

EVENING SITTING

ADJOURNED DEBATES

MOTIONS

Electoral Boundaries Commission Report

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Hodgins.

Mr. Tchorzewski: — Thank you, Mr. Speaker, I rise to speak on this debate. Well the member for Maple Creek says, convince me and I'll go with you. Well if she had any conscience at all about what democracy is all about, Mr. Speaker, she wouldn't even need convincing, she would just volunteer to do that.

But let me begin by referring to the motion which we are considering here today. We are being asked by the government opposite to adopt this motion which would do basically one thing. It would adopt the Electoral Boundaries Commission's final report.

Now what the members opposite have done, Mr. Speaker, is that they have attempted to tinker a little bit with the final report and make some minor changes to things like names but that, Mr. Speaker, in no way takes away from the fundamental fact of what this debate is all about. And this debate is all about one of the worst gerrymanders that this province has ever seen.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — It's not the only gerrymander, and before I conclude my remarks, Mr. Speaker, I will refer to another gerrymander which took place and I will discuss what the result of that gerrymander was. So I simply want to say for the record and to the viewing public that although the government may want to do what it did with the member from Wascana by moving a motion to change a name, a name does not change the gerrymander. That in essence still exists. That is what the report recommends, that is what the Bill which the members are going to introduce will establish, that is not worth supporting, and the members on this side of the House are going to oppose this motion and that Bill, Mr. Speaker, for those reasons.

And I want to outline in my comments here this evening why we are going to oppose it, provide the evidence why we are going to oppose it, and challenge the member for Maple Creek who said that she might be convinced to take up that challenge and in fact oppose it as she ought to, if she has any sense of what the democratic process is all about.

Let me begin then, Mr. Speaker, by referring to remarks made by the member from Wascana in his three-minute speech before the House was adjourned. I heard the member from Wascana talk about the redistribution, 1975, and say that it was like the redistribution of 1989 which is being proposed here and therefore, in that sense, argue that this redistribution which the government members opposite are trying to impose is democratic. How far from

the truth. How far from the truth, Mr. Speaker.

The member from Wascana did not say anything about the fact that the redistribution of 1975 was done by an independent boundaries commission which was not restricted in the decisions it had to make, whereas the redistribution of 1989 has not been provided by an independent boundaries commission, and even had it wanted to be independent, it was restricted by the very legislation which established it. That commission was strapped by the restrictions that was put on it, and so one cannot in any reasonable way compare the redistribution of 1975 to that of 1989, which the member from Wascana tried to do, not very well because he didn't have any arguments to make.

Now in the process of those remarks, he said that in 1986 the population was only one factor in this particular commission report. Well I want to say, Mr. Speaker, that may be true. I don't deny that. Population is only one factor, and when you look at the constituencies of the North, there are other factors that have to be considered. We don't argue that. But there is one factor that should no longer exist in modern society when it comes to the redrawing or the establishment of electoral boundaries, and that is partisan politics. And yet we have before us a commission report and a resolution or a report that is based on partisan politics, as established by those members opposite, this Conservative government. The member from Wascana also went on to talk about the 14,172 eligible voters in Wascana, and he argued in that and he said, well you know what this electoral boundaries commission report does is allows for growth.

Well I simply want to very clearly say this. The member for Wascana talks about a constituency which he hopes to run in, in which there is some development and so there will be some growth. But I, as the member for Regina North East, will run in a constituency which has just the same amount of potential for growth and has the same amount of development, and somehow this rule of potential for growth applied to the Conservative member's constituency but does not apply in the constituency which is proposed to be Regina Dewdney, which has the same amount of potential growth. It is not right to have one rule that applies to government members' constituencies and another rule that applies to constituencies of members of the opposition.

Then, of course, there was the member from Mayfair, from Saskatoon, who spoke and he talked about when the NDP last changed the electoral boundaries. I want to remind that member who spoke and I want to remind the House, that since 1971, when we saw the last gerrymander, government has not altered electoral boundaries. And so the New Democratic Party, when in government, did not redraw electoral boundaries. An independent electoral boundaries commission redrew those boundaries. Those boundaries, therefore, in 1975, were fair; they were based on population, Mr. Speaker, which is something that this proposition which the government opposite brings forward is not based on. It is not based on representation by population and therefore it is not fair.

Now, Mr. Speaker, this motion dealing with this electoral boundaries report in many ways, I think, can be described by this comment: it is a Progressive Conservative confession. Now let me explain that. Let me explain that, Mr. Speaker. What this does is, it is an admission by this government that it has done so many things wrong that the public has rejected it and waits only for an election to bring about the change which people have decided must come whenever that next election comes. That's why there is a gerrymander that's being brought forward by the members opposite today — because this government, this PC government knows that they are in serious political trouble; they have therefore brought about this gerrymander of constituency boundaries.

So what do we have? We have small constituencies represented by Conservative members; we have large constituencies in numbers represented by New Democratic Party members, and in essence, we have a destruction of representation by population as the result of all of this.

You know, it has been shown so clearly during this legislative session that the people have decided that this government can't be trusted. If you shave away all of the frills and all of the debate, Mr. Speaker . . . (inaudible interjection) . . . Do you think, Mr. Speaker, I could continue without being interrupted by the member from Maple Creek.

An Hon. Member: — Meadow Lake.

Mr. Tchorzewski: — Or the member from Meadow Lake.

Well, Mr. Speaker, when you put aside all of the rhetoric and all of the debate, the one thing that has clearly been clarified here is that we have a government in this province that can't be trusted any more. The government has decided that they can't survive a fair election, so they are rigging the boundaries in their favour as a last ditch attempt for political survival.

But, you know, I've seen this happen before. In fact, I've experienced it happen before. Prior to 1971, Mr. Speaker, we had another government with a premier by the name of Ross Thatcher. It was, too, in a position where the public did not trust it any more — just like this government — and it decided that it was going to preserve itself in power by bringing about a gerrymander of constituencies. The gerrymander, in fact, Mr. Speaker, backfired.

In 1971, when I was first elected to this Assembly, I attribute the gerrymander as the thing that pushed me over that last 199 votes which resulted in my election in 1971 in the constituency of Humboldt. You know why? Because the people of that constituency, as the people throughout all of Saskatchewan, resented the fact that any government would tamper with their democratic right to elect a government of their choice by gerrymandering.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — And they rose up, and in no uncertain terms they turfed out that Liberal government in the same way as they're going to turf out this Conservative

government for trying to do this same thing.

This callous attack on a fair electoral system is going to do one thing, Mr. Speaker: it is going to even further deepen the mistrust which Saskatchewan people have of this government and this Premier.

The people have decided that it's time for a change, and this attempt to deny them a chance to make that change will only strengthen their resolve to make sure there is a change of government at the next election. There is no denying that. And the members opposite ought to begin to realize what's in store for them.

You see, every politician must realize that he or she does not have a right to their elected position. That's not the way democracy works. The only right that exists, the only right that exists is the right of people to choose their representative fairly and to choose the government they want to have running the province on their behalf. That's where the right exists. It is not the rights of politicians to have an elected position; they have to earn it from the people who vote. A gerrymander of constituency boundaries is an act of a frightened and a desperate government. There is no other way to describe it, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — It's an act of a government that has lost its ability to govern. I recall a recent event. I recall the Premier in Quebec City this week. Here we have a Premier who goes to Quebec City, firmly in support of the goods and services tax.

An Hon. Member: — Well what has this got to go with the motion?

Mr. Tchorzewski: — Well if the member listens, I'll explain. Here we have a Premier who goes to Quebec City, having announced that he's firmly in support of the goods and services tax. He's talked to the Prime Minister and the Prime Minister has said, Mr. Premier, you are going to do what I say and I need your support, and the Premier jumps on the side of the Prime Minister and he says, I'm in favour of the goods and services tax.

When the Prime Minister is at his side, that's what he says. He goes to Quebec City and the Prime Minister isn't there to prod him on any more. He's surrounded by nine of his peers, other premiers, and he goes and supports their position, although it's wish-washy to the point where I'm not sure that the public knows where he stands. He does not have the ability to lead. He flows with the wind. It's like throwing a piece of sawdust and see which way the wind blows, and that is what happens with our Premier when it comes to leadership. It's throwing it in the air and wherever the wind blows, he's prepared to duck in.

