are interested.

Thank you.

Item 1 agreed to.

Items 2 to 9 inclusive agreed to.

Item 10

Mr. Koenker:— Thank you, Mr. Chairperson. Madam Minister, earlier you had agreed to give me a description of the venture capital corporation. I neglected to ask if you could include in the description or the profile of the corporations, a brief thumb-nail description of their purpose. What business ventures have they funded?

Hon. Mrs. Duncan: — The venture capital corporations, their registration is public, but what they invest in is not public, you know, it's commercial confidentiality. We will send you a list of the types of businesses that are eligible for an investment by a venture capital corporation. It's very specific on the types of businesses that they can invest in. But I wouldn't want to say that venture capital C has invested \$100,000 in the ABC store, a specific business.

Mr. Koenker: — Madam Minister, I'm not asking particularly for a specific business, but simply that, for example, you could tell me what the general arena of activity each corporation is incorporated for. That venture cap equities tell me nothing about the corporation. Are they involved in agriculture or tourism, or whatever?

Item 10 agreed to.

Item 11 agreed to.

Item 12

Mr. Shillington: — Thank you very much, Madam Minister . . . Thank you very much, Madam Chairman — such an easy mistake to make — Mr. Chairman, as I think you're correctly referred to. Madam Minister, your estimates for the payments to the Saskatchewan Property Management Corporation have increased by 35 per cent.

To what do you attribute this?

Hon. Mrs. Duncan: — I answered that in detail — the figures, the increase, the one-time payment for the North Portal reception centre, which is a cost-shared program with the federal government, however, we pay the up-front costs and then we're reimbursed by the federal government. That was answered in detail the first day we were up.

Item 12 agreed to.

Items 13 and 14 agreed to.

Vote 45 agreed to.

Consolidated Fund Budgetary Expenditure Economic Diversification and Investment Fund Vote 66

Items 1 to 3 inclusive agreed to.

Consolidated Fund Loans, Advances and Investments Economic Development and Tourism Vote 167

Mr. Chairman: — Item 1. Any questions?

Consolidated Fund Loans, Advances and Investments Saskatchewan Economic Development Corporation Vote 148

Mr. Chairman: — Questions?

Supplementary Estimates (No. 2) consolidated Fund Budgetary Expenditure Economic Development and Tourism Ordinary Expenditure — vote 45

Items 1 to 6 inclusive agreed to.

Vote 45 agreed to.

Mr. Chairman: — I'd like to thank the minister and her officials.

Hon. Mrs. Duncan: — Thank you, Mr. Chairman. I too would like to thank my officials for attending the House today and thank them for their help in answering the questions of the opposition.

Some Hon. Members: Hear, Hear!

Mr. Koenker: — I too would like to thank the officials for their assistance this afternoon and on previous occasions. It's really a pleasure to see a public service that is ready to help provide for accountability, and on behalf of the critic in the opposition, I thank you very much.

The committee reported progress.

The Assembly adjourned at 5:09 p.m.