

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Rolfes: — Thank you, Mr. Speaker. Mr. Speaker, I rise pursuant to rule 11 to present approximately 600 names of people who are opposed to the privatization of SaskPower. These people have asked the Premier and the government opposite to not privatize SaskEnergy but to leave it with the public so that the benefits can be obtained by all the people of Saskatchewan.

These petitioners, Mr. Speaker, come from such areas as Humboldt, Muenster, Lake Lenore, White City, Moose Jaw, Southey, Lintlaw, Regina Beach, Belle Plaine, Pense, Saskatoon, Prince Albert, Assiniboia, Lafleche, just to name a few of the areas where these people come from. And I ask the Premier and the government opposite to listen carefully to these people who have signed these petitions. Thank you, Mr. Speaker.

Mr. Shillington: — Thank you very much, Mr. Speaker. I rise under rule 11 to present several hundred petitions of people who are convinced that this government's stubborn insistence on privatizing SPC (Saskatchewan Power Corporation) is not in their best interests. Mr. Speaker, virtually all corners of the province are represented. These petitions are from people living in Clavet, Cadillac, Swift Current, Langham, Saskatoon, Maple Creek, Sceptre, Gull Lake, Fox Valley, and Richmond.

Mr. Lingenfelter: — Mr. Speaker, I too rise pursuant to rule 11 to present to the Assembly hundreds of names of people who are opposed to the privatization of SaskPower, the energy side of that corporation. This will add to the already thousands of names of people who have put forward their names in a petition, and as well the thousands of people who have rallied right across the province opposed to . . .

The Speaker: — Order, order. I must say that in the presenting of the hon. members' petitions up to this point, by and large members have been very good. This afternoon, however, I construe us maybe getting into some debate, so just stick to the presentation of your petitions, please.

Mr. Lingenfelter: — I appreciate that, Mr. Speaker. I had not wanted to get into a debate when I talked about the thousands of people who are opposed, but I wanted to include the names from places like Osler, Hepburn, Maidstone, Melville, Weyburn, Midale, Spruce Lake, Vanscoy, Saskatoon.

Mr. Koskie: — Thank you, Mr. Speaker. I also rise pursuant to rule 11 to present petitions to the Assembly by several hundreds of Saskatchewan residents, and these petitioners are urging the government not to privatize SaskPower and to keep it as a public utility.

These petitioners are from Hudson Bay, Maple Creek,

Gull Lake, Aberdeen, Martensville, Moose Jaw, Saskatoon, Estevan, Kelliher and Biggar. It is my pleasure to present these petitions.

Mr. Thompson: — Thank you, Mr. Speaker. I also rise pursuant to rule 11 to present over 600 names of Saskatchewan petitioners who are opposed to the privatization of SaskPower. These petitioners come from such communities, Mr. Speaker, as Mortlach, Caronport, Moose Jaw, Sifton, Caron, Lampman, Radville, Weyburn, and Yellow Grass. Thank you.

Mr. Brockelbank: — Mr. Speaker, I join with my colleagues in rising to present several hundred petitions from Saskatchewan people with regard to the privatization of SaskPower not being in the public interest. The petition in part says that the privatization of SaskPower will lead to higher utility rates for Saskatchewan people and will benefit only the wealthy investors.

In presenting these petitions today, Mr. Speaker, I believe I have presented the names of over 4,300 people from Saskatchewan. The petitions today come from such widely separated areas in Saskatchewan as Moosomin, Rocanville, Regina, Pierceland, Goodsoil, Turtleford, and my own city of Saskatoon.

Mr. Hagel: — Mr. Speaker, it is my honour to stand to present to this Assembly on behalf of several hundred Saskatchewan residents their objection to the government's announced intention to privatize or piratize SaskPower.

Mr. Speaker, these petitioners come from all corners of the province of Saskatchewan and include people from the communities of Shaunavon, Regina, Lumsden, Qu'Appelle, Langham, Melfort, Middle Lake, Kincaid, Mankota, Swift Current, Kyle, Blaine Lake, Martensville, Perdue, Weyburn, Fort Qu'Appelle, Yellow Grass, Esterhazy, my home city of Moose Jaw, and others. Mr. Speaker, it is my honour to present these on their behalf.

Mr. Goulet: — Mr. Speaker, I rise pursuant to rule 11 to present a petition to the Assembly for several . . . about 600 residents of the province of Saskatchewan. These petitioners are urging the government not to privatize SaskPower but to keep this major public utility in service of all Saskatchewan people.

These petitioners are from the following communities: Unity, Nipawin, Ridgedale, Success, Maple Creek, Carnduff, Sinaluta, Montreal Lake, Pilot Butte, Odessa, Kinistino, Spy Hill, Langenburg, Meota, Holdfast, Maple Creek, Buffalo Narrows, and La Ronge.

Mr. Kowalsky: — Mr. Speaker, I rise pursuant to rule 11 to present petitions from residents of communities in Saskatchewan including Sturgis, Regina Beach, Estevan, Regina city, Yorkton, Balgonie, and Lumsden. All these petitioners have signed this petition, Mr. Speaker, because of their continuing concern over the possibility of the privatization of SaskPower.

Ms. Simard: — Thank you, Mr. Speaker. I rise as well,

pursuant to rule 11, to present to this Assembly several hundred petitions with respect to the privatization of SaskPower. These petitioners are asking the government not to privatize SaskPower, and they come from the following communities: Churchbridge, Langenburg, White Fox, Nipawin, Radville, Atwater, Broadview, Creelman, Grenfell, Lumsden, Wilkie, Hudson Bay, Endeavour, Dinsmore, Rosetown, Wadena, Wynyard, Biggar, Chaplin, Melfort, Star City, Rose Valley, and Rosthern. There's approximately 600 here, Mr. Speaker.

Mr. Lyons: — Thank you very much, Mr. Speaker. I too join my colleagues on this side of the House in rising pursuant to rule 11 in order to present to the government of this province the opposition of people from around Saskatchewan to the sell-off of its public assets, particularly, to wit, the sell-off of Saskatchewan Power.

Mr. Speaker, the people who signed these petitions here today that I'm presenting come from places such as Weyburn, Wawota, Swift Current, Battleford, Broadview, Indian Head, Blaine Lake, Maple Creek, Christopher Lake, Borden, Kamsack, Rosetown, Nipawin. Christopher Lake, Borden, Kamsack, Rosetown, Nipawin.

I notice there's a very great many here from the city of Estevan, and I'm pleased to say, Mr. Speaker, that there are several hundred here from the constituency of Regina Rosemont that I have the opportunity to represent.

Mr. Calvert: — Mr. Speaker . . . Thank you, Mr. Speaker. I'm pleased to join with my colleagues today in presenting several hundred more names of Saskatchewan residents who are opposed to the privatization and the sell-off of SaskPower.

These signatures come from communities across our province, including Prince Albert, Kelvington, Humboldt, Watrous, Choiceland, Saskatoon, Regina, Swift Current and, Mr. Speaker, from the community that I'm proud to live in, the community of Moose Jaw.

Mr. Trew: — Thank you, Mr. Speaker. I'm pleased to join my colleagues in rising pursuant to rule 11 to present some 400-plus signatures.

These signatures represent many hundreds of hours of volunteer work from people right across the province, and they come from towns and communities such as Fenwood, Indian Head, Danbury, Coronach, Rabbit Lake, Ogema, Grandora, Estevan, Kronau, Govan, Fort Qu'Appelle, Semans, Southey, Cochin, Glenbush, Yorkton, Markinch, Cupar, Outlook and, I note with some joy, a considerable number of signatures from Lloyd Crescent, which is in the constituency of Regina North, the constituency that I represent.

It's my pleasure to present these 400-plus petitions on behalf of the signatures.

Mr. Van Mulligen: — Thank you, Mr. Speaker. I rise as well pursuant to rule 11 to present a petition to the Assembly for several hundred residents of Saskatchewan. These petitioners are urging the government not to privatize SaskPower but to keep this major public utility

in the service of all Saskatchewan people.

And these petitioners, Mr. Speaker, are from a number of communities, including Wolseley, Indian Head, Grenfell, Pangman, Tuxford, Allan, Chaplin, Rouleau, and Moose Jaw.

Mr. Tchorzewski: — Thank you, Mr. Speaker. I too rise pursuant to rule 11 to present several thousand petitions to the legislature on behalf of people who have signed the petitions to urge the government not to privatize SaskPower and SaskEnergy. I wish to report, Mr. Speaker, that this brings to 100,000 the number of people who have petitioned the government.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — One hundred thousand people who have petitioned the government, urging the government not to sell SaskPower and SaskEnergy. The strength of that kind of democratic exercise, Mr. Speaker, surely no government can ignore, unless it does so at its own peril.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Speaker, I present these petitions on behalf of people who have lived in communities all over Saskatchewan, communities such as Nipawin and Clavet, Dundurn, Kipling, Regina — my city — Rockglen, Shellbrook, Buffalo Narrows, North Battleford and many, many other communities. It's a pleasure for me, Mr. Speaker, to present these petitions on their behalf, as my colleagues have on behalf of people from every place in Saskatchewan.

Some Hon. Members: Hear, hear!

INTRODUCTION OF GUESTS

Hon. Mr. Lane: — Thank you, Mr. Speaker. Through you I would like to introduce to the Assembly some special guests from Fort Qu'Appelle. They are participating in the seniors' life-style research project through the University of Regina and the Saskatchewan Parks, Recreation and Culture at the (Dr.) Paul Schwann Centre. They are Derek Harrison, Albert Longpré, Mrs. Sonia Morrell, Reinhard Mohl, and Alex Kovacs.

Mr. Speaker, our guests are seated in the Speaker's gallery, and I would like all hon. members to join with me in welcoming our special guests from Fort Qu'Appelle.

Hon. Members: Hear, hear!

Mr. Trew: — Thank you, Mr. Speaker. It is my pleasure on behalf of my colleague, the member for Regina North West, to introduce a group of grade 5 students seated in the east gallery. They number 28 students. These students are from MacNeill School in the constituency of Regina North West. The teachers are Cameron Thomas and Jon Kincheloe, and the chaperon with them today is Bev Waters.

I will be meeting with this group on the front lawn, and I understand we're having pictures as well as refreshments right after question period, shortly after 2:30. I ask all

members to join me in welcoming this group of grade 5 students from MacNeill School.

Hon. Members: Hear, hear!

Mr. Trew: — Thank you, Mr. Speaker. I have one other introduction that I'd like to make at this time. It is my pleasure to introduce a gentleman seated in your gallery, in the centre of it. Lloyd Martin is a farmer from Cupar, and, as I'm sure you are aware, is one of five people seeking the nomination for the New Democratic Party in the constituency of Last Mountain-Touchwood. I ask all hon. members to join me in giving Lloyd Martin a great welcome to the Legislative Assembly today.

Hon. Members: Hear, hear!

Mr. Lingenfelter: — Mr. Speaker, I'd like to introduce to you an individual who many of the members here will know from previous sessions, but an individual who used to work for the *Star Phoenix*, Larry Johnsrude, who is seated in the opposition members' gallery. I don't know if that's significant at all, but I wanted to say that Larry's parents live in the riding of Elphinstone, and I just wanted to welcome Larry back, and I am sure you will enjoy question period today.

Hon. Members: Hear, hear!

Mr. Tchorzewski: — Thank you. Mr. Speaker, I also would like to introduce to the House some students from St. Theresa School. They are a class of grade 4 students, 61 of them. They are seated in your gallery.

Visitors from St. Theresa are always special to me because that's the school in which I taught in for some three years between 1982 and 1985 here in Regina. They are accompanied by their teachers, Elaine Pack and Edith Seiferling, and chaperons, Mrs. Jantzen, Mrs. Venne, and Mrs. Kuntz.

I do believe, and I hope I'm not wrong, that St. Theresa School this year won the Catholic school track and field championship. It's a program which I was involved in in my capacity as one of the phys ed teachers at the school. I want to congratulate them for that achievement and ask the members to join me in welcoming the students to the legislature today.

Hon. Members: Hear, hear!

Hon. Mr. Tusa: — I too would like to take this opportunity to welcome my friend, Lloyd Martin, who is in the Speaker's gallery. He farms just a few miles down the road from me, as a matter of fact, and it's not uncommon for Lloyd and me to sit and talk about farming, as well as other things.

I trust he enjoys question period from the Speaker's gallery today and will for a good long time to come. Thank you.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Barber Commission on SaskEnergy Public Participation

Mr. Lingenfelter: — Well, Mr. Speaker, I'm glad that you indicated today that there's not going to be an election for a couple of years, and in light of that, I want to address the question to the Premier of the province.

Today, Mr. Premier, you saw the hundred-thousandth name being presented here of people who signed petitions opposed to the privatization of SaskPower, the natural gas side. I want to say that this past weekend in Regina, 6,000 people were out, 6,000 people were out on the steps of the legislature protesting, protesting against this government's attempt to privatize SaskPower.

Mr. Speaker, I want to say as well that the expensive illegal ad campaign, the illegal ad campaign that you carried out for a month, that you pulled, did nothing to turn people around, did nothing to turn people around. The 80 meetings that you held around the province that had fewer people out in total than the one rally here on Saturday, had fewer people out than 80 meetings you held around the province.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — In light of all the evidence, in light of all the evidence — the 100,000 names, the thousands of people who have rallied in favour of our position, the 5's and 10's who have rallied in favour of your position — will you not cancel the Barber Commission and come to your senses and just announce today that you're not going ahead with privatization.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I've often made the offer to the Leader of the Opposition: if he wants to debate the SaskEnergy legislation and vote on it, we'll cancel all the meetings; we'll say let's forget about it. And all they can say is, well, we have to, Mr. Speaker, call an election or do some other things.

I don't know if the people in the rest of the province can hear the members opposite call from their seats when I put that offer out there. But I'm very serious about it and very sincere. If you want to debate the legislation here and vote on it, Mr. Speaker, I'd be more than glad to say you don't need any of the hearings; you don't need any of that stuff, Mr. Speaker. I've said that many times.