And so when I say, Mr. Speaker, in speaking to this motion, when I say that this government has lost its ability to govern and therefore feels it has to preserve its power by a gerrymander, I must say the actions of the Premier on this goods and services tax issue are a good example of where this government has lost its ability to govern.

because there is a lack of leadership, and in its place they're trying to put in a gerrymander of constituency boundaries.

Some Hon. Members: Hear, hear!

(1915)

Mr. Tchorzewski: — Now, Mr. Speaker, as I rose to speak in this debate, I rose to speak in it with some degree of sorrow because I had brought myself to believe after 1969, when we had the last gerrymander, that I would never see one again in Saskatchewan. I thought that the idea had disappeared from the province of Saskatchewan's politics. So I'm really sad to have to debate this motion at this particular time because of what it represents.

I also rose in this debate, Mr. Speaker, with some concern and some fear about what this motion and this electoral boundaries report represents. It represents an attack on a very essential principle of democracy, that principle of one person, one vote. That principle of representation by population is being ignored, in fact, is being attacked by the proposal that is contained in this Electoral Boundaries Commission report.

If it does nothing else, Mr. Speaker, it proves to us, and should prove to all of us, it should prove to everyone in Saskatchewan that we should always be vigilant of the need to protect democratic rights which have taken hundreds of years to be put into place. And it was not easily that it was done; it took violence and it took bloodshed and people were imprisoned and people were exiled and people were executed, and they were assassinated because they wanted freedom. They wanted a system which would provide them with the freedom to choose their government fairly and honestly. It seems that that freedom is beginning to slip in Saskatchewan. They had to fight those people over those hundreds of years against people in positions of privilege and power who did not let go of that privilege and power easily. How it comes full circle.

Here we have a government in serious political trouble and they don't want to let go of political power and the privilege it provides to their political friends, easily. They're prepared to go as far as impose a gerrymander in the province of Saskatchewan to try to preserve themselves in that power. That troubles me very much because of my background, Mr. Speaker, about which I feel very strongly. I'm a third-generation Canadian. My grandparents came to this country from Poland and they came here for two things. They came here for land to farm, to work the land, and they came here for freedom.

My parents, Mr. Speaker, my parents were born in this country and they lived in Saskatchewan all of their lives and they still live here, and they spent all of their lives working hard so that people like me and the generations after me could have a better life than they did. They were able to do that, Mr. Speaker, because of the freedoms that our democratic society provided for them, those freedoms which my grandparents came here to seek. Now both my grandparents and my parents, they

understood very clearly that governments elected freely could be a vehicle for economic and social changes for the benefit of everyone.

By the time I had left home, Mr. Speaker, and gone to university, finishing high school, I had been to a political meeting of every political party in Saskatchewan. That was done intentionally by my father. He did it with all nine of us in our family, because he said that is a democratic right, and you should be able to go and you should be able to hear and you should be able to make up your own mind. Well the members opposite, by bringing in this gerrymander, are saying to people, you might be able to make up your own mind but we're not going to give you the vehicle in which to express that opinion because we're not going to give you fair electoral boundaries through which to express it.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — I have no doubt that one of the main reasons I'm able to stand and have the honour and the privilege to stand in this House today and speak on this motion, as I have on other motions and Bills, is because of the kind of experience I had from those people who raised me, and those people who . . . my grandparents who made it possible for me to be raised here.

They believed that no government should abuse its position of power to preserve itself in power against the wishes of the people. They firmly believed that. And yet today we are debating an electoral boundaries report which tries to do just that.

It's even more than ironic, while where they came from, which is Poland, they are struggling and inching their way toward some form of democracy, while here in Saskatchewan, where my parents came to find it, we are beginning to find a government like this, which is beginning to erode democracy. Isn't that ironic, Mr. Speaker?

This is a gerrymander; it is an attack on democracy; it is a rigging of boundaries by an unpopular government for the sole purpose of keeping itself in power even though the majority of voters do not support it. And it won't work. I tell you, Mr. Speaker, it won't work.

This whole process was flawed from the very beginning. Right from the day the government introduced the legislation in 1987 to establish a new electoral boundaries commission, the process was guaranteed to bring about a misproportionate representation system — a gerrymander.

And so now we have this report which we are considering, and it confirms all of the fears that I and my colleagues had when that legislation was in this House, legislation which we oppose vigorously for the following reasons. We oppose it because the previously existing legislation, which these members repealed, already provided a fair framework and a fair mechanism for the periodic review of constituency boundaries. We oppose it because the new Conservative legislation violated the basic principle of representation by population. We oppose it because the new Conservative legislation

imposed rigid and unreasonable constraints on the redistribution process. The report we are considering confirms all of those reasons that we oppose it, Mr. Speaker.

The commission's report demonstrates that those concerns and objections were well founded, and let me just give you some examples for the record. What those recommendations produce are great discrepancies between voting populations of rural constituencies — and I'm just going to stick with rural constituencies; I'm not going to get into the debate of rural versus urban which the member opposite so dearly would like to cause to happen.

In this case, I want to give you the example of rural constituencies. I want to give you the example of the constituency of Humboldt, which happens to be represented by my colleague, the member from Humboldt, who's a New Democratic member. That constituency, under this gerrymander, is going to have over 12,000 voters. It's a rural constituency. But another constituency, of Morse, represented by a Conservative member opposite, is going to have only 7,000 voters. Now I look at the geographical size, and I found that the geographical size is not much different.

Surely, Mr. Speaker, all that one can conclude from that undeniable fact is that the government set out to make it easier to elect their own members in their own constituencies and try to make more of them by making them smaller, while they made constituencies held by New Democrats bigger. The facts are there; they can't be denied.

Now let me give you an example of an urban situation, Mr. Speaker. I'm not going to, once again, compare urban to rural. I want to talk about an urban situation here in Regina. We have the constituency of Regina Elphinstone; it has 49 per cent more voters than Regina Plains in the proposal, 49 per cent more.

An Hon. Member: — That's nonsense.

Mr. Tchorzewski: — Now the members opposite . . . It is right. The member from Regina South, how would he know? He hasn't read the report. Mr. Speaker, the member from Wascana . . .

The Speaker: — Order, order. Why is the member on his feet?

Hon. Mr. Klein: — Point of order, Mr. Speaker. That member and the other member from Saskatoon Eastview that have been speaking on this have referred to those figures several times. As a matter of fact, there's a quote in the *Leader-Post* that indicates that the seat is 50 per cent larger. In fact, that is not right and they should check the records.

The Speaker: — Order, order. The member from Saskatoon South and the member from Regina South . . . I mean the member from Saskatoon South. I think it's fair to say that throwing insults at other hon. members is not in keeping with this House. Whether you agree with the hon. member or not is another matter, and I don't think

you should be throwing insults at him. As far as the point of order is concerned, it's a dispute between members. It is not a point of order.

Mr. Tchorzewski: — Thank you, Mr. Speaker. I agree with your ruling. I agree that it's not appropriate to throw insults across the House. I also agree, Mr. Speaker, that it's inappropriate for the member from Regina South to interrupt . . .

The Speaker: — Order, order. The matter has been dealt with. I ask the hon. member to simply continue with his remarks.

Mr. Tchorzewski: — Thank you, Mr. Speaker. I shall continue. I shall continue by referring to the member from Regina South. The member from Regina South seems to have some pangs of guilt as he listens to the facts that are being debated on this motion, Mr. Speaker. He knows that, even in the cities, there has been a gerrymander to try to save the political hide of members like him and the member from Regina Wascana and the member from Saskatoon Mayfair. And so that when we quote the facts, which we state, that in Regina Elphinstone there will be 49 per cent more voters than Regina Plains, the member from Regina South gets a little uneasy. And I suspect, if I was him, I would get uneasy as well, Mr. Speaker.

Now I know that the members opposite have tried to argue the factor of growth. Oh, they say, Regina Plains is going to grow. Well I said earlier, Mr. Speaker, Regina Plains, because of the development projections of the city, is not going to grow any more than Regina Dewdney. Why didn't the same rule apply in Regina Dewdney? If one rules applies to a government member constituency, it ought to apply to an opposition member constituency as well.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — So the member from Regina South, in his embarrassment, may get up and interrupt as often as he wants. He can't deny the fact that we are faced with a gerrymander that was only equalled with a gerrymander brought about in 1969. And the government of the day that brought it was about to be turfed out of office just like this government is going to be.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — But before I was interrupted I started to say, Mr. Speaker, that there would also be great discrepancies between the voting populations of adjacent urban constituencies. And I'll use an example in Saskatoon where you have Saskatoon Sutherland, which would have fewer than 7,700 voters compared to 12,500 voters in the adjacent constituency of Saskatoon Greystone, based on the 1986 results. There's a discrepancy there. Now, Mr. Speaker . . . (inaudible interjection) . . . Well where is the growth in Regina Dewdney? The member doesn't want to respond to that. So, Mr. Speaker . . .

The Speaker: — Order, order. I ask all members on both side of the House, on both sides of the House to refrain from interrupting the member from Regina North East and

allow him to continue with his remarks.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — I find it also interesting and I think it's important to note, Mr. Speaker, that 22 of the 26 constituencies which are presently represented by New Democratic MLAs would be changed in some way under this redistribution compared to 9 out of 37 constituencies represented by the PC members opposite which will be changed by this redistribution. What more can I say to provide proof for my case?

This Conservative government's legislation violates the fundamental democratic principle of representation by population, and it imposes a set of rigid and unreasonable constraints on the development of electoral boundaries in Saskatchewan. This distribution and this motion, because of that, deserves to be opposed and not supported, Mr. Speaker.

Now some time ago I heard a press release that was issued by the Minister of Finance. Now that Minister of Finance should know a great deal about gerrymandering. I mean that was the Minister of Finance who was an executive assistant to a Liberal cabinet minister back in 1969 when the Thatcher Liberal government of the day provided the last gerrymander in the province of Saskatchewan. So what did he say in responding to this commission's report? He said, the Minister of Finance said the proposed new boundaries have equalized representation in major urban centres.

(1930)

Well, Mr. Speaker, when you have variations of 49 per cent and 63 per cent, I don't think that that's really a justification for his comment that there will be equalized representation in major urban centres, and there is none.

Now it's very interesting that in the debate this government has never explained why the previous electoral boundaries distribution Act was repealed. There has never been an explanation from the mouths of any of the members opposite why that was necessary. Here we had an independent boundaries commission that provided a fair and non-partisan process for drawing electoral boundaries. It provided an independent boundaries commission removed from partisan politics, and that is the way it should be.

Now that the previous law which the members opposite repealed, Mr. Speaker, said . . . And I don't say it word for word, but here is what it said in paraphrase. An independent boundaries commission would be appointed. It would be asked to draw boundaries on the basis of one person, one vote. They take into account natural boundaries, but the principle of one person, one vote was firm. It provided for a variation of voter numbers but limited that to 15 per cent.

And for 15 years, Mr. Speaker, it worked very well, and people were satisfied that it worked very well. None of the members opposite, during the electoral boundary redistribution during that period of time, ever complained, because it was so fair and worked so well.

And so I say that the question which the journalists and everyone else must address is: why did the government feel the need to change it if it worked so well? And why was the change such that it reintroduced partisan politics into the drawing up of electoral boundaries?

Well the answer is simple. This government is not committed to a fair electoral process, because it is a government of vested interest. It is a government that speaks for the multinational corporations and for the foreign investors. Most of them don't vote in Saskatchewan and because it speaks for those vested interests and not the people of Saskatchewan, it's afraid that the people of Saskatchewan, in a fair and honest vote, are going to not only defeat them but would devastate them in the same way as the Thatcher government did when it tried the same kind of gerrymander.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Speaker, after a 15-year track record of scrupulous fairness, which no one will deny, this government then decided to scrap the independent boundaries commission in favour of gerrymander. And let me illustrate my point, then.

How was the previous commission appointed? It consisted of three people: it had a chairperson that was appointed by the Chief Justice of Saskatchewan and some very prominent people acted on it, Mr. Justice Hall, Mr. Justice Maguire, and others. There was also the Clerk of the Legislative Assembly, a non-partisan individual. The clerk is appointed by the unanimous consent of all of the members of this House. That Clerk served on that commission for 15 years. He also, it so happens, served under three separate administrations of government — three separate political administrations of government, Liberal and New Democratic and Conservative; he was impartial.

And then of course there was a third member, Mr. Speaker, that was appointed by the Speaker at the time, whoever it might be, in consultation with the premier and the leader of the opposition. This legislation changes all of that — this legislation changes all of that.

What we have is the present commission, we have a judge who is appointed by the chief judge of the provincial court, not the Chief Justice of Saskatchewan, but the chief judge of the provincial court who happens to be a provincial government appointee. And in this case it so happens that the chief judge of the provincial court was, prior to his appointment as a chief judge of the provincial court, a special adviser to the Minister of Finance when he was the minister . . . or the attorney general, as it was called then. That certainly was not a non-political appointment, Mr. Speaker.

What this legislation did, it removed the Clerk as a member of this independent boundaries commission. And do you know, Mr. Speaker, what they put in its place? This government's legislation said that it should be the Chief Electoral Officer. Now everybody knows who the Chief Electoral Officer is in this province and has been traditionally. Maybe it's time that changed. But the Chief

Electoral Officer in this province has been, since its beginning, a political appointment, and no chief electoral officer would feel insulted if he was said to be a political . . . or she was said to be a political appointment. This government took the Clerk, took the Clerk away from the independent boundaries commission and appointed the Chief Electoral Officer, who is nothing more than a political hack of the government in power. Where is the independence?

And of course there's the third appointment, which is supposed to be done in consultation with the Leader of the Opposition and the Premier, and in this case, Mr. Speaker, that was not done appropriately. The government had its way.

So we started with legislation that was rigged to create a gerrymander. Then the government moved to a commission which could not possibly be seen as being impartial and unbiased, and we end here today with a motion to approve a report of the Electoral Boundaries Commission which everyone who has taken the time to consider it knows is a gerrymander.

Now putting that aside, Mr. Speaker, the other thing that should have been necessary is public input. Well there was not adequate public input. There was not adequate public input. At the time, Mr. Speaker, in 1988 in August when the interim report was made public — it was on August 8 — all the public hearing were held during the week of August 22 to August 26, giving organizations and individuals only two weeks to review the proposed boundaries and to prepare their comments and to write to the commission detailing why they wished to present a brief.

Two weeks, Mr. Speaker, in the midst of summer when many families were on vacation and many groups and organizations do not even hold regular meetings — two weeks, Mr. Speaker, when many places in Saskatchewan were beginning to harvest and people were busy with trying to make the living that they make on the land.

Now it's of some interest that section 11(1) of the Bill gives the commission the power to hold additional public hearings at any times and places in Saskatchewan it considers necessary. Now there was a request made by letter to the commission to hold those extra hearings, and the commission ignored that request and did not hold them, Mr. Speaker. So even that process was flawed in keeping with what the government's intentions were.

Well what makes this whole process most offensive of all is that the commission was so restricted by the legislation that even if it wanted to be fair, it couldn't be, Mr. Speaker. The legislation ignored representation by population and legislated 35 mandatory rural ridings and it legislated 29 mandatory urban ridings. That option the commission was not provided if it wanted to consider true representation by population. That commission was faced with a variance of 25 per cent instead of the 15 per cent that previously existed. No one over there has yet stood up to explain why the 25 per cent, other than the fact it gave them more leeway to fix the boundaries to suit themselves. Why in fact . . . Even maybe 15 per cent is too high, because in Manitoba I understand that the variance

is only 10 per cent. Now that makes it a lot more fair, Mr. Speaker.

So what I'm saying here is that this legislation strapped the work of the commission on the one hand and allowed it to create unjust discrepancies as exist between some examples which I have mentioned, such as Humboldt and Morse.

Mr. Speaker, the proposal before us represents the erosion of the democratic rights of the people of this province. With this action the government is tampering with the rights of Saskatchewan people to have their representation in government. It is shocking to realize that people in positions of trust and responsibility would go to these lengths, not to benefit the people of Saskatchewan, but for their own personal gain. It is shocking, but given the record of this government, I guess maybe we shouldn't be surprised.