Let me point out to the hon. members, there've been 123,000 participants in the province of Saskatchewan since 1982 by bonds in various Crown corporations, Mr. Speaker; 10,800 individuals in Saskatchewan have share purchases, Mr. Speaker; 280 employee-owner operations in six new Saskatchewan companies, Mr. Speaker; 757 employee share holders at Saskoil or WESTBRIDGE alone; 1,760 permanent and temporary jobs created or protected, Mr. Speaker; 1,000 more jobs projected as a result of public participation and privatization.

I just say to the hon. member, that's 136,597 people in Saskatchewan who have voted with participating, Mr. Speaker. And they're saying, I like the bonds and I like the

shares; I like the lower rates; keep it up, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Well, Mr. Speaker, new question to the Premier. Obviously he is trying to misrepresent the facts. It is he who pulled the Bill to privatize SaskPower. He pulled the Bill.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Now you may be able to fool a few of the people some of the time, Mr. Premier, but you can't fool the people of the province about who pulled the legislation when you came up against the people being opposed to it.

I want to ask you, Mr. Premier, Dr. Lloyd Barber has indicated that he feels that the result of his commission, that his hearings will be ignored by the government. He's given that indication — that he feels that you will not listen whether he says yea or nay to the SaskPower privatization.

In light of that fact, the fact of all the people who are opposed — now even the president or the chairman of the commissions which you have appointed is saying that you're not going to listen — will you end this expensive whitewash and listen to the people, and cancel your plans to privatize SaskPower? Will you do that today?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I will say to the hon. member that the NDP members opposite have said that the Barber Commission is a whitewash. Then they go on and say that the Barber Commission will not be listened to. Then they go on and say that Mr. Barber can't run a university. Then they go on and say, well, if you would just operate and debate in here, Mr. Speaker, then in fact . . .

The Speaker: — Order, order. Order, order. Order! Order, order.

Hon. Mr. Devine: — Thank you, Mr. Speaker. They have been making the allegations inside the House and outside the House with respect to public participation and privatization, and we know, Mr. Speaker, that when they were in office people couldn't purchase bonds or shares in Saskatchewan. We know that. They would nationalize companies, Mr. Speaker, and they'd put all the debt in the Crown corporations and jack up rates and jack up rates. And as a result, Mr. Speaker, they were thrown out of power.

We have offered SaskPower bonds, Saskoil shares, bonds converted to shares, and it's been publicly accepted, Mr. Speaker. Now when we have the president of a university say, we will examine in detail the economic consequences of allowing the people of Saskatchewan to participate in SaskEnergy to reduce the debt, Mr. Speaker, and to lower the cost and to lower rates, Mr. Speaker, they say, oh my gosh, it might be popular as well; we'd better walk out of here and we'd better raise an awful lot of Cain and furore.

Mr. Speaker, we didn't say that we would raise rates in SaskPower.

Mr. Lingenfelter: — I want to ask another question to the Premier, but in doing so, I want to say again that you're very loose and quick with the facts as usual today, Mr. Premier, misleading the Assembly.

I want to say that the debt in the Crown corporations has gone from 3.3 billion, which it was from 1905 to 1982, and is now at — what? — \$9 billion under your administration, to say that previous governments, is completely misrepresenting the facts and misleading the House.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — I want to say, Mr. Minister, that we have seen that the Barber Commission chairman, Lloyd Barber, has said that he doesn't think he's going to be listened to. We have seen thousands of people opposed the plan coming to meetings, even your own minister of privatization. I want to say, in terms of getting on with your backward right-wing agenda, and I want to quote, he says:

I think the people of Saskatchewan will issue the only protest that really matters when they cast their ballots in the next election.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Well I want to say I couldn't agree more. Will you today screw up your courage, and if you're not going to back off of the SaskPower issue will you call an election and let the people decide?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the members opposite were telling me last week and the week before that they had so many people on side that there would be 10 or 15,000 individuals show up on the steps of the legislature on Saturday, Mr. Speaker. The opposition members were telling the public there would be tens of thousands of people show up here and say, oh isn't it just going to be terrible; we don't like SaskPower bonds; we don't like telephone bonds; we don't like Saskoil shares; we don't like WESTBRIDGE; we don't like Weyerhaeuser. They said, there's going to be tens of thousands of them show up here on the steps of the legislature, Mr. Speaker. I don't think there was many over 2,000, and 25 to 30 per cent of them were children, Mr. Speaker. They interviewed little people. Some of them were five years old and the media interviewed them and said, for Heaven's sakes young fellow, what are you here for? The little guy five years old didn't know, but his dad is in the back row and he says, you're supposed to be against Grant Devine and SaskPower bonds, and others.

Mr. Speaker, I'll say they tried to tell the rest of the world that we don't know what we're doing in the province of Saskatchewan. On Saturday they failed, Mr. Speaker. We'll call an election when people have the opportunity to see the kinds of things that we can do to and for the

people of Saskatchewan. And when we do, Mr. Speaker, I believe that the real folks in Saskatchewan will speak as they have in '82, and they did in '86, and they will in 1990 or '91, Mr. Speaker.

Some Hon. Members: Hear, hear!

Cost of SaskEnergy Advertising

Mr. Lyons: — Thank you very much, Mr. Speaker. Mr. Speaker, my question is to the Premier. Mr. Premier, I can tell you there's one thing in the province that the people of Saskatchewan like, and that's the fight that we're carrying on against your attempt to sell off our private assets. That's what they like, Mr. Premier.

Some Hon. Members: Hear, hear!

Mr. Lyons: — And one of the reasons, Mr. Premier, they like that is they know that we're not going to waste the money that comes from those public assets in illegal and expensive advertising campaigns.

Mr. Premier, two weeks ago or thereabouts I asked the Minister of Justice and on his word he said he would give this House the costs of that illegal and ineffective advertising campaign. Will you today, sir, honour the commitment made by that Minister of Justice and tell us and tell the people of Saskatchewan precisely how much that illegal and expensive advertising campaign cost us all?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — I've said to the hon. member in the House that if . . .

The Speaker: — Order, order. The Premier has risen to answer. Let's give him the opportunity to. Order, order. Order.

Hon. Mr. Devine: — Mr. Speaker, I've said to the hon. members that if they would participate like normal participants in democracy and debate and vote, then there's no need for hearings and there's no need for commissions; and invite them all in here, Mr. Speaker, and we could have had a very productive session this session, if they wanted it, but they didn't — they walked out.

Mr. Speaker . . . (inaudible interjection) . . . The hon. member says where, where, Mr. Speaker, where's this comment about Mr. Lloyd Barber not being able to run the university. The member from Regina Rosemont just stood up . . . I just want to say, Mr. Speaker . . . No, I will just say because they challenged this. On June 1, 1989, the member from Rosemont stood . . .

The Speaker: — Order. Order. Order. Order, order, order. Order. Order. Order, order. I think there's a good example of what can lead to when we get into debate with our questions and answers, and I think that's kind of what is happening here. And the hon. member from Regina Rosemont began his question with raising some other issues. And I just want to bring to the attention of both sides of the House that we tighten up our questions,

tighten up our answers; we'll have better question periods.

Hon. Mr. Devine: — I'll just say to the hon. member, he can — I won't repeat it — he can refer to it on June 1, Mr. Speaker. On June 1 in *Hansard* he questioned the university president's capacity to run the university, and it's here.

I'll say to the hon. member: when you ring the bells, Mr. Speaker, on something like SaskEnergy, that's where the costs are incurred. The hon. member asks about costs: it's \$30,000 a day, Mr. Speaker, and running for 55 days and nothing done as a result of the members opposite, Mr. Speaker. That's the problem.

Some Hon. Members: Hear, hear!

The Speaker: — The member for Regina North, I know, he can quite emotional into the debate. But I think he should control himself; he should control himself and not overdo his involvement.

Free Trade and the Balance of Payments

Mr. Shillington: — Mr. Speaker, my question is to the Minister of Trade and development. My colleagues have raised the issues of privatization. I want to go from those questions to the result of this government's blind drive for privatization and free trade.

Mr. Minister, I would remind you that on Friday, Statistics Canada reported that Canada's trade surplus had dropped to an eight-year low. Many observers believe can be attributed to free trade. Mr. Minister, that's reflected at the local level by Ipsco, which has laid off 100 people and has said it's going to lay off another 213 next month. Free trade seems to be working about as well as many people thought it would, Mr. Minister.

Mr. Minister, can you tell this Assembly what your government is going to do to try to repair some of the damage done by free trade?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, I think the hon. member from Regina Centre would even agree that it's somewhat stretching to say that the lay-offs at Ipsco, which are primarily driven by the oil industry in the province of Saskatchewan and Alberta, are any way related to the free trade agreement.

The hon. member asked what we are going to do with regard to improving and increasing our trade with the United States. Of course, the province of Saskatchewan has a significant surplus of trade in the United States, and we intend to make that larger.

One thing that we've done of recent was to assist with Flexi-Coil in Saskatoon to expand, almost double the size of their operation. Most of that product, and certainly the largest amount of that increased production out of Flexi-Coil, is going into the U.S. market. That's what we intend to do with regards to that.

With regards to Weyerhaeuser, Mr. Speaker, instead of sending fence posts down to the United States, we're now making fine paper in the province of Saskatchewan, exporting a great deal of that into the United States, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — If you look at the most recent expansion of Intercontinental Packers in Saskatoon, which again increased the number of employees by some 2 to 300 people, the bulk of that new processed food, Mr. Speaker, is going south into the United States, creating jobs both in the city of Saskatoon with Intercontinental Packers and creating jobs for the people that are growing hogs in the province of Saskatchewan, and of course for anybody processing and transporting that, Mr. Speaker.

Mr. Speaker, what we are doing in the province of Saskatchewan is significantly increasing our sales to the United States. Now certain parts of Canada, particularly the automobile industry, are running into some problems, Mr. Speaker, but Saskatchewan is doing very well, thank you.

Some Hon. Members: Hear, hear!

Mr. Shillington: — This was to be a supplementary, Mr. Speaker, but I'm going to raise a new question because I want to just take the opportunity to ask the minister to reflect upon the specious nature of your last answer.

Mr. Minister, you referred to a manufacturing plant which opened up in Saskatoon. That in fact replaces one that closed down in Frontier, Saskatchewan — Friggstad. Mr. Minister, what we're asking you to do is not to play games with these people and their unemployment but to deal with it seriously.

Mr. Speaker, and Mr. Minister, at the national level we've seen a trade surplus, a healthy trade surplus last year, degenerate into a marginal trade surplus this year with free trade. Similarly with Ipsco, last year they recorded a record \$28 million profit, and this year they're laying off 300 people.

Mr. Minister, my question is: how much worse does this situation have to get before your government will admit that free trade isn't working, and before you take some corrective action?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Well, Mr. Speaker, if the hon. member was interested in looking at the Saskatchewan trade figures of what we trade with the United States, what we export to the United States, the hon. member would find that in fact that has increased, Mr. Speaker, not decreased — it has increased.

What you see, Mr. Speaker, by way of increase is certainly the potash sales have been increasing this year over last year. The oil exports have been about the same, but the price of oil seems to be going up at this point in time, Mr. Speaker. Certainly from the food processing end of it, we are seeing increased sales, both by Gainers and

by Canada Packers and by Intercontinental Packers.

Some of the manufacturing sector . . . simply go ask the people in the farm machinery manufacturing sector. I would ask them to call any one of them, Mr. Speaker, and what they will tell you is in fact sales are increasing over the last six months in the United States — manufactured here in Saskatchewan, Mr. Speaker.

So all the major components that we're selling into the United States, we're increasing our sales to the United States. Free trade is good for a province like Saskatchewan. We've said that before. The people of Canada endorsed that, Mr. Speaker, and now it's time to go on with it, expand those markets, build new industries that we can tap into that very large and lucrative market in United States.

Some Hon. Members: Hear, hear!

Mr. Shillington: — New question, Mr. Speaker. It's a great shame that the 13,000 people who left didn't hear that very convincing answer. I'm sure they'd stop in their tracks, turn around, and return to this promised land that you're building.

Mr. Minister, you have spent an enormous amount of taxpayers' money peddling . . .

The Speaker: — Order, order. Order. I think the member's having a little difficulty putting his question because of some interference. Let us allow the member from Regina Centre to put his question.

Mr. Shillington: — Mr. Minister, you have spent an enormous amount, many millions of dollars of taxpayers' money, peddling free trade and privatization.

My question, Mr. Minister, is: are you going to try and peddle that tripe to the 300 people who don't have a pay cheque this month?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, this province for a long time, since its beginning when it was first developed, has relied upon trade, both trade to other parts of Canada — trade, a major trading partner being the United States — and trade to the rest of the world for our livelihood, for our employment, and for the creation of our wealth.

Mr. Speaker, what we must do in this province is to continue on that course, Mr. Speaker, to look for new trading opportunities, whether it's in eastern Canada, whether it's in United States, whether it's with the rest of the world, quite frankly, Mr. Speaker. And that's exactly what we have to do.

Now the hon. members in their policy of the NDP is for isolationism, Mr. Speaker. If you really blister down the NDP policy, economic policy for this province, is a policy of isolationism. It defies me, Mr. Speaker, how we as a province of one million people would want to go into a policy of isolation where we simply manufacture or process for our own one million people. Mr. Speaker, that does not create jobs, that destroys jobs, Mr. Speaker.

Some Hon. Members: Hear, hear!

Accusations Against Provincial Auditor

Mr. Rolfes: — Mr. Speaker, my question is to the Minister of Justice. Mr. Minister, not so long ago in this House you told this legislature and you told the press that you would refer to your department, for criminal investigation, accusations made by yourself of the Provincial Auditor that he had offered to trade material considerations for adjustments in his annual report. I believe, Mr. Minister, you have not done so.

My question to you therefore is this: why, after making those serious accusations against the Provincial Auditor, did you not refer to your department for criminal investigations those accusations that you made of the Provincial Auditor? Why did you not do that?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, I think any fair review of the record of *Hansard* in this Assembly, at no time did I make any statement suggesting criminal activity by the Provincial Auditor. Any reference to the Provincial Auditor of criminal activity came . . .

The Speaker: — Order, order, order. Order, order. Order, order.

Hon. Mr. Andrew: — Any allegation of criminal nature came from the Leader of the Opposition in his questions, Mr. Speaker. What I indicated to the media outside this House, Mr. Speaker, was that that matter would be referred . . . Mr. Speaker, once the allegation being made from the Leader of the Opposition, the matter would be referred to my department for investigation.

Mr. Speaker, I can report that I in fact did refer that to my department for investigation. They reviewed (a) what had happened. And the statements of both myself and the Leader of the Opposition conclude there's no such thing as criminal activity in that particular . . .

Some Hon. Members: Hear, hear!

Mr. Rolfes: — A new question to the Minister of Justice. Mr. Minister, next thing you'll have us believe that you made no scurrilous attack against the Provincial Auditor. It's just a big fairy-tale — just a big fairy-tale.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Minister, you also told this House, Mr. Minister, that you would register a complaint about the Provincial Auditor's behaviour to the chartered accountants' association. You told this House that. Mr. Minister, you told the House that you would also register a complaint against the accountants' association against the Provincial Auditor. As far as I know, you've not done that.

Mr. Minister, when you make these accusations against the Provincial Auditor, you tell this House you are going to take action and then you don't. Doesn't that tell you

that maybe your arguments, your allegations, were completely groundless and that you made those accusations only because the legitimate criticisms of the auditor were against your government, and the only way that you could defend your government was to make personal attacks on the Provincial Auditor? Isn't that the case?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, what I indicated in the House is clearly set out in the record of the *Hansard* of this House. I made those statements, Mr. Speaker.

With regard to any reference — and I think what the hon. member is referring to is professional conduct committee of the chartered accountants of Saskatchewan, Mr. Speaker — I have been advised that some of the local chartered accountants were in fact proceeding to do that. I have not heard whether it has in fact been done or not. I will certainly inquire into that.

I think it's something that should duly be considered by the professional conduct committee of the chartered accountants of this province. Should it not be done by a local chartered accountant, then I would certainly undertake to refer that for clarification, if nothing else, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Further question for the Minister of Justice. Mr. Minister, isn't it true that upon investigation you have found that your attacks on the Provincial Auditor were completely groundless; that's why you didn't refer for a criminal investigation? You also found that the Provincial Auditor did nothing that was illegal or unprofessional or unlawful or unethical; that's why you didn't refer anything to the professional accountants association.

And, Mr. Minister, don't you think it's time now that you do the honourable thing and apologize in this House for your accusations against the Provincial Auditor which were completely groundless? Would you do that now in this House?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, I understand at this point in time that that particular auditor's report is being now dealt with by the Public Accounts Committee, Mr. Speaker, of which I understand the hon. member from Regina . . . Saskatoon South is a member.

(1445)

What I would hope, Mr. Speaker, what I would hope, Mr. Speaker, is that Public Accounts Committee will review and investigate into the allegations or the statements that I have made to determine whether or not what I said in fact was substantiated, Mr. Speaker. And I think it's only proper that both I and this House wait for that determination by the Public Accounts Committee because that is what they are designed to do, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. Order, order.

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 45 — An Act respecting Personal Care Homes

Hon. Mr. McLeod: — Thank you, thank you very much, Mr. Speaker. Mr. Speaker, today I am pleased to explain the . . .

The Speaker: — Order. Order. Order. The question period is over. We'll have another one tomorrow. Let's allow the Minister of Health to continue with his remarks.

Hon. Mr. McLeod: — Thank you very much, Mr. Speaker. As I was saying, I'm pleased to explain the purpose of this Bill, Bill No. 45, which is to enact The Personal Care Homes Act. I'll be moving second reading at the end of my remarks, Mr. Speaker.

This Act will govern care homes that are not currently regulated by the province. These facilities provide room and board plus care services to adults who cannot manage entirely on their own. I want to emphasize, Mr. Speaker, that this new Act will not affect the care facilities we already license and approve under other legislation.

A personal care home in this province is usually in a family-type house or duplex. In many cases the operator lives in the house with family members as well as residents who need care. Staff are sometimes employed to provide services.

Under this Act, Mr. Speaker, every personal care home will need a licence to operate. To qualify for that licence the home will meet standards to be set in the regulations. Our government consulted with health care groups, facility operators, and other interested groups, and with individuals, about the need for this Act. Public meetings were held in Regina, in Saskatoon, in Prince Albert, in North Battleford, and in Moose Jaw, and these meetings were very well attended.

A public consultation paper was widely distributed so everyone interested could look at our detailed proposals. There was a clear consensus: we need this legislation to provide protections for the elderly and younger disabled people who live in these homes.

With this Act in place, Mr. Speaker, some 200 to 300 personal care homes can be officially recognized through licensing as part of the continuum of long-term care. Most importantly, we will be able to monitor the quality of services that personal care homes offer.

This new Act is another step toward our goal of providing people with a full range of good quality options when they need long-term care, Mr. Speaker. We believe that the licensing provisions proposed in this Bill will assure residents a reasonable standard of care and safe,

comfortable housing.

This Bill sets out a framework for mandatory licensing of personal care homes. It has provisions to make regulations about standards and to issue licences with terms and with conditions. Licences may be amended or suspended when it is necessary to protect the public interest. A licence will not be transferable from one operator to another, or from one facility to another. In each of these cases, a new application for licensing would be required.

The Bill has provisions for the inspection of facilities and provisions to require operators to submit information and materials needed to establish compliance with the Act and with the regulations to this Act.

Mr. Speaker, we've also made provisions to allow an operator to request and obtain a review of a licensing decision. In such situations, the operator will have the right to make a representation personally or with legal counsel.

The Bill contains provisions for penalties that will apply to persons convicted of contravening the Act. We believe these penalties are sufficient to encourage compliance.

It is my intention, Mr. Speaker, to start the groundwork for this new licensing system just as soon as The Personal Care Homes Act is passed by this legislature. My staff will be scheduling meetings this fall with personal care home operators to review the standards we're proposing. At the conclusion of these meetings, we'll be finalizing the regulations we need to administer the Act.

We will give personal care home operators a year of notice to prepare for the new standards. I will expect operators to use this notice period to examine the services they provide and, if needed, to upgrade their facilities and their services.

We will also be consulting with the cities and with health care agencies that work closely with personal care homes as we develop our standards and our monitoring system.

Mr. Speaker, this statute is an important step in ensuring the well-being of our seniors and our disabled citizens. I'm therefore pleased to move second reading of Bill No. 45, An Act respecting Personal Care Homes. Thank you, Mr. Speaker.

Ms. Simard: — Thank you, Mr. Speaker. Mr. Speaker, we welcome the legislation coming to the floor of the House. It provides recognition and regulation of private care homes, and we believe that this recognition and this regulation is long overdue.

There are many people who use these homes, Mr. Speaker, and the legislation or the regulations that will follow the legislation, as I understand, are going to be requiring that certain standards be met before a licence is issued. This will provide protection for the people who use the homes, and it will provide protection for their families.

We feel that this legislation is also good because it gives

the private care homes the recognition that they have deserved for a considerable length of time. Many of these homes already meet very high standards, and now they will be licensed pursuant to the Act.

Our critic for senior citizens is not here today, Mr. Speaker, so I'm going to ask to adjourn the debate because I know that she is going to be carrying this Bill through the House. So I'm going to ask of the government that we adjourn the debate until she's in the House. Thank you.

Debate adjourned.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Klein that **Bill No. 47 — An Act to amend The Municipal Revenue Sharing Act** be now read a second time

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. Mr. Speaker, I rise today to move second reading of a Bill, Bill No. 47, The Municipal Revenue Sharing Amendment Act, 1989. And as many members will know, the Municipal Revenue Sharing Act establishes the level of provincial operating assistance to be allocated to both urban and rural municipalities. And accordingly, the amendment gives legal effect to many of the decisions that were reflected in this government's 1989-90 budget.

And I believe, Mr. Speaker, that that is a budget that is very good for municipalities across Saskatchewan, and I'd like to highlight for a few moments some of the initiatives under that budget.

Firstly, Mr. Speaker, there is in that budget and by way of this Bill a new \$100 million capital program for municipalities. Now, Mr. Speaker, as you may well know, across Saskatchewan and primarily in rural Saskatchewan in smaller communities there is very much of a need for funding from the provincial level of government to assist these municipalities in building infrastructure. What I'm talking about Mr. Speaker, is roads and sewers and lagoons and water treatment plants, and on and on down the road.

Mr. Speaker, within this Bill there is a \$100 million capital program for these municipalities. I believe, Mr. Speaker, it is proof positive of this government's ability and willingness to co-operate with junior levels of government. And, Mr. Speaker, I submit to you that this initiative will be welcomed by the people of Saskatchewan.

I say, Mr. Speaker, that I call on the opposition, I call on the opposition to assist this province in another initiative to help build Saskatchewan. And, Mr. Speaker, I and the public of Saskatchewan will be watching to see if indeed the members of the NDP support this very good, worthwhile building initiative of \$100 million.

Secondly, Mr. Speaker, another major thrust of what this Bill will allow is under the recreation and cultural

facilities program, 33 millions of dollars to be put into recreational facilities across this province of ours. I say, Mr. Speaker, that this need, this need is most acute in small and medium-sized towns across this province. And, Mr. Speaker, coming from a rural area myself, I feel that I can very much appreciate the need for improved recreational and cultural facilities in small towns in Saskatchewan.

When I look at my members on this side of the House, on the government side of the House, Mr. Speaker, most of the members here coming from small town Saskatchewan, I say that there is an understanding and an empathy and a genuine concern on the government's part to assist towns and villages and hamlets and small cities with their recreation and cultural needs.

Mr. Speaker, within this Bill 33, millions of dollars that will not only help the communities build these structures, but indeed will create many hundreds, if not thousands of jobs in building these facilities.

I thirdly submit to you, Mr. Speaker, that within this Bill are contained provisions for the increase in urban assistance respecting highways for our cities and towns across this province — here again, Mr. Speaker, something that is near and dear to my heart, and I believe near and dear to the hearts of the members on the government side of the House — increase in funding for highways that run through towns and villages.

Mr. Speaker, these moneys will assist in resurfacing highways, they will assist in putting in curbs and gutters, they will assist in improving safety measures with such things as lights along highway routes through towns, flashing lights, guard rails, and various assorted infrastructure needs for highway routes running through towns and villages.

Mr. Speaker, all told, the passage of this Bill will allow \$115 million to flow in 1989 to Saskatchewan urban and rural municipalities through revenue sharing.

Mr. Speaker, in conclusion I would say that this particular Bill, in summation, would be a Bill that allows for further diversification and further building in this province. And, Mr. Speaker, from the government's perspective, the building of Saskatchewan, which creates jobs and investment, I believe is of utmost importance today.

Mr. Speaker, I would call on all members of the opposition to support this Bill today, at least in general principles. And, Mr. Speaker, we all know of the opposition's mentality over the last while, that they have been against every major building project that this government has initiated.

Mr. Speaker, I am calling today on members of the opposition to support this Bill. I am calling on members of the opposition to stand up for Saskatchewan communities. I'm calling on members of the opposition to stand up for the creation of jobs with which this Bill will create.

And, Mr. Speaker, I therefore, in summation, do move second reading of Bill No. 47, The Municipal Revenue

Sharing Amendment Act, 1989.

Some Hon. Members: Hear, hear!

Mr. Van Mulligen: — Thank you, Mr. Speaker. Mr. Speaker, I might say how pleased I was that you read out the Bill number because, listening to the Minister of Highways, I wasn't sure what particular piece of legislation he was talking about, because his remarks certainly didn't have anything to do with Bill 47, An Act to amend The Municipal Revenue Sharing (Act). Nothing.

The Minister of Highways talked about capital grants, he talked about recreational grants, he talked about diversifying the economy, but did not talk about revenue sharing. In fact his remarks, Mr. Speaker, probably had more to do with the price of tea in China than they did with revenue sharing. There's just little or no relationship with the Bill before us.

(1500)

The Bill before us, Mr. Speaker, does two very specific things, two very specific things. In the case of urban municipalities, and secondly in the case of rural municipalities, it means that the amount of money that goes from the provincial government to urban and rural municipalities for revenue sharing will be exactly the same in this fiscal year as it was in the last fiscal year.

That's what the Bill does, those two things. For urban municipalities and for rural municipalities, that's what it does, nothing more, nothing less. It means the amount of money going to urban and rural municipalities for revenue sharing to help them with their operational programs will be exactly the same. There won't be a penny more, not a penny more this year than there was last year. That's what the Minister of Highways was trying to tell us, Mr. Speaker, in a very roundabout way and never got around to it. But that's what he was trying to do — not a penny more!

Mr. Speaker, now one might well ask that in light of all the difficulties facing this government, and the difficulties facing this government are considerable, many — and most, I would say — because of their own making, because of their own fiscal irresponsibility, the difficulties facing them, one might well ask, well, so what's the big problem with the zero per cent increase to municipalities; not giving them an increase this year over last year in the amount of money for revenue sharing, when the government has all these other challenges before it. And I suppose one might say if this were an isolated example or an isolated incident when it comes to this government's relationship with municipalities and this government's transfer of funds from the provincial treasury to municipalities, one might say, well, perhaps it's no big deal.

But when you begin to look at the history, the history, Mr. Speaker, we can see that this Bill is part of an ongoing trend by the government, an ongoing trend by the government to slow down the transfer of revenues, the transfer of funds from the provincial government to municipalities.

And I just want to go into this in some detail, Mr. Speaker. When it comes to urban municipalities, as an example, urban municipalities, we see that in 1984-1985, the amount of money under revenue sharing which went from the province to urban municipalities was \$65,171,700. That was the amount.

The following year there was a zero per cent increase — no increase. So the increase between '85-86 over the previous year was zero, even though the inflation rate in Saskatchewan increased by 3.6 per cent. Now one might hold, one might hold that a zero per cent increase in the amount of money from the province to municipalities, in the context of an inflation rate increase of 3.6 per cent, represents a real decrease to municipalities.

The following year, '86-87, there was an increase. Now we should not be surprised by that because '86-87 was an election year in Saskatchewan. And even though I'll go into ensuing years, I want to point out to municipalities that there's just no doubt in my mind, that come election year, that the provincial government will again offer them a small increase in revenue sharing. One can bet a few dollars on that, Mr. Speaker, and when it comes to election year, that they will increase the amount of money for municipalities. But in '86-87, the increase was 3 per cent, even though the inflation rate increase was 3.1 per cent. But they said that your municipalities should be happy because there was an increase.