Abuse of power under this administration is not new, because this redistribution which, this gerrymander, is only one of many undemocratic actions which have become the legacy of this government since its election and which have caused people to say, it is time for a change because we can't trust them any more.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — This is only one. We had another boundary change just last session, Mr. Speaker, similar to this when the government decided, in spite of the strong feelings of the people in our urban communities, this government decided to abolish the ward system, which is another form of electoral process which allowed people to take part in that process and choose people that they wanted to represent them in their city councils.

There was a massive protest around the province. SUMA (Saskatchewan Urban Municipalities Association) opposed it; municipalities opposed it; the public opposed it by a large margin. But this government forced the legislation. This government forced the legislation through and abolished the ward system.

So this is not new; it's a pattern. It's a pattern that involves what happened to the ward system. It's a pattern that involves the breaking of promises, the breaking of promises that utility corporations would not be privatized, but we are faced in this session, Mr. Speaker, with the threatened privatization of the Saskatchewan Power Corporation, or part of it, SaskEnergy.

Is it no wonder that the people of Saskatchewan are saying this government can no longer be trusted, and therefore they want an election so they can bring about a change.

It's part of the process and the legacy of attacking officers of this legislature. The Legislative Law Clerk, threatened and attempted to be intimidated by the member from Kindersley, when the Legislative Law Clerk did her job and wrote up a report on how it was illegal for the government to carry out month after month after month in 1987 and spend tens of millions of dollars without first coming to this legislature to request a budget. The

government got caught, but in the process, thought that they could get away by threatening the Legislative Law Clerk through the minister, the member from Kindersley, and it didn't work. But the people remember.

Of course, then the government decided, well, it's got to keep more information away from the public. They decided that they're not going to give information to the Provincial Auditor so the Provincial Auditor could report on how the government was spending the taxpayers' money. They began to dig deeper and deeper. When the Provincial Auditor reported this in the legislature, did the Premier say, I'm going to tell my ministers that they better clean up their act? Of course he didn't. Regretfully, he told his Minister of Justice to attack the Provincial Auditor, to try to destroy his integrity in the hope that the Provincial Auditor would back off. But he did not, and I'm glad that he did not, Mr. Speaker.

All of these things . . . And I want to wind up, Mr. Speaker, but the point I'm trying to make is that all of these things has established an undeniable fact in Saskatchewan, and that is that this Premier and this government can't be trusted. When the first minister, the Premier himself, adopts a strategy of government, the principle of dishonesty as a basic strategy, then that government, Mr. Speaker, has no business staying in power. So that's why this gerrymander is here before us today, because the government knows that it's in political trouble. If it didn't think it was in political trouble, why would it not have been . . . brought forward legislation that would have provided a fair redistribution of boundaries.

And that's why, at the beginning of my remarks, Mr. Speaker, I said that this motion and the report is a confession by the Conservative government, a confession of the fact that they know they're guilty, and a confession of the fact that they know the public knows that they're guilty, and no longer wants anything to do with them.

(1945)

It's a desperation move. It's a desperation move by a desperate government. They no longer respect the opinion of the people of this province. They do not respect the institutions of this legislature which make government accountable and responsible.

History is repeating itself. In 1971, the Thatcher government acted just like this present government. They brought about massive cut-backs. They were heavy-handed, and there were stories that ended up to be true where the premier would meet with people and he would abuse them, and say that they knew not what they talked about. There was an attempt to sell off assets, which this government is doing. There was a massive out-migration of young people who were looking somewhere else for a future. There was arrogance in government. The government decided it wasn't going to listen to anybody because they knew best, and there was a gerrymander. And the member from Canora should remember it well. Today the Liberal Party, Mr. Speaker, is still paying the price for that — today, so many years later. And I suggest to you and to this House that after this next election, the Conservative party will suffer the same fate,

Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — You know, the people of Saskatchewan don't get fooled easily about such things. They want a government they can trust. They want a government that is not affected by outside influence to the extent that it ignores the interests of the people who elected them in the first place. And they will have nothing to do with a government which tries to take away the democratic rights of fair and democratic elections.

For those reasons, Mr. Speaker, because the people of Saskatchewan want and desire that kind of government, they want and desire a fair system of drawing electoral boundaries. They are like my grandparents and my parents who worked hard to make sure that this is what existed in Saskatchewan. They would want us to do nothing else, Mr. Speaker, but in the strongest possible way oppose this motion and oppose this gerrymander.

And I can tell you, Mr. Speaker, that is what I intend to do, that is what every member on this opposition side of the House intends to do, because that's the right thing to do, Mr. Speaker.

Some Hon. Members: Hear, hear!

Amendment agreed to.

The division bells rang from 7:49 p.m. until 7:54 p.m.

Motion as amended, agreed to on the following recorded division.

Yeas — 28

Muller	Klein
Duncan	Meiklejohn
McLeod	Martin
Andrew	Toth
Berntson	Johnson
Taylor	McLaren
Smith	Hopfner
Swan	Swenson
Muirhead	Martens
Schmidt	Baker
Hodgins	Neudorf
Gerich	Kopelchuk
Hepworth	Saxinger
Hardy	Britton

Nays — 18

Prebble	Kowalsky
Rolfes	Solomon
Lingenfelter	Anguish
Tchorzewski	Goulet
Thompson	Hagel
Brockelbank	Pringle
Mitchell	Lyons
Upshall	Lautermilch
Simard	Smart

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure
Trade and Investment
Ordinary Expenditure — Vote 19

Mr. Chairman: — Would the minister introduce his officials.

Hon. Mr. Andrew: — Glenna Theaker is the acting director of administration; Garth Gish is ADM (acting deputy minister); and Paul Haddow is ADM of trade; Garth Gish ADM of investment; and Don Wright, who is the deputy minister, is on vacation.

Item 1

Mr. Mitchell: — Thank you, Mr. Chairman. Mr. Minister, I want to talk about a number of subjects tonight and the first one has to do with the free trade agreement. And the questions I want to address to you are concerned with what's happening under the free trade agreement now, and I'm going to address a few general remarks and then I'll have some questions for you.

I've said in this House before, Minister, and I know you've heard what I've had to say about this, this reason why — the main reason — why Canada was moved to enter into these negotiations that led to the free trade agreement was the increasing use by the United States of the countervail instrument, and that the use of that instrument seemed to have prompted the Prime Minister to change his mind on the subject of free trade.

(2000)

The committee will recall that during his own campaign for the leadership of the Progressive Conservative Party, Mr. Mulroney was dead set against free trade. Mr. Mulroney made it perfectly clear to all of his supporters and to the convention and indeed to the nation, that he would never support the idea of free trade with the United States. And he had several cogent reasons why it was so impractical and why he ought not to do it. And then something happened to change his mind, and from the point of view of most observers the point, or the issue that caused him to change his mind, was the use by American manufacturers of the countervail, the instrument for the imposition of countervailing duties.

Now as you know, Minister, that's part of the trade law of the United States as it is part of the trade law of our own country, the difference being that the United States used this part of their trade law quite extensively in recent years, whereas Canada doesn't use it all that often. But it seems quite clear that the Prime Minister, as I say, became concerned about the increasing American use of the countervail remedy, and he saw countervail actions springing up from coast to coast, from the lumber industry on the west coast to the fishing industry on the east coast and to all sorts of other industries in between, including hogs in western Canada and steel in Ontario and so on and so forth.

It seems to a lot of observers that he decided that trade negotiations aimed at a free trade agreement were desirable for the purpose, probably, among other things,

but for one of the main purposes being some curtailment or some modification of the way in which the Americans were using the countervailing duty remedy under their trade law. And indeed the Prime Minister is on record of having said as much, and other ministers are also on record on the same point. It was a primary objective of Canada to get an exemption from this part of the American trade law.

Now as time went on, it became clear that the Americans were not about to give Canada an exemption from the trade laws, and it's quite likely that that wasn't a realistic expectation anyway. But then the federal government moved back to another position, and that position was that the . . . at least the circumstances in which the countervail remedy would apply to trade with Canada would be defined, and the problem would be handled or brought under control by that method.

And that, of course, would have been a very desirable thing to have happened if in fact it could have been accomplished in the negotiations. And I understand that Canada pressed for that kind of a disposition of the problem. The problem again is that they couldn't make any headway with the Americans because not only were the Americans unwilling to provide an exemption to Canada from this part of its trade law, but they were also unwilling to commit themselves as to in what circumstances the countervail would or would not apply.