Well now was this something that held, Mr. Speaker? Did this signal a turn in the attitude of the Progressive Conservative government towards municipalities? Did '86-87, with a 3 per cent increase, even though it was less than the rate of inflation, signal a turn in the attitude of that government towards municipalities?

Well we only have to look at the following year to note that in '87-88, not only was there no increase, there was, in fact, a decrease. There was a 1 per cent decrease in the amount of money going from the provincial government to municipalities, even though the inflation rate in Saskatchewan increased by 4.9 per cent.

So here we have inflation going up, and one would say that the cost of municipalities are going up, whether it's in terms of wages or whether it's in terms of purchases that they must make, that those costs were going up. But the provincial government decided to cut back. Now this is the year after the election, Mr. Speaker, it cut back in its funding to urban municipalities.

The following year, the following year the increase was less than 1 per cent. There was a 0.88 per cent increase in funds under the revenue-sharing program from the province to urban municipalities — a 0.88 per cent, so that there was a slight increase. But again we have to put this in the context of inflation, Mr. Speaker, which that year was 5.7 per cent, so that even though the government that year in its budget was crowing about the fact that it had more money for municipalities, one needs again to put this in the context of inflation, and inflation that year was 5.7 per cent.

Now this year, this year, Mr. Speaker, they're proposing to hold the line again, that there won't be any increase to

urban and rural municipalities, notwithstanding the fact that inflation at this point is projected to increase this year by 4.4 per cent over the previous year.

So what they're saying to municipalities is that there's no money for you even though we recognize that inflation will mean that you will have higher costs — higher costs for the programs and services that you deliver.

Now those are things that the Minister of Highways did not mention in his opening remarks, Mr. Speaker. He did not mention that the trend, the trend line on the part of this government is very clear, and that is, we will slow down or decrease the amount of money going from the province to municipalities, with the exception, of course, of an election year in which there will be a modest increase to try and soften up the municipal leaders; to try and soften up those that might be concerned about that in order to see if we can't get them to vote for us.

But by and large the trend is very clear, and that is to reduce the amount of money going from the provincial government to municipalities. So the one thing the Minister of Highways did not do was to put this in the context of any historical precedence in terms of the government.

Now one might ask, well, so what? I mean, what's the big concern about money going from the province to urban municipalities or rural municipalities? What's the big concern? I mean urban municipalities had the power to raise taxes and rural municipalities had the powers to raise taxes.

Well all municipalities, Mr. Speaker, urban and rural, depend to a certain extent on provincial revenue sharing for part of their revenues. And if the revenue sharing is down, then in order to provide the same level of services, recognizing that there is inflation, or to increase services either means you start to increase taxes, or if you want to keep tax levels the same, property tax levels the same — and there's a reason for that and I'll get to that, Mr. Speaker — but to keep tax levels the same, then you're faced with the prospect of holding the line on services. And in many cases it means that municipalities are forced to cut back in services or to decrease services.

Now there may be good reason where from time to time you want to encourage municipalities to do that. But I can tell you, Mr. Speaker, as a person who was a member of a municipal council for a period of six years, my experience was then and is now, after many discussions with municipal leaders, that this is a process that municipalities go through every year, that they try and hold back, that they try and provide services at the best cost available to their taxpayers. That is the situation in Saskatchewan.

Municipalities are fiscally responsible and municipal leaders in Saskatchewan are people who have a very keen eye for expenses on the one hand, and a very keen sensitivity about not wanting to raise property taxes on the other hand. In many instances, if they do raise taxes they are able to hold this below the line of inflation to spare the taxpayers the need for huge increases, and municipal leaders in the main in Saskatchewan have

been able to do that. And they've been able to do that because they take their job seriously and because they have a very keen sense of what it is that their constituents want and what the market will bear, so to speak, but yet what is required in the way of services.

And I think there's no better testament, no better testament to the kind of leadership that our municipal leaders have been able to provide. Notwithstanding the actions of the provincial government in slowing down the amount of money going from the province to local governments, notwithstanding that, one needs to look only at the situation of Saskatoon and Regina.

Saskatoon has a rating from the Canadian Bond Rating Service of AAA. This means that Saskatoon — as far as this particular credit rating agency is concerned — puts Saskatoon at the top of the list. As an agency to which it would loan money or provide when it comes to funds for bonds, it's prepared to give it a very high rating.

When it comes to Regina, Regina has a AA-plus rating. Again, it's a very high rating for municipalities and it means that Regina's reputation when it goes to borrow money is a very good one indeed in the context of other Canadian cities and in the context of other Canadian provinces.

But the province of Saskatchewan, by way of contrast, has a AA-minus rating, Mr. Speaker — a AA-minus. So when those credit rating agencies look at those three jurisdictions — Saskatoon, Regina, and Saskatchewan — as a separate and distinct jurisdiction, they say, we tend to take the point of view that Saskatoon and Regina are more fiscally responsible than is the province of Saskatchewan.

And I think that is a strong testament, Mr. Speaker, to the fiscal responsibility of municipal leaders in Saskatchewan, and a strong testament to the strong leadership that municipal leaders provide in Saskatchewan when they try and juggle the matter of providing services on the one hand for people in our cities, towns, and villages, but trying to keep taxes to a reasonable level on the other hand. And it is a very strong testament of the ability of municipal leaders in Saskatchewan to balance those kinds of expectations and necessities and needs, and to do it well.

Mr. Speaker, one other impact, one other impact that the slowing down of provincial funds to municipalities has to the revenue-sharing pool, it means that an objective of the revenue-sharing pool, which is to equalize the tax burdens between municipalities, is something that is much less achievable now than it was some years ago.

The Local Government Finance Commission in its very definitive report on local government financing, indicated that if we are to achieve the objective of equalizing the tax burden between municipalities of different means, then more money needs to be put into revenue sharing to allow that to take place.

Now they used the example, I think it was, of Kindersley or Rosetown versus Meadow Lake, and pointed out that the one community has a much higher local assessment as opposed to the other community; meaning that in

order to provide the same services, the one community would have to exact far more in property taxes from its citizen than the other community would in order to be able to provide the same services, because each community had an unequal assessment base.

Now the equalization or the revenue sharing in the case of urban municipalities is intended to in part equalize the property tax burden between municipalities. What the Minister of Highways did not mention in his remarks, that by not providing for any increase — and to put that again, Mr. Speaker, in the context of previous years where the increases have . . . well in fact there have been decreases, actual decreases, and certainly decreases put in the context of inflation — that one of the things that the Minister of Highways did not mention is that this year again we go that much further from achieving the objective of equalizing the tax load for people in various municipalities in Saskatchewan. He didn't mention that, Mr. Speaker.

Now one might ask, what is the big concern about property taxes. If the money's not forthcoming from the provincial government, why can't municipalities simply raise their taxes to provide the services and programs that they are either (a) obligated to provide, or (b) feel it's necessary to provide, in addition to whatever statutory obligations there may be? One might well ask.

(1515)

But the reason that we have always taken a keen interest in this and the reason that we have always expressed a very keen opposition to the approach of this government when it comes to revenue sharing, is that we take the position that the property tax is an unfair tax that bears little or no relationship to the ability to pay.

We take the point of view that taxes, if they are to be supported and if they are to be effective, need to have more rather than less . . . a relationship between the ability to pay than no relationship whatsoever, Mr. Speaker.

And certainly in terms of property taxes there are many, many observers who would hold — those who have no axe to grind on this, or no political axe to grind — would hold that there is very little relationship between property taxes and the ability to pay. In fact they would say that the relationship is a spurious one, that there is no strong relationship.

And I illustrated this a couple of years ago, Mr. Speaker, and I just want to go back to this illustration to show people and to lay it out very clearly for the members of the Legislative Assembly why we take this position. I used, a couple of years ago, the example of the minister of Urban Affairs. And that minister, we knew what his property taxes were by going to city hall or getting that from the real estate industry. We were able to compute that his property taxes were \$2,320.16.

We also knew what his income was, what his income was from the government alone. His income that year was \$68,000. Now his income may have been greater than that; he may have had income from other sources, but we

would not be aware of that. So we can only take the income that he very clearly and specifically derived from his being a member of the Legislative Assembly and from his being a cabinet minister. And we know that his income was \$68,000. Property taxes, his property taxes represent 3.4 per cent of his known income.

On the other hand, Mr. Speaker, I had an elderly widow who lives in my constituency. She lives in a very modest home in one of the poorer areas of the city. Her property taxes that year for this modest home on a minimum lot, I might say, were \$712.81. Her income, including pensions and including the senior citizens' heritage grant, all the income she had was \$12,000. Her property taxes represent 5.9 per cent of her income, Mr. Speaker.

Mr. Speaker, that is why we take the position as we have throughout the years and continue to take the position that when it comes to revenue sharing, that revenue sharing needs to be increased, because ultimately the impact will be on property taxpayers in Saskatchewan, and the relationship between the property tax and the ability to pay is simply not there, which means that the property tax by and large is not a fair tax.

The objective of a provincial government should be to reduce the property tax, as opposed to slowing down the amount of money from the province to municipal treasuries and having the reverse effect, and that is to say, of increasing property taxes in Saskatchewan. The tax is simply not a fair one.

Mr. Speaker, the Local Government Finance Commission in its final report which was tabled with the people in October of 1986, made some observations in this regard in terms of the impact on people in Saskatchewan. They looked at property taxes as a percentage of the Saskatchewan gross domestic provincial product, the GDPP, for the period 1968 to 1985.

And they note, Mr. Speaker, that the high point occurred in 1970 when property taxes amounted to 5.1 per cent of the gross domestic provincial product. The low point occurred in 1980 when property taxes had fallen to 2.7 per cent of the gross domestic provincial product. And subsequent to the low point in 1980, property taxes had risen to 3.5 per cent of the gross domestic product in 1985.

And we know, Mr. Speaker, we know, even though the Minister of Highways neglected to mention this, that the trend since that time has been to slow down the transfer of funds from the province to municipalities, meaning again that property taxes will inevitably have to go up, and meaning, Mr. Speaker, that property taxes, again as a percentage of the gross domestic provincial product, are very much on the rise and will increase more in the future, and that we're moving back to the time of the late 1960s when we had a right-wing Liberal government and when property taxes as a percentage of the gross domestic provincial product were very high indeed.

The Local Government Finance Commission report, Mr. Speaker, also goes on to say that the reliance on the property tax was higher — higher — in Saskatchewan compared to Canada as a whole for 1968 to 1973

inclusive and in 1982 and subsequent years. Between 1974 and 1981 inclusive, the relative reliance is lower in Saskatchewan as a whole.

Now, Mr. Speaker, I don't need to outline for you the history of Saskatchewan, but you will know — and perhaps the people at home don't know — but Saskatchewan had a Liberal government until 1971, an NDP government from 1971 to 1982, and a PC government since that time. That the relative reliance on property taxes was and is higher — higher — during Liberal and Conservative administrations and lower during NDP administrations comes as no surprise to us, Mr. Speaker, because it reflects a very major philosophical difference between the Conservative Party and our party.

They favour shifting the tax burden away from the province to municipalities, whereas we would take the position, Mr. Speaker, that the property tax is an unfair tax and therefore the total tax load of the province, there needs to be less reliance on the property tax as a means of funding government programs in Saskatchewan.

I just want to make one further comment about relative impact, Mr. Speaker. In 1985, that's 1985, our per capita net property taxes — now net property taxes is taxes less provincial credits and rebates — were the third highest of any province in Canada, the third highest of any province in Canada. So that in Saskatchewan we tend more to rely on the property tax as a way of funding municipal administrations.

We tend to rely more than other jurisdictions do to fund our municipal administrations as opposed to a situation some years previous to that when there was a property improvement grant which was a means of lowering the effective property tax for people when the per capita net property taxes was of course much lower in Saskatchewan. But that was as a result of a New Democratic Party administration, Mr. Speaker.

Mr. Speaker, I don't want to dwell on the future, but I think that it's fair to say that our objective as a government in two years time would certainly be to reduce the reliance on property tax in Saskatchewan.

Mr. Speaker, in terms of the particular Bill, the Minister of Highways could have said a lot of things about revenue sharing in Saskatchewan — the impact that the Bill will have on municipalities, the impact that the Bill will have on property taxpayers. He chose not to talk at all about revenue sharing, but to talk about other things that the government is doing. Now we certainly have a lot of questions on those areas.

And he went on at some great length. And I may want, Mr. Speaker, upon further review of his comments, to also digress, if you like, from the Bill at hand. Although I can certainly appreciate your frustration as a Speaker to have someone rise and to say, these comments of mine are appropriate to the Bill, when upon reflection and upon further study they're not at all appropriate to the Bill at hand. Because that's the kind of thing that wastes the time of the House, Mr. Speaker.

Now, Mr. Speaker, I want to have the opportunity, however, to review the comments of the Minister of Highways further, and perhaps, if necessary, to speak further on this matter at some future time. And therefore I would beg leave to adjourn debate at this time, Mr. Speaker.

Debate adjourned.

COMMITTEE OF FINANCE

Mr. Chairman: — Why is the member on his feet?

Mr. Goulet: — Yes, could I ask for leave to introduce some guests?

Leave granted.

INTRODUCTION OF GUESTS

Mr. Goulet: — Yes, Mr. Chairperson, I would like to introduce a group of grade 8 students, 14 in all, from Churchill High School in La Ronge, along with teacher Martina Cain. I would like to ask the members to give them a warm welcome.

Hon. Members: Hear, hear!

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

Mr. Chairman: — The next item of business before the committee is Science and Technology estimates. Would the minister introduce his officials.

Hon. Mr. Meiklejohn: — Mr. Chairman, it gives me pleasure today to introduce my deputy minister, Harley Olsen, on my left. Behind Harley is Peter McNeil, the director of advanced technology programs; and behind me is Raman Visvanathan, who is the administrative services co-ordinator; and beside me is Wayne McElree, who is the director of policy and planning; and in the back row we have Irene Ositis-Schmeiser, who is acting director of administration, and Dona Miller, director of communications.

Item 1

Mr. Koenker: — Mr. Minister, on June 8 I wrote you requesting information to expedite the estimates process, and I'm wondering if you can supply that information at this time.