So then what did we do? Well you remember Simon Reisman walked away from the bargaining table, and my understanding is that it was chiefly on this issue of how the countervail situation would be handled that led to his walking away from negotiations, and negotiations came quite close to breaking off.

There are many of us who feel that the whole of Canada would be far better off if indeed Mr. Reisman had stayed away from that table, but he didn't; he went back. And the deal that he got when he went back, so far as the countervail issue is concerned, is the agreement to continue to negotiate the question of subsidies in the future. And as you know, Minister, the commitment is that Canada and the United States will continue to negotiate on the question of subsidies for a period of five years and that can be extended to a period of seven years, during which time the expectation seems to be that they will come up with an agreement as to the kind of subsidies that will attract countervail and the kind of subsidies that won't attract countervail.

And it is my observation, and indeed the observation of many people that I've read and talked to, that this part of the negotiations is absolutely crucial to Canada so far as our trading interests in the future is concerned. Indeed if you think back on . . . Just assuming that I've got the history of it correct — and I think I have — our prime objective still remains to be achieved; our prime objective being some discipline over the use of the countervailing remedy. And there's nothing in the free trade agreement that clarifies or deals with that problem, and indeed that part of the negotiation still remains in front of us. So as far as we in Canada are concerned, the major issue in our trading relationship with the United States remains unresolved by the free trade agreement,

but must be resolved by further negotiations under it.

Now these negotiations presumably are getting ready to start, and we read newspaper accounts of how the United States negotiators are already in place; that they've been appointed, that the team is in place and that they're working, that they're preparing. At the same time and in the same newspaper accounts, we read about how the Canadian negotiating team from the free trade negotiations has pretty much disbanded, has pretty much gone on to other jobs in Ottawa or in the private sector or to the universities or wherever they've gone to. But in any event they're not around Ottawa to negotiate any more, for the most part, and that, so far as the subsidy negotiations are concerned, Canada is not staffed, Canada has not got a team in place, and Canada is not preparing for these negotiations with anything like the intensity with which the Americans are preparing.

Now this is rather surprising because there are certainly a lot of very important people in this country in the large private sector, in industry, who realize how intensely important these negotiations are for the future of our trading relationship with the United States. And yet the federal government, as best we can tell, are just not taking the challenge seriously and are not doing the preparatory work that has to happen.

In addition, Minister — and here we come to your responsibility — it is our understanding that Ottawa has, for all practical purposes, frozen you and your other provincial counterparts out of the negotiation. In other words, Saskatchewan will not be represented at the table for any of these negotiations, notwithstanding the considerable interest that our province has in the question of subsidies, in the question of what subsidies will attract countervail and what will not attract countervail. And I know that other provinces are shut out in the same way.

So I'm not saying that you're being treated differently than other provinces, but the reality is that the federal government apparently intend to do this themselves without any provincial representation at that table. Now I understand from press reports that Mr. Crosbie, the minister responsible, has said that he'll talk to you before and get your views, and he'll talk to you as it goes along, sort of reporting what progress he's made. But at the same time he does not intend to allow any provincial representation.

Now the question I have, Minister, is just what kind of consultations have taken place between the federal government and you and the province of Saskatchewan and other provinces on this subject of subsidy negotiations under article 1907 of the free trade agreement.

What kind of consultations have taken place? And further, Minister, do you regard the question of Saskatchewan representation or provincial representation on these negotiations as a closed issue, or are you continuing to pressure the federal government for representation in these negotiations, considering the vital importance of the subsidy question to us here in Saskatchewan?

Now I say vitally important, and I mean that because occupying the place in the country that we occupy, with the problems that we have and the distances from markets and a number of other factors, the subsidy question is a vital one; it's a very important one. And I know that you share that view.

But I am, I must say, a bit surprised that you and the other provinces appear to have accepted the federal freeze-out so matter of factly. I would have thought that was an issue on which you would have fought them, and fought hard. Because there's absolutely no reason that I can think of why he would not allow provincial representation on this negotiating team. He could have done that without compromising any of his jurisdictional niceties, any jurisdictional responsibilities, and indeed had at the table the government who are most directly concerned with this question of subsidies.

Hon. Mr. Andrew: — Let me respond to the overall initial question by the hon. member, and that is that the free trade agreement is bad for Canada. I think the hon. member would be prepared to acknowledge that the Parliament of Canada has passed that trade agreement, and clearly the Government of Canada sought a mandate and obtained a mandate from the Canadian people, as the hon. member's party had requested that should happen. The agreement was endorsed by the Canadian people.

The member then turns to the question of the rationale as being only countervail. I think that would be rather putting words in the mouths of the people that have spent long hours, long years on the question of this Canada-U.S. trade agreement, saying it was motivated by countervail. Certainly countervail was an issue, but I think the hon. member would be prepared to acknowledge that there was more issue and more reason than simply countervail on this particular question.

The hon. member then directs the debate to the question of the negotiation, the five-year negotiation that is to begin, develop over a five-year period with regard to the subsidy question. I think, as you look at that issue, it's important to recognize that from a Saskatchewan trade perspective, given the existing trade numbers that we would have, Saskatchewan into the United States, issues like petroleum, natural gas, oil and natural gas, have had special treatment in the agreement; issues like uranium have had special treatment in the agreement; potash — you can deal with the whole question of dumping there. Those three resource sector items are the largest, clearly the largest items that we sell to the United States and therefore are not quite caught by the same subsidy rules that perhaps, I think, the hon. member is referring to, if you get into agriculture, into manufactured products, get into services, that type of area.

I think the hon. member would be wrong to somehow suggest that once the agreement was passed, that (a) the federal government do not have or are not putting together a team to negotiate with the Americans. I think any fair-minded observer that went through the first round would acknowledge that the Canadian officials that negotiated on behalf of Canada were quite frankly better prepared than the Americans. The Canadian

population, I think, was more aware and apprised of the issues of this agreement than were the Americans, and from that point of view I think that gave an advantage to the Canadians when they went into that agreement.

(2015)

Since that time there has been five meetings of officials of the federal team, along with the people from each of the provinces at the DM (deputy minister) level or the ADM level, general discussions as to how this will unfold, how the strategy is going to work. There has also been a meeting of trade ministers that went into the same type of detailed negotiation as to how the negotiation strategy will work. In those meetings you always tend to get a report coming out of the media, in fairness led by a couple of provinces sort of suggesting that their person should be at the table; somebody from Ontario or somebody from Alberta should sit with a Simon Reisman at the negotiating table, just as someone should sit at the table at the GATT (General Agreement on Tariffs and Trade) from each of the provinces.

And I think the hon. member would tend to support a more moderate view, that if you're going to go into a negotiation, you have to have one negotiator or at least a senior chief negotiator on our team, and that particular individual has to do the negotiations. It's ultimately going to come down to one or two people doing it, and it can be by a committee of 10 provinces and 50 states. I don't think that would work. I don't think the hon. member would suggest it would work.

So clearly we have . . . and the federal Minister of International Trade has not for a minute suggested (a) that we would be able to sit at the table shoulder to shoulder with them, but certainly the mechanism used in the first round to negotiate the free trade agreement itself, the same concept or mechanism would be used as you got into the negotiations of subsidies, the difference being that once the negotiations commence they could commence on a variety of fronts.

Let me give you an example. Let's say some negotiations start on the whole question on fishing or fisheries on the east and west coast. At the same time there might be a series of negotiations going on with regard to agriculture subsidies. Should that example take place, then a province like Saskatchewan would have an interest in, and a serious interest in, the question of subsidies and agriculture, only would have an interest in the question of fisheries as it related to how it might generally impact upon the agreement. But as to the specifics of quotas and processing, etc., we would not clearly be as interested as, let's say, a British Columbia or some of the maritime provinces. So there'll be a number of fronts there.

What we have been assured of is that our interests in the areas that we would be interested in, certainly we will be invited to consult with them, to have representatives there much as we did in the free trade negotiations.

Mr. Mitchell: — Minister, I probably wasn't clear enough in my opening remarks, but I wasn't suggesting that that was all there was to the free trade negotiations, that is the resolution of the subsidy question and the application of

the countervail remedy. What I was trying to say is that it seems to have been the critical point so far as the federal government's decision to enter negotiations was concerned. And certainly the Prime Minister has used words almost to that precise effect in the days leading up to the announcement of the decision and in the aftermath of the announcement of the decision to enter into these negotiations.

And of course it is a question of vital concern, if you just cast your mind back to the time and the variety of countervail applications that had been made by American producers at the time, covering a wide range of industries in Canada. And what never ceases to puzzle me is that, given the importance of the issue going into the negotiations, how we ever let that go and how we didn't hang on to that issue and force the Americans to deal with it in these negotiations in, at least in general terms. What we find here, of course, in the free trade agreement, is that it wasn't dealt with at all.

That's puzzling but it's also ominous because it shows what I think we know from our experience in dealing with the Americans on trading issues, that they are not very flexible on this question of subsidy — they are not very flexible on this question of subsidy. They look at their own system, which I think is riddled with subsidies and they say that . . . They seem to believe that there are no subsidies paid to their industries. Well we know that's not true. We know there are massive subsidies of a different nature than we in Canada may have, but none the less programs that can't be viewed as anything other than subsidies. But they take the view that their hands are clean, that they don't pay any subsidies. And they look up at Canada and look at our vast array of programs, both economic and social, and make all sorts of allegations that those programs constitute subsidies.

Now no doubt Reisman raised this in negotiations and no doubt he was faced with an absolute brick wall on it, because he made no progress. He made no progress at all.

What puzzles me about the free trade agreement is that, not only didn't we get anything, but we agreed to downstream negotiations where we don't have anything to bargain with, where we are just asking them to please allow us to continue with this program or that program or this particular kind of payment. It puzzles me why we would have played all of our bargaining chips during the free trade negotiations with that very, very important key issue still outstanding. And it remains outstanding to this day.

I must say, Minister, that I still have the impression from the answer that you give that you and your provincial counterparts didn't fight very hard for direct representation in these negotiations. Now I know you can't have a huge bargaining team made up of representatives of all of the states and all of the provinces, but the provinces have substantial interests that need protection here. I don't know about you, but I don't have a great deal of faith in a bargaining team composed entirely of federal representatives when what is on the table is our hog stabilization program or our beef stabilization program. They certainly aren't going to fight for that program with the same intensity, Minister, as the

Government of Saskatchewan should fight for it — no way.

And it seems to me that in the trade-offs that have to take place in that kind of a negotiation, they well may be prepared to trade off our stabilization programs in return for some program respecting the growing of peaches in Florida or something like that. I fear, Minister, that without the kind of intensity that provincial representation can bring to the negotiation of these subsidy issues, Saskatchewan is going to be dealt a weak hand.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — And when I speak of weak hands, I really mean that, because the structure of the free trade agreement really is very concerning to Saskatchewan, particularly as regards this question of subsidies and subsidy negotiations, because as you know, Minister, in the section on agriculture, in section seven, we have very conveniently identified in schedule 2 a large number of Canadian programs for agriculture, which we have conveniently labelled, and I quote: “Canadian government support programs”. You just have to know that the Americans, on looking at schedule 2, will interpret a support program as being a subsidy.

When I look at the items listed in schedule 2 under the heading of direct payments, support programs that are direct payments, support programs that are direct payments, we have the stabilization programs for wheat, oats, and barley, western grain, special Canadian grains programs, stabilization payments made by provincial governments.

Then under the heading, other support, which again the Americans will see as a subsidy, we have the expenditures of the Canadian Grain Commission, wheat board pool deficit, domestic wheat pricing — although that’s history, as I’ll talk about in a while — crop insurance, Western Grain Transportation Act, prairie branch line rehabilitation program, and so on, Minister. I mean we have very conveniently identified those as support programs.

Now Canada has taken the position up until the agreement was negotiated, for example, that the Western Grain Transportation Act, the Crow benefit and then the Western Grain Transportation Act were not subsidies. In no way were those export subsidies. But it seems to me that by including them in schedule 2, we pretty much abandoned that position. So here we go into subsidy negotiations under article 1907 and you just know the Americans are going to put on the table the position that these are all subsidies which are illegal. I use illegal in the sense of subsidies that will attract countervail.

Now that seems to me to be a collection of enormously vital issues as far as the province of Saskatchewan are concerned.

And I would think, Minister, that you would be, you and your government would be extremely nervous about how this negotiation team of federal officials, federal government officials, are going to protect our interests. With what sort of intensity and determination are they

going to protect our interests against an American bargaining team which will be just as hard as stone on this subsidy question?

As so I say, Minister, your answer to me was not reassuring at all, but that you fought hard enough with Mr. Crosbie to get representation on this committee. So I want to ask you directly: will you take this question up with him again and try and assure . . . or try and secure from him agreement that, at least on these issues that are so vital to Saskatchewan, we will be represented at the table? And I would think you would want to, Minister, because when the trade-off starts to happen, I fear for Saskatchewan.

Hon. Mr. Andrew: — Let me try to respond to the hon. member in the following way. Number one, with regard to countervail, I think the hon. member, I take it, acknowledges that if you are to request one side to give up countervail, then on the corresponding offset is that you have to strike a deal with regards to what is and what is not subsidy. So you can appreciate that, and you nod that in fact you do.

You indicated the question of agriculture. Let’s look at agriculture and how the agriculture question is being pursued by the Canadians. I get this from Mr. Crosbie, the minister, as well as discussions I’ve had in Washington with Mr. Derek Burney, who is the new Canadian Ambassador.

The view advanced to me by Mr. Burney is as follows: that on the question of agriculture subsidies, because the prime negotiating table at this round of the GATT deals precisely with the agriculture subsidy question, that both sides, both the Canadians and the Americans, have agreed to defer the question under the free trade agreement of ag subsidies until at least the completion of the Uruguay round, which ends, I believe, in the end of 1990. And so that’s where the negotiation is taking place at this point in time on the definition and the defining of subsidies, and a lot of the technical work on agriculture subsidies both in Canada, United States, and around the world. So that’s the first step that we’re taking with regards to that, and deferring the question of the Canadian-U.S.; while it will be ongoing, it will not be the intensity of negotiations that we would expect to see in that five-year period.

The hon. member then refers to a number of Canadian subsidies that are included in the book. To be fair, you must also refer to some of the U.S. subsidies that are in the book, in particular the U.S. farm Bill, etc., and the analysis done to date of trading A for B or measuring A for B. Let’s take in wheat, for example, and we’ve done that studies, as have the SAGITs (Sectoral Advisory Groups on International Trade) in agriculture, consisting of the wheat pools, United Grain Growers, the various farm groups, along with the federal Department of Agriculture. And a fair amount of work, in fairness, is being done in Saskatchewan on that, on that very question, because we stand to have the most to gain on it — is that U.S. subsidies at this point in time are running about \$50 a tonne higher than ours. And that is pretty well recognized and that’s pretty well recognized at the GATT as well.

(2030)

The Cairns Groups have advanced that while the U.S. subsidies are higher than the Canadians', European subsidies are even higher than the Americans'. And therefore how do you take and start to ratchet down those farm subsidies around the world? And of the biggest producers, the Europeans are the ones, and so the meeting that followed the Montreal mid-term meetings of the GATT that came out of Geneva about six months, eight months ago, I believe, where the formula . . . sort of the Cairns Group formula tended to be adopted and the roll-back process being readied for the final kick at the GATT negotiations, I think that's where you're going to see significant progress being made, we hope. If it is made there, I think then the parameters are set to go the other direction.

With regard to some of the questions that you raised . . . Let's take crop insurance as an example. I know the hon. member is aware of this, but there is not a joint study being undertaken by the crop insurance corporation of Canada, the Government of Saskatchewan, several states in the United States, along with funding from the U.S.D.A. (United States Department of Agriculture), to look at the whole question of crop insurance, its impact upon the market, its impact upon farmers.

I did have a meeting with several of the U.S. ag ministers on this. And they had that interest, I think, to move in a direction where you could see subsidies. They believe that there's always going to be subsidies in agriculture, but if the subsidies were directed more towards the assistance to the farmer and less towards distorting on trade, that perhaps that would be the ground that we can find. And of course that's been the position of Canada, the position of our Premier for some time.