Hon. Mr. Meiklejohn: — Yes, I have it right here.

Mr. Koenker: — Mr. Minister, do you have in that information — I haven't had a chance to look it over yet — a list of your present staff and their salary levels? That's in there? Okay.

Do members of your personal staff have access to government vehicles, either permanently or intermittently?

Hon. Mr. Meiklejohn: — No, they do not.

Mr. Koenker: — Mr. Minister, I'd like to begin this afternoon by asking if you could explain your relationship to the advanced technology development grants that are made through the economic diversification and investment fund.

Hon. Mr. Meiklejohn: — Those are grants that we administer in Science and Technology.

(1530)

Mr. Koenker: — These are grants that you said you administered through, or we administered through, Science and Technology. What is your relationship to the approval of the grants made under that fund?

Hon. Mr. Meiklejohn: — Mr. Chairman, grants up to \$10,000 are approved by the minister. They are put forward in recommendation by the officials of the department. Anything in excess of \$10,000 goes to cabinet for approval there.

Mr. Koenker: — How is it that you can't make approval of grants more than \$10,000? That's a relatively small amount for a minister to approve of.

Hon. Mr. Meiklejohn: — It's my understanding, Mr. Chairman, that that is a rule under legislation. It applies to all departments right across the government, that a minister can only approve funds up to \$10,000.

Mr. Koenker: — Do you feel that that's appropriate with respect to this fund? Do you feel any need for authorization to approve funds of more than \$10,000?

Hon. Mr. Meiklejohn: — I would say, Mr. Chairman, in answer to the member's question, that at the present time we haven't seen any reason why it should be increased. We haven't had any problems in so far as grants larger than that, taking them to cabinet and having them discussed there and approved at that level.

Mr. Koenker: — Mr. Minister, I note that your funding for research and development has steadily declined since the inception of this department; that in 1983-84 you estimated that \$5 million would be spent and you spent one-tenth of that. In '84-85 you estimated that \$5 million again would be spent, and you spent not even a third of that, 1.469 million. In '85-86 you began to be more realistic, and you lowered that down to 4.5 million in estimated spending, and you actually spent 2.8 million, almost half this time.

In '86-87 you've bumped it down to 4 million, and you've spent 3.6. In '87-88 you estimated 3 million, and you spent 2.2. In '88-89 you bumped it up to 3.5 million — we don't know whether you spent that much; your past trajectories would indicate that you haven't; you had no intention to. And, of course, the trajectory in estimates now with your most recent tabling of spending estimates this spring indicates that you cut that fund to \$3.5 million.

Now why is it, Mr. Minister, when this is the principal fund for research and development work in technology, high technology in the province, that you consistently

countenance — in fact, not countenance, but you advance cuts in this research and development spending?

Hon. Mr. Meiklejohn: — Mr. Chairman, the member on the other side obviously doesn't realize how the granting procedure works in so far as Science and Technology is concerned, the grants that are approved for companies that are going to be doing research and development. Money is not given to the companies until the money has been . . . or the expenditures have actually been incurred by the company for doing the work.

The amount of money that we put into our budget is based on the amount that we consider that we will need for the year. Obviously there are some very large projects that we may very well have given approval to, but in view of the fact that the moneys are not forwarded to the company until the work has been done, the companies in all cases certainly cannot estimate whether or not they are going to finish the work in any set period of time.

So in some cases we find that we may very well have budgeted for some of these larger expenditures over the course of the year, but in fact the company that has been eligible for the grant has not completed the work. As a result, we find that at the end of the year, sometimes we're in a situation where we have not spent all the money that we have budgeted.

I would point out as well that in so far as Science and Technology is concerned, that we have, with the small amount of money that we had in our budget, or have had in our budget over the last four or five years, have triggered a tremendous amount of money from the federal government through their federal programs. And if you look back at the record and consider the amount of dollars that have been triggered through these federal programs, I think that we can take pride in having done a tremendous amount of work in the province of Saskatchewan.

But with regard to the grants going, or the total amount going down a bit each year, it certainly isn't because we have been declining requests that we've had from the different companies that have been contacting us. In some cases certainly we do decline because they don't meet the criteria for a particular program.

But we have, I think, been able to meet the demands of the industry and have been doing a very good job in that regard.

Mr. Koenker: — How do you explain the decline, Mr. Minister? How do you explain the decline in funds for research and development programs? You say it certainly hasn't been as a result of companies not approaching you. Is it a factor of you not having money to fund grants and research projects?

Hon. Mr. Meiklejohn: — Well the amount of work that the department has been able to do in the province certainly has not been hampered by a shortage of funds.

And I would point out to the member that Saskatchewan's research and development infrastructure base includes over 30 agencies and organizations with industrial

oriented expertise and facilities. And total research and development in Saskatchewan amounted to over \$157 million in 1987-88 alone, so if you consider the fact we had a very small budget, but a tremendous amount of money has been spent in that particular area over the last few years.

Mr. Koenker: — Well, Mr. Minister, you're certainly honest about one thing, that you have a very small budget. I would go further and say you have a shrinking budget. Annually your budget is shrinking. And I would claim, on the basis of my contact with the high-tech sector and people in the science sector, that this is because — not because that they aren't requesting funding from you, but because you are not able or willing to provide funding for people engaged in sciences, and high technology, and research and development work here in this province.

You, Mr. Minister, are presiding over a shrinking empire. And when it comes to your advanced technology grants and the economic diversification fund, for example, you give the money to the high players, the big rollers of the high-tech community. Develcon, for example, can pull in \$632,000 in the year '87-88, according to public accounts. That's fully one-third — one-third — of all of the advanced technology development grants given in that year, given to one company.

The POS (Protein/Oil/Starch) Pilot Plant can pull down a cool quarter of a million dollars in one year, in that same year. And if you add to those two figures — the Develcon expenditure, the POS expenditure — if you add to that the funding for the University of Regina and the U of S research offices, you've got well over two-thirds of the money in that fund going to four participants.

So people are concerned that you have a shrinking fund, first of all — annually shrinking, shrinking, shrinking.

Secondly, that you don't even approximate your own spending estimates because you're chiselling, you're playing politics with this expenditure. You'll announce these expenditures at budget time, but you won't really expend them, and you won't stand up to your colleagues in cabinet and fight for the science and technology sector when it comes to spending funds such as this.

And thirdly, when you do spend, the overwhelming majority or the percentage of the funds goes to the big players, the high rollers in the high-tech community.

Well I think the small, high-tech firms in this province that are struggling for start-up capital and for research and development funds to get them airborne are owed a bit more of an explanation from you as to why you allowed this situation to continue and to get worse from year to year.

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, as usual the member opposite likes to stand in his place and make all kinds of statements that are just totally out in left field, and this of course is not new to this member. He likes to talk about the fact that the budget has been shrinking. Well I would point out to him that it has been pretty well staying about the same each year; it has gone down

slightly.

As I had indicated to him before, we're not going to be going out and twisting the arms of the companies to come to us and get grants. They certainly are open to approach the department and request these grants. I indicated to him earlier that we have not declined to give grants where they have met all of the criteria.

And he talks about a declining empire and about R & D (research and development) in this particular province. Well let me just quote to the member opposite from a publication put out, StatsCanada, that indicates that on a per capita basis the Government of Saskatchewan is one of the top funders of research and development in Canada.

Now what would the member opposite say to that? He talks about our expenditures on research and development going down.

One other point that I would make as well, that the provincial government on a per capita basis, in comparison to other provinces, is the third largest funder of its universities in Canada. And you like to whine and wail over there about cut-backs in education and other areas in this province, but it's totally inaccurate. So I think you need to check a little bit further there in some of the things that you're saying and make sure that you're talking with a little bit of a factual basis.

Now you talk about us giving money to the high rollers. Well let me point out to you that we do in this province have a differentiation between the high-tech or the different technology companies. Certainly we do have the larger companies like Northern Telecom, Develcon, and SED Systems, but the majority of the companies in this province are those that have probably around 10 to 15 employees.

And you talk about the high rollers. Well obviously we have given a fair bit of money to some of these larger companies, but don't forget the nature of the projects that they're involved with, the number of employees that they have there, and the type of work that they're doing. The higher the technology, the more expensive it becomes, and the more risk that there is. And certainly there is every reason for supporting some of these larger companies and the type of technology that they're doing.

Let me also point out that we spend a fair bit of money each year with our universities. We spend a fair bit of money with regard to companies like the POS Pilot Plant. And these companies are involved in helping many other smaller companies, some of which, I might add, you would like to see closed down, in fact have played a little bit of a role in some cases in having some of these smaller firms shut down.

Now let me just mention some of the companies, and this is information you've got before you. You asked for some of the different companies that have received money over the past number of years. Let me point out a company like International Road Dynamics. You talk about the high rollers; well here's a small company of, I think, about 15 employees that is now selling products world-wide. Is this

a high roller? Is that your idea of high roller?

(1545)

We've got other companies here that have only a very small number of employees. Beck Technology would be another example. I'm not going to get through all of these because there are a good many of them. Philom Bios certainly is not a very large company. Is this another example, as you would say, the high rollers?

I think if you just take a little bit of time and go down through the list there, take a look at the companies that we've got, consider the number of employees that they have and the type of work that they're doing.

What about RhizoGen, a very small company with, I think, somewhere around 14 employees just teamed up now with a large British company which is going to give them a lot of potential for marketing products world-wide and now an international company that they're hooked up with?

What about SCI-TEC Instruments? Is this another high roller that you're talking about? I'd really be interested in knowing what your definition of a high roller is. Just another example, I think, Mr. Chairman, of the member opposite trying to put statements out that are totally lacking in any kind of substance whatsoever. And I would suggest to him to just take a little bit of time and study the list that he has before him and see the breakdown of the moneys that have been spent over the years and just really who has received them.

Mr. Koenker: — I think I indicated, Mr. Minister, who some of the high rollers are. A high roller, in my book, is Develcon, when they can get \$632,000. That pales into insignificance when a firm like SCI-TEC gets 33.5 from that same fund, or Canaerotech will get \$2,623, or Agtron will get \$3,316. Agtron happens to be a business in my constituency, and they can get \$3,000 from you. Well that's not doing a whole lot to develop small, fledgling, nascent Saskatchewan high-tech firms.

My case, Mr. Minister, is not made on facts pulled out of the air. It's made on facts presented in your government's annual reports for the Department of Science and Technology and in the **Public Accounts** of the province of Saskatchewan that are tabled annually in this Legislative Assembly, such as they are.

Often, as we know, it's impossible to get information from your government. The auditor can't even get it. I use the information that is made available to me by your department as required by law — thank heaven that there is a law requiring some of this disclosure. And when you want to talk about research and development grants and Saskatchewan status in that regard, we'll get to that, and I think you're going to be hanging your head then as well.

I rest my case with anyone who wants to examine the facts found in your own department's spending estimates tabled annually in this Assembly, and with the facts provided annually in the *Public Accounts* tabled in this Legislative Assembly, as to the nature of the shrinking empire of Science and Technology in this province.

And you say, Mr. Minister, that I invent a lot of these statistics or these so-called facts that I present. I claim that the invention and the inventiveness and the duplicity is on your side of the House, and it comes from none other than your Premier himself. This is the Premier who on Friday, October 10, stood in Saskatoon — Friday, October 10, 1986, during the provincial election campaign — stood in Saskatoon and promised \$50 million in high-tech seed money for the high-tech industry. And to date we have seen nothing approximating that at all.

What we do see is the shrinking empire, the shrinking expenditures from your department. And they don't even begin to approximate \$10 million per year that the Premier of the province talked about in 1986 as seed money for high-tech firms. We don't see anything approximating it. In fact, in your most recent spending estimates you estimate that you will spend 3.05 million this next year in advanced technology development grants. That's not even a third of what your Premier promised. Now I want to know how you explain that.

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, we have all those technology wizards on the other side, so it doesn't surprise me that they wouldn't know where money has been spent in so far as technology transfers applies. And I'll give him some of those examples in just a few minutes.

But the member opposite again talks about the grants to the different companies, and trying to say that we're not being fair, and about the fact that there are several hundreds of thousands of dollars, in some cases maybe 2 or 3 million, going to some of these larger companies.

The projects that are approved by the Department of Science and Technology are based on the total costs of the project, and the same formula applies to all companies that apply for grants, in that we put up 25 per cent of the total cost of the project. We have to consider the fact that the company also puts up money and so does the federal government. So our share is 25 per cent.

So when you use an example like Agtron, which is in your constituency, that's all that they had applied for. The total project, the total cost of their project probably then must have been in the neighbourhood of, I would say, maybe \$25,000. And if they put up a portion of it, our share of that would be 25 per cent, so we're not treating them any differently at all.

There's a big difference though when you consider some of the advanced or high-technology projects that a company like Develcon might be making, or doing, where you've got several hundred people that are involved in the research and development and something that's been carried on for two or three years.

I've mentioned to you in this House before about the fact that some of these projects and the products that they're working on, you don't just develop the product overnight. In some cases it might take anywhere from two to three to maybe five or six years or more to develop a product.

So you're not going to be able to employ a hundred or 200 people who may be involved in doing research and development without a fair bit of money. And if you take a look then at the total cost of some of those projects that those companies are involved in, it's very, very substantial. Our share is only 25 per cent.

We've got new programs that SEDCO announced not too long ago that the high-tech or the technology companies are very, very pleased with. This is going to give them an opportunity for access to more funds, and we do know that in many cases they have difficulty getting funds from banks or credit unions because the risk is greater, but now they are going to be able to tap these new programs that SEDCO has available for them.

Now you keep harping on this promise that the Premier made back in October of 1986. And I point out to you, you seem to think that the Premier, in all cases here, certainly is in there telling us what has to be done and what isn't. He is a very strong supporter of advanced technology in this province, and I think that that's very, very much indicated by the fact that we were the first province to have a separate Department of Science and Technology in this country — the first one.

The policies that have been developed here in Saskatchewan are now being utilized right across the country, so we I think can take pride in the fact that we have a Premier that is very supportive of science and technology.