So to say that there's not movement in that regard, certainly there has been movement in that regard. We are comfortable with regards to the negotiations on agriculture at the agriculture table. Paul Haddow, who is sitting beside me, has in fact been recruited by the federal negotiators to negotiate at the ag table at the GATT in agriculture for Canada — very familiar with the Saskatchewan situation, very familiar with the free trade agreement, has done a great deal of work in the whole question of ag subsidies in Saskatchewan, what we can and how might be able to modify ours to fit into what's happening in the world.

So I think for the hon. member to say the work is not being done, I don't think is fair to a lot of hard working officials who have been working a great deal on that very question.

Mr. Mitchell: — A related subject, Minister, a directly related subject are the discussion that are to take place for the harmonization of technical regulations and standards for agriculture and food products. And you'll know that under article seven of the free trade agreement there is a series of working groups that are to be set up to harmonize, which is to make equivalent, the standards in the areas of — and I'll quote these — animal and plant health, standards and inspections for the food industry, veterinary drugs, feeds, pesticides, food and beverage

additives and contaminants and packaging and labelling. And some of these are extremely important to Saskatchewan and key decisions will be made by these working groups, particularly on standards with respect to meat, poultry, and dairy industries.

Now, Minister, has your department or your government had discussions with the federal government or pressed the federal government to ensure representation on these working groups of Saskatchewan agricultural representatives? I'm not suggesting it should be members of your department, that is, officials, so much as I'm suggesting that it be a direct representation from some of these groups involved.

I believe you agree with me, Minister, when I say that one of the reasons for Canada's extraordinary success in agricultural trade has been the very high standards that have been set and maintained by this country over the years and that the web of standards, the web of regulations that ensure that Canadian agricultural products are of such a high level, is a situation not shared by a lot of our competitors, including the United States. I think it's fair to say, generally speaking, the American standards are lower, and these harmonization discussions make a lot of people in agriculture in Saskatchewan quite twitchy because you have a . . . You're talking with a trading partner about 10 times your size, and when you ask the question, who's going to harmonize with who, whose standards are going to go to whose standards, you're almost driven to conclude that Canadian standards will be comprised in favour of American standards.

Now is there any intention to have direct representation from the industry on these working groups and will that include Saskatchewan representation? And secondly, Minister, do you share our concern that when the standards are being harmonized, one of the results is likely to be that our standards will be comprised to the long-run detriment of the industry?

Hon. Mr. Andrew: — Well the hon. member raises an important point that's very often missed by people in the journalist community, etc., with regard to the Canada-U.S. trade agreement, along with the very same issue being raised at the GATT table, certainly in agriculture but in other products as well.

Let's look at, number one, the reasons why technical standards are being advanced in this agreement. One of the reasons, obviously, for the technical standards to be raised, is the fact that you often had duplication. Let's say if there was cattle being moved or red meat being moved from one side of the border to the other, you had to go through an inspection process in Canada; that was not accepted by the Americans, so you had to go through the vet and the inspection process in the United States. That obviously costs extra money and therefore made it more difficult to trade — point number one.

Point number two, the rationale for the harmonization of standards was to rationalize the standards to the highest denominator or the highest standard. Now that was the second principle of the agreement. Now if you're to look at Saskatchewan agriculture and trade into the United

States, the hon. member is exactly right. Let's take an example of wheat. Now one would not expect that Canadians would sell a great deal of wheat to the United States, the United States being the largest producer of wheat in the world. A large exporter of wheat traditionally has a large surplus of wheat.

So one would say, well, why would Canada be able to sell wheat to the United States? The fact is the United States is the Canadian Wheat Board's ninth or 10th largest customer. The reason is because under the Canadian standards of the Canadian Grain Council, etc., the standards that we have set, the licensing mechanism that has been in place in this country, can deliver a guaranteed quality of product that certain customers in the United States must have and cannot be assured of that supply from the U.S. supplier. As a result, Canadians are able to sell into the U.S. market.

If you are to look at the whole area of red meat, the success of the Canadian producer selling into the U.S. market has not been driven by the fact that we are a lower cost producer. Very often the opposite is the case. In fact, we're a higher cost producer. But we can deliver into the U.S. market because we have a higher quality or a different quality that the consumer in the United States wants, cannot be supplied from the U.S. agriculture group.

Now to go to the question of how we will approach this, obviously the hon. member will acknowledge and recognize that when you come to technical standards, you're going to have a lot of techies working in that field. Those techies tend to find themselves either in the universities, in government departments of agriculture, or various science departments that you might find.

And therefore, there's going to be a fair involvement when you get into the technical negotiations by agriculturalists from across the country. Different agriculturalists, if you're into the whole area of horticulture, tend to come from B.C. or southern Ontario. In the area of fruits and vegetables, that tends to be in areas where that is produced. When you get into red meat, that tends to be in the prairie region — into grains, into oil-seeds, etc., will come from the prairie region, etc.

So that is being done now by . . . The group being put together to do that will tend to come from the SAGITs that were represented at the free trade negotiations of the various industry groups, departments of agriculture from the variety of places, both governments and universities and technical institutions across this country.

But the whole process is being driven, at this point in time, by a committee, primarily of trade officials — Mr. Haddow, again, sits on the committee that sets the agenda for that negotiation process, and the people on that committee are trade people. So while the trade people will set the agenda and the process that we will follow in the negotiations, much of the negotiations will be technical in nature and by done by the techies.

Mr. Mitchell: — On that same point, Minister, are you aware that while we have an obligation to get these working groups going and while you're forming up, as

you say, with the technical people, there are a wealth of little stories about what's being done differently by way of inspections or procedures?

And I just cite one example: on shipments of fresh meat between Canada and the United States, all cargoes of fresh meat used to be inspected. The practice has been changed. Now I admit, I don't know how that practice was changed but I know it was changed so that instead of inspecting every cargo, we are now inspecting one out of 20.

One continues to hear little stories like this, about changes in practice or changes in . . . I hesitate to say standards because that calls to mind some formal regulations, but in any event, changes in the way in which we're trading these products that seem to me to fall exactly within the mandate of these working groups and yet, they are changes that are taking place before these working groups are up and running. And frankly, the changes that I've heard about seem to be in the direction of weakening the Canadian standard.

Now are you aware of that, and do you have any comment on it?

Hon. Mr. Andrew: — Certainly the standards have not changed pursuant to the agreement. I'm not quite sure as to what the hon. member is referring to with regards to his questions, but certainly the standards have not changed. In fact, I think it would be fair to say that if anything, the standards are increasing, not only increasing in Canada and United States, but other parts of the world.

Let me give you, for example, the attempt to sell red meat into Europe with the whole issue in Europe that some farmers, some people in the red meat industry, believed it was simply a guise by the EEC (European Economic Community) to try to stop further importation of red meat into Europe and that involved the use of hormones, etc. in the raising of the cattle.

But there's another school of thought that would say that's not in fact the case. It tend to be a growing consciousness on the part of the European consumer of the whole environmental question, the whole food quality question, etc. And what we find in Canada and the United States is exactly the same. If you look at the type of red meat that we're selling into the U.S. market — and that is in fact growing, not shrinking — the demand is for the type of product that we can produce.

Let's take out bacon, for example or our pork products. The reason that we are getting a larger share of that U.S. market is because the cholesterol level in the Saskatchewan or Canadian pork, certainly the Prairie porker, a lot of it, is far lower than the U.S., and therefore the consumer consciousness with regard to that environmental issue . . . As it rises, there is a larger growing demand for the product that can deliver that type of product. The same is true in red meat, quite frankly.

I would perhaps have our officials pursue your question in a little more detail as to where that came from. I don't think you're going to see standards lessening anywhere in the world. I think you're going to see them increasing.

And certainly there is a reluctance on the part of the Americans to lessen that standard because there is a great deal of countries of the world, South American countries, some of the underdeveloped countries of the world, that would like to get that product in, and there's a reluctance to allow that in from a standards point of view if not from a trade or a political point of view.

(2045)

Mr. Mitchell: — Minister, I think this is a subject that we could really go on for a long time, and I don't intend to do that now because we have a lot of other work to do tonight.

But I want to just switch to another subject in your department and that is the immigrant investor fund which was trumpeted in the budget speech of the Minister of Finance this year as, I think, the Saskatchewan government growth fund, or some such thing. The plan, as I understand it, is to raise about a hundred million dollars over two years from citizens of other countries who by payment of, I think, \$150,000 dollars to this fund can in effect purchase landed immigrant status in Canada and go on to establish their citizenship.