Now you talk about money being spent on tech transfer. Well you, I think, sometimes think that you're quite familiar with the technology sector in this province. What kind of an announcement did we have not too long ago with regard to a company like Flexi-Coil? Do you not think that technology has something to do with the fact that they are now almost doubling the number of employees that they have, expanding their facilities so that they can meet the demand for the products that they're going to be selling mainly in the United States, thanks to the free trade agreement?

Flexi-Coil then is also getting some money from the province of Saskatchewan. Is this not money then that is towards tech transfer? You talk about \$50 million over five years, I think that was the promise that was made. I think with one company here alone you've got a tremendous amount of money that's being spent on tech transfer.

What about Intercontinental Packers? The provincial government is also involved there. Do you not think that it's because of new technology that's one of the reasons why Intercontinental Packers is able to compete with companies in the United States? Certainly it is. And again you've got the government that's been involved there and giving them money.

Weyerhaeuser Canada, what about them? What about the fact that they've just built a new paper plant up there that's provided many, many new jobs? Do you not think that maybe there's been a little of tech transfer there? Well we know that you and your colleagues there, and we got one there from city of Prince Albert, you've been opposed

to that deal right along.

But here are three companies that I've mentioned where it's because of new technology that they are being very competitive with companies not only here in Canada, but indeed in many other parts of the world. So I don't think that we have to stand back and hang our head one little bit about what's happening in science and technology in the province of Saskatchewan.

Mr. Koenker: — Mr. Minister, can you table plans of the \$50 million high-tech fund? Can you table any expenditure plans with respect to that fund?

Hon. Mr. Meiklejohn: — No, I will not be tabling any plans with regard to that. I just pointed out three companies that have received money that is being used in developing new technology and making them more competitive with companies all over the world. And there's been lots more spent.

I've indicated to you in the past as well about the amount that is spent by Science and Technology each year. We've got, for example, in 1988-89 alone, the economic diversification and investment fund, \$28 million alone spent that year, some of which certainly was towards tech transfer.

The ag development fund — \$130 million since 1985-86. The Science and Technology programming, I've already mentioned. The research council — we give grants to them each year. They're very involved with tech transfer. The office of research services — in excess of a million dollars since '85.

And we've got other departments as well that are involved in spending money each year, some of which goes towards tech transfer. But as far as giving you a set plan, we're not going to give you a plan but we can certainly give you lots of examples of where money is being spent in tech transfer.

Mr. Koenker: — You can't give a plan, Mr. Minister, because a plan doesn't exist.

A promise was made to the high tech community before the '86 election that there would be \$50 million over the next five years. They now know that that is an empty promise. It's a promise that was not kept by the Premier of this province. They know that because they can go to the economic diversification and investment fund and look at the grants for high technology, as I say, and see those grants consistently shrinking — consistently shrinking.

They know you don't have any plan other than to chisel away at what small funds you have in the first place. And the Premier has the gall, a year after he made the original promise, on October 19, 1987, to get up in this Legislative Assembly when he was questioned by myself and to say:

I promised in the next five years that we would have a program in this province that encourages high-tech development, that we would rank among the best in the country, and that we would spend up to \$10 million a year over a five-year program. I promised that, Mr. Speaker.

All I say to the hon. member: you watch — you watch us deliver on a five-year program in high technology . . .

That was the Premier of this province speaking in the Legislative Assembly on October 19, 1987.

Mr. Minister, it's not just myself that's been watching his actions. The science and technology community in this province has been watching the Premier and watching yourself, and they know that you have nothing to offer but empty words and hollow promises.

What we have is hype about high tech, all sorts of hype, but no hope. No hope and no help. And as one person in the technological community said to me, better to have no hope at all than to have false hope — than to have false hope that has been provided by yourself and the Premier.

Two and a half years ago, Mr. Minister, when you took over as Minister of Science and Technology, you had the opportunity and the option to stand up to the Premier and to call for implementation of that promise, and you haven't done it. How have you held the Premier to that promise of \$10 million a year over the five-year period that he talked about? How have you done that, when your own figures reflect cut-backs?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, the member still likes to stand up and make ridiculous statements in the House, and I've given him the answers to some of these things a couple of times, but he's obviously not listening.

(1600)

I would point out to him, he's so insistent on talking about a plan, but I think that all we have to do is look at the results. A plan certainly in itself is not important when you look at the results, and I think that I've given you several examples of positive results that we've had in this province with regard to the transfer of technology.

I would also point out, Mr. Chairman, to the member opposite, that the statement that was made by the Premier did not just apply to high-tech companies, but he seems to be implying over there that it does. The idea is to transfer technologies to many different companies so that they can become much more efficient and effective in so far as processing and manufacturing is concerned.

Nobody said anything about it just applying to high-tech companies. If you take a good look at the record, you'll probably find that we're spending in excess of \$50 million a year which is going towards the transfer of technology to many of these other industries.

So there's lots being done there. And I would say again, Mr. Chairman, that our Premier is very, very supportive of what is happening in science and technology in this province. There are many, many areas that other provinces are looking at what we're doing here in Saskatchewan, in particular with regard to diversification, the types of things that are happening with regard to privatization and all the new jobs that are being

created in those new areas.

I would also add, Mr. Chairman, that there have not been any requests for funding from the Department of Science and Technology turned down where the situation has been that they have met the criteria of the different areas in which they've been applying for these funds. So the member certainly is inaccurate in saying that companies are being denied funding because we haven't got it in our department. That's totally inaccurate.

We have always listened and worked with the companies that have come to us with new ideas, whether it's a new company that wants to start up or whether it's an older company that simply wants to make some changes and to change some of the ways in which they're doing things and get more technology in their shops. We are certainly there to listen and help them in developing their proposals, and we certainly make the money available to them, providing certain criteria is met.

Mr. Koenker: — Mr. Minister, you say that nobody had said anything about the Premier's promise of that money applying to high-tech firms. Mr. Minister, it was your Premier himself who said that. It was the Premier who said that the \$50 million would be seed money for high-tech firms in this province. He didn't say it would go to paper mills and to all sorts of other projects across the province. He talked about it being seed money for high-tech firms.

There's high tech involved in virtually every aspect of life. We could probably justify the \$50 million assistance in high-tech money through the home improvement program, if you wanted, by saying, well people are getting money for jacuzzis. That's high tech, isn't it?

I mean, it's ludicrous for you to stand up here and justify that broken promise by virtue of expenditures that are all across the boulevard when people in the high-tech community have been looking for money directed toward them, as they were entitled to believe it would be directed.

As you know, Mr. Minister, one of the principal problems of the high-tech community is undercapitalization. Undercapitalization is probably the single largest problem facing Saskatchewan's small, high-tech firms, and it's for this reason that I make the case that I am today. You simply aren't meeting these capitalization needs for the many of the province's small, nascent high-tech firms.

What kinds of consideration have you given to SATMA's (Saskatchewan Advanced Technology Management Association) proposal for a high-tech equity pool. Can you report on that?

Hon. Mr. Meiklejohn: — Mr. Chairman, I would like to start by indicating to the member what the Premier had said in 1986 with regard to a commitment. And his commitment clearly states it was to assist Saskatchewan business to equip itself of the most effective, efficient technology available in order to promote the health and growth of the Saskatchewan economy.

Now you like to talk so much about high tech here. High

tech can cover a lot of ground depending on how you want to define it. I think that if you'd take a look at innovative technology, it might be a more appropriate definition. Now you talk about companies that are undercapitalized, and there's no doubt that some of these companies do have difficulty because they don't have the financing that they need, and the higher the risk the greater the problem that they have, or difficulty in getting these funds.

With regard to problems that they might be having, I'd point out that the purpose of the Department of Science and Technology is to assist companies with new ideas as far as research and development is concerned, but I don't feel it's a responsibility of the Department of Science and Technology to ensure that all of their expenditures are going to be met in other areas as far as their overall operating expenses are concerned.

Now we met with SATMA and we keep in close contact with them. We've had more than one meeting with them, and they are very interested of course now in the new SEDCO programs that were announced not too long ago, and I believe went into effect around May 1. So with regard to some of the problems that these companies are having, and I would hope that the SEDCO programs are going to be very beneficial, we have had very positive response from all of these smaller companies that you're talking about.

Another area that the companies are interested in is the immigration fund, where it is going to be an opportunity for a pool of money to be developed which will be at a lower interest rate for some of these companies. And these are areas that are going to help considerably.

But in so far as setting up an equity pool that SATMA has requested, we are still looking at that; we're still in close contact with them. But to this date — and this was something that was only proposed to us I believe about a month ago, maybe a little more than that — but certainly to this date we have not set up the equity pool that they have asked for.

But as I indicated, they feel that in many ways some of these other programs will now be very beneficial to them. That's not to say that they still don't want the equity pool, and that's something we have to continue to look at and discuss with them.

Mr. Koenker: — I certainly agree that that is something that you have to continue to look at with them, and I would urge you to do that. I'd remind you that you have \$9 million to celebrate Saskatchewan's 85th birthday party with the Future Corporation, and you've somehow rolled that Future Corporation project over into a celebration of Saskatchewan technology.

Saskatchewan's technology firms, I say and they say, would be far better served if you were to take that \$9 million from the Future Corporation and put it as a down payment on an equity pool such as SATMA has been talking about. What do you say about that, Mr. Minister?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, I'm glad the member raised that because I really wanted to talk

about the Future Corporation. I had indicated to him when we were doing estimates in Consumer Affairs, when he raised the same topic, that indeed that it's anything but a birthday party and the money is going to be very, very well spent as far as the Future Corporation is concerned.

Let me just comment, Mr. Chairman, before I go into that, though, when you talk about SATMA and the idea of having equity pools and so on, I'm very proud of the fact that we have a minister's advisory council on science and technology now set up in the province of Saskatchewan, and they are going to be providing a lot of good assistance to my department with regard to some of the types of programs that we need to be looking at and problems that we have within the industry.

So we're going to be meeting again on Thursday and taking a look at some of these different areas. Financing certainly is one of the issues that we're going to be dealing with, so I'm very pleased to have that counsel available now to provide us some assistance. This is a group of individuals who come from a wide range of industry, research, from the universities, and also from government.

Now you talk about the Future Corporation and taking some of that money. I suppose too that if one would consider, let's see, 17 times \$30,000, that amounts to a fair bit of money — you know, the 17 days that the opposition had the House shut down through their strike — that's probably about half a million dollars.

You know, Mr. Chairman, we could have taken that \$500,000 and put that into an equity pool; that would have really helped the advanced technology sector. So the member opposite, he was part of the gang over there who decided that they would walk out of this place.

Well let's talk about the Future Corporation. You're saying that this is money that's not being well spent and we should be putting that into technology. Well the first project that was announced, Mr. Chairman, by the Future Corporation was a grant of \$500,000 to the Saskatchewan Science Centre. Now I think, Mr. Chairman, that that's money very, very well spent because this is going to be helping young people in our province for generations to come — \$500,000.

Well let's take a look at another one here. Veterinarian and Infectious Disease Organization, VIDO, in Saskatoon — \$10,000 funding to support an agricultural and bio-technological research initiative as it relates to livestock used for food. Now does that sound like a birthday party, Mr. Chairman? Now VIDO, of course, is a good example of one of the advanced technology firms that we have.

And I believe, Mr. Chairman, if you check where that company's located . . . I'm not sure if it's in Sutherland constituency or not, but if it isn't, it's pretty darn close. And I would have thought the member would have known about that.

Well let's take a look at another one. Let's go over here to fibre optic technology pilot project, \$47,500, a joint

venture with SaskTel and the Regina school division to enable Campbell Collegiate to test new fibre optic technology and empower the teaching staff to use technological advancements that will enhance educational opportunities. That's going to be a terrific birthday party there, Mr. Chairman.

Well let's take a look at another one: dust abatement pilot project, \$50,000 funding to apply and monitor the use of the internationally patented Saskatchewan product, para seal, on a 20 kilometre stretch of grid road in the R.M. of Spalding. Now this is a project, Mr. Chairman, that wouldn't have been possible without the assistance from the Future Corporation, and this is a product that has been developed in the province of Saskatchewan, and certainly they're going to be testing this in more detail, and it's going to be very advantageous to the province, it's going to create more jobs, and, I think, going to have a lot of beneficial effect. Very, very good work there.

Well here's one I'm sure that we should all be very, very pleased with. Let's take a look at this one: rehabilitation technology pilot project, \$100,000. Now listen to this one, Mr. Chairman, because this is really good stuff. This is being done by the Future Corporation, funding for the Saskatchewan Abilities Council to establish a resource and service centre in southern Saskatchewan. This centre will have the first ever mobile outreach function that provides assessment and resource needs to disabled residents outside of Regina.

Now, Mr. Chairman, what this project is going to do, it's going to allow disabled people in the southern part of the province and in the city of Regina to enjoy the same types of services that have been provided by the Saskatchewan Abilities Council in Saskatoon for quite a number of years. And that is really good stuff, and that is being done by the Future Corporation. So, Mr. Chairman, I think money that's being very, very well spent.

I could go on here. I think that there were some 21 different projects that were announced last week in the city of Saskatoon, and they include areas all over the province. They're going to be projects that are going to help out in so far as diversification is concerned, and also are going to mean many benefits as far as the province of Saskatchewan is concerned.

So I don't think, Mr. Chairman, that we need to be concerned one little bit about the expenditures of the money by the Future Corporation or the value that the taxpayers of the province of Saskatchewan are going to get for having the Future Corporation.

Mr. Chairman: — Why is the member on his feet?

Mr. Martin: — Mr. Chairman, I beg leave to introduce some guests in the Speaker's gallery, Mr. Chairman.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Martin: — I'm standing in for . . . I'm sitting in the seat and standing in for the Hon. Colin Maxwell, who is out doing something today, I'm not sure what it is, but he's

busy as usual. And so it's my pleasure, Mr. Chairman, to introduce to you, and through you to all the members of the House, some students from grade 5 and 6 from Medstead School in Medstead, Saskatchewan.

They are numbering in 28 students, and we have as well several chaperons. The teacher, first of all, is Mr. Terrel Hill; the chaperons are Mrs. Bagen, Mrs. Johnson, Mrs. Janzen; and the bus driver is Mr. Olson. I will have an opportunity to meet with these students in a few minutes and have our picture taken on behalf of Mr. Maxwell.

(1615)

Just for your edification, what is going on here this afternoon at this particular time is the Minister of Science and Technology is being questioned by the member from Saskatoon, the member of the opposition from Saskatoon, about the operations of Science and Technology, about how the money is spent, etc., etc. That's what we call estimates, and it's part of the House, the day-to-day workings of the House. So that's what's going on here now, and you've been witnessing it for some time.

So on behalf of Mr. Maxwell, the Minister of Parks, Recreation and Culture, it is my pleasure, Mr. Chairman, to introduce these students in the Speaker's gallery to you and all members of the House. Please join me in welcoming them.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

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

Item 1 (continued)

Mr. Koenker: — Mr. Minister, that's all very interesting for you to read about the Future Corporation's projects. Would you care to share that list with me?

Hon. Mr. Meiklejohn: — I would be very happy to share that list with the member opposite, Mr. Chairman.

Mr. Koenker: — I'd like to have it this afternoon, if possible. It still begs the question about funding for an equity pool. It's all very interesting to talk about individual projects funded by the Future Corporation, but Saskatchewan's high-tech firms are looking for an equity pool for them to do a little bit more than just celebrate the province's 85th birthday. And I certainly commend to you their concern in that regard.

You have an opportunity to make good on the Premier's promise in implementing this kind of proposal. That would go a long way toward implementing that promise. If you were to put \$10 million initially into such an equity pool for technology, and then an additional \$5 million a year for the next five years, that would be \$35 million. That would be something that I would give you credit for because credit would be due. You would be fulfilling a good measure of the Premier's promise in that regard.

I'd like to also question you, while I'm talking about SATMA, as to whether you've done anything regarding the government's procurement policy for science and technology.

Hon. Mr. Meiklejohn: — Mr. Chairman, I would point out with regard to the western procurement, along with other concerns that we have in western Canada, that we do have now a group or a committee of the four ministers of Science and Technology from western Canada, and this is something that we have been working on over the last several months now with regard to trying to get more money spent in western Canada on the part of the federal government.

Certainly we know that there are other opportunities that we can tap into here in western Canada. And we met, as a matter of fact, just a few weeks ago with the federal minister responsible for science and technology, or for Industry, Science and Technology, and discussed this matter with him.

There has also been a group quite actively working with the minister out of Ottawa with regard to the government procurement and, as I understand it, that there are signs certainly of an increase in this particular area. But it's something that we've got to keep working on, and we will be doing that as a group with the other provinces in the West, but we also will be doing it in conjunction with colleagues here in the province of Saskatchewan.

Mr. Koenker: — Mr. Minister, what about more specifically a Saskatchewan procurement policy, a policy whereby Saskatchewan firms could use contracts from the Crown corporations, for example, to help with research and development work on a contractual basis? Rather than to try to twist Ottawa's arm — as important as that may be — why don't you start closer to home? Have you given any thought to implementing a Saskatchewan procurement policy that would serve Saskatchewan high-tech firms, starting with the Crown corporations, for example. Or don't you believe in that?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, I don't know whether the member opposite has not heard of the Buy Saskatchewan agency, but they've probably only been in operation for close to two years now. And I think that there's been tremendous success in that particular area as far as companies in Saskatchewan getting work with the Crown corporations and other government departments. So Buy Saskatchewan, I think, is very successful and will continue to work in that regard.

I know that members of SATMA have also met with this group and are pursuing other options that they have there.

I would point out as well, Mr. Chairman, that we are involved in a study right now with the other provinces, taking a look at the advanced technology procurement opportunities in the whole area of high tech or in advanced technology, and looking at areas like federal space communications and events projects. Because there's a tremendous amount of money being spent on those particular areas, and I think it's estimated that some 11 to \$16 billion will be spent between now and the year 2000. We certainly are going to be working hard to

ensure that we get our fair share of that money.

Mr. Koenker: — I'm well aware of the Buy Saskatchewan agency, Mr. Minister. I ask you, why do you think that SATMA is asking about a procurement policy if the Buy Saskatchewan agency is doing such a wonderful job to serve their interests?

Hon. Mr. Meiklejohn: — Well don't make it sound like the advanced technology sector has not had any success with regard to selling products or services to the Crown corporations or to other government departments, because that's not true at all. What they are trying to do, the same as everybody else, is to get more, and it's a process that takes time. But as I understand it — and I talk to these people as well on a fairly regular basis, and I think that they feel that progress is being made — but you have to keep working at it.

Mr. Koenker: — Mr. Minister, can you supply a listing of the high-tech procurements that have been facilitated through the Buy Saskatchewan agency? Maybe that would alleviate some of the concerns of SATMA's companies.

Hon. Mr. Meiklejohn: — Well that's a question certainly for Buy Saskatchewan. We'll be happy to follow up on it and see if we can get a list from them on it. I shouldn't think there would be a problem, but we'll have to take a look at it.

Mr. Koenker: — That would be very helpful. I'm sure that SATMA would be interested to know in what respect the Crowns are contributing to their economic well-being.

I'd like to turn now, Mr. Minister, and ask you: what has been spent to date under the ERDA (Economic and Regional Development Agreement) program?

Hon. Mr. Meiklejohn: — It's approximately \$5 million, Mr. Chairman.

Mr. Koenker: — Is that \$5 million to date?

Hon. Mr. Meiklejohn: — Yes, it is.

Mr. Koenker: — And, Mr. Minister, how do you get those figures? Could you break that down for me, please.

Hon. Mr. Meiklejohn: — It's around \$5 million, as I indicated. That's the total amount that's been spent, and half of that would have been spent by the provincial government and the other half by Ottawa.

Mr. Koenker: — Can you break that down, Mr. Minister, for expenditures for each year.

Hon. Mr. Meiklejohn: — For the year 1985-86, total commitment was \$971,085; Science and Tech would have spent \$652,442. In '86-87, of a total of \$1.9 million, our commitment in that year was \$1,141,812. In 1987-88, the total commitment was \$243,807, and Science and Technology spent \$148,735. In '88-89 — and this was to February 15, so it was prior to the program coming to an end on March 31 — total commitment for both governments was \$1,802,000, and Science and

Technology in Saskatchewan put up \$696,315. That was up to February 15, '89.

Mr. Koenker: — And how much, Mr. Minister, was to have been spent under this program?

Hon. Mr. Meiklejohn: — Well initially what was indicated was \$33 million, but that was a figure that was simply put out there. I'm not sure at that particular time what it was based on. The actual expenditures, of course, though, are a result of the requests that have come in.

So again, it's similar to other programs that we offer in the Department of Science and Technology; it's based on the demand. It's not something that we would go out and be twisting arms for people to come and take advantage of this money. It was open, again, for companies to apply for, and providing certain criteria were met they were eligible for the funds.

One, I suppose, can always ask the question as to why more wasn't spent, and I would think that one possibility was the type of criteria that was applied in this particular case. And we had a committee of industry people and research people involved in looking at this and looking at the criteria; spent a lot of work on it and did come forward with a proposal last year that was passed on to suggesting some changes that should apply.

So we're still hoping that if we are still going to be getting some funding through this program, that we will be able to put some of the new criteria into place. But to this point in time, a definite decision has not been made in that regard as far as the federal government is concerned.

Mr. Koenker: — Well, Mr. Minister, this is quite amazing that we can have an agreement that's signed for \$33.2 million, and that when it's terminated, as you indicate, there's only \$5 million been spent by both parties combined.

Under the ERDA agreement, I will point out, Saskatchewan's contribution should have been \$16.6 million, and what you've done is you've indicated here today that there's been approximately \$2.5 million spent under that program. Spending by the province of Saskatchewan alone should have approximated \$4.2 million a year.

This, Mr. Minister, is yet another reason why people in the scientific community and the technological community maintain that you are presiding over a shrinking empire — a shrinking empire. Not only does your economic development and diversification fund shrink, your ERDA funding shrinks, your grants to the research centres at the University of Saskatchewan and the University of Regina shrink. You should be shrunk right out of office, Mr. Minister.

Some Hon. Members: Hear, hear!

Mr. Koenker: — This, Mr. Minister, many people in the technological community feel is scandalous — is scandalous. And for you to get up here today and to say that perhaps the money wasn't expended because people didn't meet the criteria, and we have to look at the

criteria, is patent nonsense. I simply don't believe it for one minute, and neither does anyone else in the technological community.

They know your game, they know your Premier's game, and you have bought into that.

An Hon. Member: — The jig is up.

Mr. Koenker: — The jig is up.

An Hon. Member: — The gig is up.

Mr. Koenker: — The gig is up as some say. You have hype about high technology, but no help.

And now what possible reason do we have to believe you that there may be some further amendments to qualifications for such ERDA funding. You know, what kind of plans do you have on the horizon to replace this ERDA agreement?

Hon. Mr. Meiklejohn: — Mr. Chairman, it's really a joke to listen to the member opposite. You know, he just really gets carried away with some of these things.

Mr. Chairman, I would challenge the member opposite to give us one example of a company that applied for funds under the ERDA program and was refused. I challenge him to give me one name.

You talk about the fact that they didn't meet certain criteria. I tell you that for any of these programs there are obviously criteria that you have to have. You've got to have the criteria, but I certainly am not aware at this time of one company that did not meet the criteria for the ERDA program.

Keep in mind that this program was a federal program. It was a federal program that we were able to participate in it. So the fact of the matter that there might have been \$33 million originally allotted, if only \$5 million was spent, had absolutely nothing to do with the shortage of funds. If all of those companies that applied for grants got them, how could you stand in your place and say that it was because we were cutting back and were doing a lot of these other things? That's totally untrue.

(1630)

You talk about cut-backs as far as the universities were concerned. This department had an agreement with the University of Regina and the University of Saskatchewan with regard to their offices of university research. That was a three-year . . . that was supposed to be a three-year program. And I believe that the University of Saskatchewan received \$200,000 a year for each year for three years, and the University of Regina, it was \$100,000 a year for three years.

Well we decided we'd extend that because it was taking them just a little bit longer to have that transition. But the original intent with these offices was that they were supposed to be self-supporting after three years. They signed the agreement. They felt quite strongly that they could meet that particular target.

And I would point out that when we started this program with the two universities, that the amount of money that was being triggered for research and development was somewhere in the neighbourhood of a million and a half dollars. But after the three years that this program had been in operation, the amount of research money that these universities were receiving had risen to over \$30 million, which is a sure sign, Mr. Chairman, that this was a very, very successful program.

In fact then, at the end of three years we extended the amount of the money to both universities so that they could still make that transition to when they could be self-supporting. We have done that. We phased it down last year, and we also provided them with some funding for this year, Mr. Chairman. But that was a very successful program. But it was originally only supposed to have been for three years. We have now extended it a couple of times so, in fact, it is going to be over five years.

In so far as a program to take the place of the ERDA program, the federal government had indicated in its budget that there was still going to be some money in the ERDA program because there were several areas. To this point in time, we don't know the actual allocation as to the funds that are going to be put out for the different areas that were provided before.

In the meantime, I indicated to you the new programs that SEDCO has put out is certainly going to allow companies access to some other funding that they didn't have access to before. We will have to continue to work to see whether or not their needs are going to be fully met or whether, in fact, we have to look at other types of programs.

Mr. Koenker: — Mr. Minister, what representations did you make to the federal government to keep this ERDA program alive and to extend it?

Hon. Mr. Meiklejohn: — Well as a matter of fact, we made several presentations. On every occasion that I met with the federal minister, the topic was discussed. We also had written representation that was made to the minister responsible, so . . .

An Hon. Member: — Table it, table it.

Hon. Mr. Meiklejohn: — Oh, I'd be happy to table it.

Mr. Koenker: — Mr. Minister, I think many people suspect that this ERDA agreement was cancelled in spite of your representations because of the silence that was there from your department. You may have made representations, but they couldn't have been very effective in convincing the federal government to continue this fund. And what is now the case is that Saskatchewan firms are left in the lurch without a lever to access, a mechanism to access federal funds.

And I say this is just yet another piece of the puzzle in terms of the shrinking empire of science and technology in this province; that you simply don't have a realistic program to help Saskatchewan firms. You have a lot of hype but very little help.

Now, Mr. Minister, you mentioned earlier the advisory committee on science and technology. When was this committee set up?

Hon. Mr. Meiklejohn: — The first meeting of the advisory council on science and technology was held February 29 or 28, somewhere around there.

I would point as well, Mr. Chairman, that in so far as the ERDA programs, they were not just for the province of Saskatchewan, they were for all provinces across the country. And as far as I know, all ministers from the different departments that were involved with them were also lobbying the federal government to continue those programs. So, I mean, some of the arguments that you make are just, you know, not based on any reality whatsoever.

We certainly would like to see those programs carry on, but the member opposite seems to fail to recognize the fact that the federal government is faced with a growing deficit each year and that they have to continue to take a look at some of the programs that they have and make some changes, in the same way that we had to make some changes. You've got to try and balance everything out. But you seem to think that there's just an unlimited pot of money out there, that you can pull everything out that you need.

As I indicated to you earlier, though, the shortage of the take-up of money, as far as the ERDA program was concerned, had nothing to do with a shortage of funds. The applications simply were not there.

Mr. Koenker: — Mr. Minister, it seems to many people that there is an unlimited source of funds when it comes to certain companies in the technological sector. I could mention GigaText, that gets \$5 million worth of taxpayers' money to produce nothing.

I'd like to talk more specifically about Joytec, for example, and I'd like to know when we're going to see the \$1.125 million in venture capital tax credits returned to the people of Saskatchewan where it rightfully belongs.

Hon. Mr. Meiklejohn: — Well the member opposite talks about GigaText and he's going to hear a little bit more about that. I don't think he's taken the time to go down to visit GigaText yet. He makes the big argument that he's so interested in high technology, and maybe you should take some of those other technological wizards along with you over there at the same time.

I might ask the member opposite, too, what was this Nabu Network Corporation that we hear about? What was that? What was that, Mr. Chairman?

You know, I'm looking at a headline here, Mr. Chairman. This is from Saturday, June 17, Regina *Leader-Post*, and it said: "NDP had high-tech flop, too". I think that was about \$5 million and that was back in, oh, 1981 — that's about \$8 million today — and not one job created.

Now he talks about GigaText and he doesn't have any idea what it's doing. I would suggest he go down and visit

it.

He makes mention of Joytec. Mr. Chairman, let me just get the facts straight on this Joytec. Is that the same company that the member opposite was responsible, along with some of the others on that side, for chasing out of Saskatchewan? Is that the same company? Because, you know, he makes these statements about Joytec, and he had a good deal to do with some of the negative publicity that surrounded Joytec.

He asks a question with regard to the venture capital program. Well I would point out to you that it wasn't Joytec that received the benefits from the venture capital; it was the shareholders — several hundred of them, I believe; some of them, no doubt, probably belong to the NDP Party.

But he asked, now when are we going to hear some results or when are we going to start getting some returns on this money. Well the agreement with the venture capital fund is that the company has up to two years after they have left the province in which they can still reinvest that money back in the province.

So there's nothing that's going to be happening here. I believe that March 1991 would be the time line that they have. And the company has indicated that they know that's a liability and that certainly if the investment isn't made back in the province of Saskatchewan, that they are going to have to pay back the \$1.125 million, I believe, which was the tax break that the shareholders got that invested in this particular company.

So you're going to have to wait a little bit longer then, and that's of course part of the agreement, the way it was set down.

Mr. Koenker: — Mr. Minister, on March 21 of this year when you were asked about the 1.125 million in tax credits from the venture capital corporation of Joytec, you said, and I quote:

And with regard to the money and how this government is going to get it back from the company, I would dare say probably that they will be getting a cheque within the next few months to take care of it.

Those were your words, Mr. Minister. Now you've switched your story. When are we going to see that 1.125 million from Joytec?

Hon. Mr. Meiklejohn: — Well, you're right. Those were the comments that I made at that particular time, but I'd also point out to you that I am not the minister responsible for the venture capital corporations. But I indicated to you just a few minutes ago, and this is information that I received from the department on June 7, that if the VCC (venture capital corporation) does not have an eligible investment by March 1991, the company will be deregistered and recovery action initiated against its assets. So you want to know when they have to pay this money up. It's going to be after that period of time.

Mr. Koenker: — Mr. Minister, as you may know,

according to the venture capital regulations, there's provision for 30 per cent of the venture capital project to be held in trust, in a trust fund. This is according to the venture capital legislation. Is there 1.125 million in the trust fund with respect to Joytec?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, that's a question that I can't answer. I would suggest that you ask the minister responsible for the venture capital program when she's in her estimates.

I've indicated to you the information that I have with regard to when it has to be paid back, and as far as the 30 per cent, I would suggest that you check with the minister.

Mr. Koenker: — Mr. Minister, you can be sure that I will be checking with that minister now that you haven't been able or willing to provide an answer. And so you will be off the hook temporarily on Joytec.

I maintain that that money is likely not in that venture capital trust fund. I maintain that what we have here is a cover-up and that the taxpayers of Saskatchewan will never see that \$1.125 million.

I hope that I'm wrong. I hope that I'm wrong, because if I am wrong, it means that the taxpayers of Saskatchewan only stand to benefit. At least they'll see something for the thousands of dollars, the millions of dollars, that you've invested in that company.

With respect to GigaText, Mr. Minister, I'd like to know, did your department get involved with a review of this technology? You point to myself and say that I've had nothing to do with going down and looking at the GigaText translation operation. Was your department consulted at any time with respect to this project?

Hon. Mr. Meiklejohn: — Let me just point out with regard to Joytec, and the member opposite, he's been making a lot of wild statements with regard to that company for quite some time now and certainly, as I said earlier, Mr. Chairman, was partly responsible for that company leaving Saskatchewan. He again makes the inaccurate and misleading statement with regard to the fact that they've got thousands, he started out, and then he had to say millions that they've got in assistance.

Well they've got \$76,000 as far as grants from the province of Saskatchewan, Mr. Chairman — \$76,000. Now as far as any other assistance, the company did not get any other assistance whatsoever, not one nickel. The shareholders were able to get the 30 per cent tax break. That has nothing to do with the company. The company got \$76,000 from the province of Saskatchewan, Mr. Chairman.

Now you know, again that's just a prime example of the misleading statements that that member and many other members over on that side of the House like to make, and that's exactly the type of thing that the companies in this province just get pretty annoyed about. I have an article here too, where "Business man tired of negative stories." And where do negative stories come from, sir? They usually come, I'm sure, not just from the newspapers, but from people such as yourself because you run around and

make some of these asinine statements.

Now with regard to GigaText, you asked whether or not the department was involved in it. The deputy minister certainly was aware of it. I visited the technology certainly in Winnipeg and saw the program in action, and I've also visited the plant down here, and Regina is concerned, and I'm very confident that that's going to be very successful technology.

With regard to us to carrying out any assessment: no, we did not carry out any assessment. This was a company . . . We were not doing . . . they were not doing research and development here. This was a company that was set up or hired to do a specific job for the Government of Saskatchewan.

(1645)

Mr. Koenker: — Well it sounds like another joy ride that you were on, Mr. Minister. You can go there and visit the place, but do nothing in terms of studying the appropriateness of that technology when it comes to protecting taxpayers' dollars, and there's four or five times as much at stake with GigaText as there is with Joytec.

Incidentally, while mentioning Joytec, you talk about negative press reports. Well, negative press reports don't just come from this member opposite. They come out of Vancouver recently this spring where the president of Joytec, one Lawrence Neisis, has been called to appear before a hearing of the British Columbia Securities Commission to answer charges that between July of '86 and December of '87 — precisely the time he was promoting the golf simulator here in Saskatchewan — to answer charges that he was issuing press releases which he knew, quote, " . . . knew, or ought to have known, were misrepresentations." End quote.

That's what we're dealing with, Mr. Minister — your being suckered, your government being suckered and the taxpayers of Saskatchewan having to pay for your ineptitude. And that's when I begin to get negative about your performance.

Did anyone in the GigaText project, Mr. Minister, anyone connected with GigaText ever make any representations to you about the possibility of your department putting research money into this GigaText project?

Hon. Mr. Meiklejohn: — We have not received any application from GigaText to put money into that particular firm. And with regard to the assessment of the technology, that has already been indicated to you that that was being carried out by people in eastern Canada, and it was found that it was to be very worthwhile.

Again you talk about Joytec, and your misleading statements again. One simply has to ask this question to determine whether or not there's any basis to some of the comments that you make. I don't believe, Mr. Chairman, that well-known, world-wide, internationally known, and well-recognized companies like Marubeni and Sony would be involved in a company if the technology really wasn't any good. And that's exactly what the member

opposite is saying.

You talk about the money that was spent in this province as far as Joytec was concerned. The province of Saskatchewan gave them in the neighbourhood of \$76,000. The company spent in the neighbourhood of 6 to \$8 million, most of which was spent here in the province of Saskatchewan. They employed anywhere from nine to 30 people over a period of time, six years, and certainly there was a fair return as far as any investment the province of Saskatchewan had.

There's no question as far as the technology is concerned. The member well knows that some of this technology takes a lot longer to develop than others. And we've got many examples of that where you've taken anywhere from three to five years before technology has been developed to the point where it becomes commercially viable, and I think that Joytec is a prime example. But you've got two internationally recognized companies that are now involved with that, and if it wasn't any good, they certainly wouldn't be there.

Mr. Koenker: — Mr. Minister, when you deal with making grants to technology companies, do you give any scrutiny to their track record with respect to the labour standards board, for example?

Hon. Mr. Meiklejohn: — Mr. Chairman, the concern that we have when a company applies for a grant is looking at the project, and it's determined on that basis whether or not they would qualify for the grant. We also, of course, take a look at the fact that they are generally applying for grants through the federal government and maybe other agencies, and in some cases we might be the last ones contacted with regard to our approval. But we certainly don't look at some of the concerns raised by the member opposite; we look at the project.

Mr. Koenker: — Well, Mr. Minister, I'd like to suggest right here and right now that you do take a look at some of the concerns that I raise, because I know of individual firms where employees have not been paid wages in the high-tech community, and there are judgements with the labour standards board.

And I think it behoves you, as Minister of Science and Technology, if you're giving out government funds and grants to these organizations, that you take some measure of responsibility; that you give some small measure of scrutiny to some of the activities of these companies; you pay some regard to their performance with respect to their employees, and that can easily be done by checking with the labour standards board. And I just ask you again: do you think that that might not be an appropriate action for you to take before you release funds to high-tech companies?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, we're generally in close contact with the companies in the advanced technology community, but I would suggest that there are other agencies or departments that are set up to look after some of the concerns that are raised by the member opposite, whether it's the Department of Human Resources, Labour and Employment, the Labour Relations Board, and that sort of thing. But certainly we're

willing to sit down with these groups. And I would suggest to the member opposite that if he has details with regard to some specifics whereby we haven't done that, or could be of assistance, we'd be glad to look at it, but he's going to have to provide us that information.

Mr. Koenker: — Well I'm recommending that you do it as a matter of policy, Mr. Minister. That's far more effective than me simply trodding one individual circumstance that I might know about — that I do know about.

I'd like to change the subject now and talk about centres of excellence. How many centres of excellence is the federal government going to be funding with its centres of excellence program?

Hon. Mr. Meiklejohn: — Mr. Chairman, there were about 158 applications as far as the networks for centres of excellence are concerned, and we would expect that the decision will be made in early fall, and that approximately 20 of these will be given the go-ahead. Now out of the 20, they're not, of course, all Saskatchewan companies; this will be right across the country. But there are several Saskatchewan companies which will be involved in the network and there will be a lot of benefits here.

Mr. Koenker: — Did you have any input into this process, Mr. Minister?

Hon. Mr. Meiklejohn: — Yes, Mr. Chairman. We had ongoing contact with the individuals or the groups that were putting forward proposals, and we assisted in financing or funding the development of some of these proposals.

Mr. Koenker: — Well, my understanding is that it's a bone of contention amongst those who participated in this process that they were led along the garden path in terms of putting in their own particular applications. Some 280 letters of intent were filed across the country; that your department did in fact have involvement in encouraging Saskatchewan representatives to participate.

And then they learned that there won't just be 20, Mr. Minister, but there will be 10 to 20 centres of excellence funded. And there's a lot of resentment in Saskatchewan and across the country that individual researchers spent time and emotional energy putting these project proposals together essentially for nothing, and that you were complacent in that process in encouraging them to participate when you knew full well that there would only be 10 or 20 centres out of the 280 letters of intent's file.

So if you want to support science and technology in this province, next time be honest with them. If you have input into that process, that you are aware that there are only going to be 10 or 20 final projects selected, let people know where they stand so they don't have to waste their time applying for funds that don't exist.

Hon. Mr. Meiklejohn: — Mr. Chairman, in all fairness, this is a \$240 million federal program, it's not a provincial program. And when he talks about 10 or 20, the understanding that we have is that about 20 of these

projects . . . they're networks of centres of excellence; you might have several companies, in fact, there could be companies from several provinces that would be involved in one network, as far as centres of excellence are concerned.

The Department of Science and Technology, Mr. Chairman, assisted the companies in Saskatchewan that were putting proposals together to the tune of \$40,000. And this is something that wasn't done in all the provinces across the country, but here in Saskatchewan we did give assistance to all of those who were developing proposals.

Mr. Koenker: — Mr. Minister, how many Saskatchewan awards have been . . . Science Culture Canada awards have been made to Saskatchewan participants or applicants?

Hon. Mr. Meiklejohn: — We don't have that information with us, Mr. Chairman, but we'll be happy to get it together and get it to you just as soon as we can.

Mr. Koenker: — Well you say that I like to bring forth wild facts. My information — I'd love to be corrected if this is the case — my information is that the second annual awards for Science Culture Canada made no awards to Saskatchewan participants; that Saskatchewan ranks then along with Prince Edward Island, Nova Scotia, and New Brunswick in not having any projects funded under the second granting year of Science Culture Canada awards.

I can't lay my hands on the previous year's listing of awards, but if I'm not mistaken, I believe that Saskatchewan had not one award in that year either. And I'm wondering how you can explain it that Saskatchewan has such a poor track record when it comes to Science Culture Canada awards if you're doing such wonderful things promoting science and technology here in this province?

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, again this is an example of a federal program. I certainly don't have any idea how many individuals or organizations or agencies have applied for these grants. The decisions are all made by the federal government and we'll certainly get the information on how many have applied and how many have received them in Saskatchewan, if in fact any have applied. I don't know. But it is a federal program, it's not a provincial program.

Mr. Koenker: — Mr. Minister, can you give me a status report on the sewage recycling project that was initiated with the city of Saskatoon?

Hon. Mr. Meiklejohn: — Mr. Chairman, we signed the agreement with the city, but as I understand it, they've contracted with individuals from the university who are doing the work. And the work is now under way, but there's no report on it yet. So the work is being done at the present time.

Mr. Koenker: — Just to wind up, a couple brief questions. Have you undertaken any initiatives with the Minister of Finance to discuss the possibility of the education and health tax being removed from purchases of scientific

research equipment?

Hon. Mr. Meiklejohn: — Not as yet. We haven't had any discussions in that regard.

Mr. Koenker: — Do you think that might be appropriate to do so, Mr. Minister?

Hon. Mr. Meiklejohn: — As I said, we haven't had any discussions. That may be a possibility. That's something that we should be looking at.

Mr. Koenker: — And just winding down, when will we see a new edition of the tech transfer catalogue?

Hon. Mr. Meiklejohn: — I understand that that should be ready sometime in October of this fall.

Item 1 agreed to.

Items 2 to 4 inclusive agreed to.

Item 5 — Statutory.

Vote 15 agreed to.

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

Items 9 and 10 agreed to.

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

Hon. Mr. Meiklejohn: — Well, Mr. Chairman, I too would like to thank my officials. They've spent a lot of time putting information together in so far as the estimates are concerned, and I think that they . . . even though we're small in number, I think that they do a very good job in the department and I certainly appreciate the work that they're doing.

Some Hon. Members: Hear, hear!

Mr. Koenker: — Yes, I too would like to thank the minister and his officials for their participation this afternoon, and to say that on this side of the House we look for a science and technology policy that serves the people of the province and protects the public purse. Thank you very much.

Mr. Chairman: — Being 5 o'clock, the committee is recessed until 7 p.m.

The Assembly recessed until 7 p.m.