Now I don't want to debate that point, Minister, although obviously it's a controversial question. I understand that this is a federal government program and that it's not a provincial government program, although the fund that you set up is set up by the province of Saskatchewan; it is set up under and pursuant to that federal program. The question I have, Minister, is how much money is in that fund now; how much do you project will be in by the end of the year; and how much do you project will be in that fund by the end of the following year? Those are the first set of questions. And I'll hear your answer to those before I ask the next, Minister.

Hon. Mr. Andrew: — The hon. member is correct. The way the business immigration fund works under the federal law is for the smaller provinces, and that includes Saskatchewan, Manitoba, and the four Maritime provinces, that the business immigration investor can invest \$150,000 in a fund — and that can be a government fund or a private sector fund, and for the most part they're all private sector funds except the one we've put together with regards to the government, the Saskatchewan government growth fund. The investor then has to have a net worth of half a million dollars, and the investor must be allowed to qualify pursuant to the immigration laws of the country. They must go through the various checks that any other immigrant goes through.

I believe, and I stand to be corrected here, but I think it's a very small number of the total immigrants coming into Canada — something like 2 to 3 per cent would come under this level and the rest would be under the refugee or the traditional immigration level. So it's not fair for — and I'm not suggesting for a moment you did — but it's not fair for some to suggest that this is going to crowd out refugees, because I don't think that's the case at all.

The fund was commenced to be sold here about two months, three months ago. . . two months ago, let's say

roughly, handled for the most part by the blue chip banking interests in Hong Kong, Korea, Singapore, Taiwan, etc. The fund has started reasonable well. The exact numbers — I haven't had an update for a couple of weeks — probably in the area of 15 to \$20 million. Our guess is that we would be on line to be able to get the full \$100 million in or around the two-year period.

So it's difficult to say . . . You know, the environment can change dramatically, but certainly with what happened in Tiananmen Square it did not hurt the selling of the issue in various parts of the orient.

Mr. Mitchell: — Minister, I'd like to know what will be done with that money, and I would like to know the decision making mechanism that will govern the placement of those funds. Who will be deciding where the funds go, and how much will go, and in support of what?

And what I am particularly looking for is some assurance in your answer, some very positive assurance, Minister, that that \$100 million will not be some kind of election slush fund for the re-election of the government, but that it will be administered with integrity and objectivity and without any political overtones at all.

Hon. Mr. Andrew: — Well when the whole process was put together to obtain the approval from the federal government, we were able to obtain the approval for a government to do it as opposed to the various private sector investors with the following argument: that while there was a lot of business immigration money coming into Canada, for the most part it tended to come to the major cities. For the most part, it came to Toronto, and it came to Vancouver, and it came to Montreal. The money that was coming into Saskatchewan was tending to find its way into Saskatoon and Regina; and very often to find its way into real estate, which is also the case in Toronto and Vancouver, and less into the manufacturing and processing sectors.

Our argument being is that we would like to see a larger group of that immigrant coming into our province, and if they have expertise and capital then we should welcome them, because you have to remember that these people are coming in not just for their capital but they're also coming in here to become Canadians.

Therefore the approval that we had from the federal government is that the money would go into the area of manufacturing and processing. So it can't go into building sidewalks or highway, or a curling rink or anything like that. It's got to be in the manufacturing and processing sector, primarily oriented towards a trade component to it. Now that trade is not restricted to international trade. It can be trading outside our borders, etc.

But that tends to be the direction that we want to go, number one. And number two, the approval from the federal government was also premised upon a majority of the money going outside of the two large major cities in Saskatchewan. And that's not from a political point of view; it's from the fact that the private sector funds . . . If you and I were in a fund ourselves, in a private fund, we would tend to maybe find our money chasing a better

investment, let's say, in what we'd see in Saskatoon or Regina. Therefore the rural areas don't find it so much. So we would see a majority of the money going into rural Saskatchewan — condition as manufacturing and processing and a trade component to it.

Now who will allocate that money out? First of all, the fund is also the money of the immigrant and therefore it's not money that you can simply throw away, as you could suggest, from a purely political point of view. I mean there's still a fiduciary obligation on this fund to marshall that money in an appropriate way to get a proper return for the individual. Now the fund, when it is in place . . . And you've got to understand, will you sell the units? That might be nine months before they're processed through the immigration people before the money then comes into the hands of the fund. So it's not that there's a whole bunch of money in the fund now even though some units have been sold. It will still probably be the end of the year before you even see any money starting to flow.

That group will be a screening committee to go through the investments that will be . . . At this stage of the game, our view would be probably more people from the private sector on the screening committee and on the board to approve those investments, along with the deputy minister of Trade and Investment, the deputy minister of Finance. And that would tend to be the structure that we would see in place to allocate the money out.

It's difficult to allocate money out at \$100,000 or \$200,000. And we would like to hope that if there's somebody in St. Brieux that is manufacturing swathers or rod weeders and see an ability to expand their operation and sell into the various operations of the world, this money, because it's a cheaper rate of interest, number one, and it allows them to get access to money where they have been difficult now, that's the type of investment we would see it falling and coming into, to help that small individual at St. Brieux who now has an existing business or wishes to set up a new one.

An Hon. Member: — It won't be used as a political slush fund?

Hon. Mr. Andrew: — Pardon me?

An Hon. Member: — It won't be used as a political slush fund?

Hon. Mr. Andrew: — No. I mean the view of it, if you look at it from a purely political point of view, if there is a new business set up in Kindersley, our view is that it would keep going and it is better for us and that makes for good politics. But it's certainly not going to be spent for building a rink or a swimming pool in community A, B, or C.

Mr. Lyons: — Thank you very much, Mr. Chairman. Just a couple of questions to the minister.

Mr. Minister, if we can go back for a moment in terms of the GATT negotiations, I'd like to get some specific responses in regards to some of the commodities, particularly milk. I wonder if you could outline to the

Legislative Assembly here tonight the Government of Saskatchewan's position as to the inclusion of milk and milk products in the GATT negotiations. Are you in favour of including that in terms of the question of subsidies, agricultural subsidies, or are you maintaining the position as presently outlined in terms of the free trade agreement?

Hon. Mr. Andrew: — Well I think if the hon. member has looked at the question of the GATT and GATT rules on agriculture now, GATT recognizes marketing boards; I think that's what the hon. member perhaps was getting to.

Under chapter 11 of the GATT, marketing boards are recognized as accepted vehicles for countries to handle their particular commodities like milk or cheese or eggs or that type of thing that they're in now. And while at the GATT table, everything is negotiable by all countries — you can't have it any other way; I mean, they're going to go in there and negotiate that — there doesn't seem to be a view by very many countries that they would seek to significantly alter the chapter 11 as it relates to marketing boards.

Mr. Lyons: — Well I can appreciate your answer in regards to the marketing boards, but I'm asking specifically in regards to milk and milk products, Mr. Minister. There appears to be a least a move by the United States to somehow include milk and milk products as one of those commodities which would be open to a free flow trans-border, particularly Canada-U.S. but also in regards to the situation vis-a-vis the United States and the EEC.

Hon. Mr. Andrew: — The milk question, if you've been closely following the GATT negotiations, is not an issue that is being driven by the Americans, but primarily driven by the Europeans. And the whole question relates more to the Europeans wanting to access into the North American, better access into the North American market with their cheese products. It doesn't make a whole lot of sense to ship milk from Europe over to Saskatchewan. The transportation costs get pretty high. And that's true with milk generally. You tend to have milk delivered in an area around major cities because of the cost of transporting milk, which is 90-some per cent water.

Mr. Lyons: — Well I understand. That's why I've referred to milk products, and that includes butter and that includes . . . in particular, given the United States surplus of butter that they have on hand. In fact, the United States, in terms of negotiations, has been demanding access into the EEC precisely as a market for its butter products.

Also, the Canadian market is a small . . . quite frankly, is a small piece of the action when it comes to this. But what I specifically wanted from you is your, the Government of Saskatchewan's position, in regards to milk and milk products. Should the status quo be maintained in regards to the protection that is presently built in, in terms of the dairy industry in Saskatchewan? Or, in fact, is it your position that there should be a loosening of the rules since in fact you're proposing the inclusion of agricultural products in the GATT negotiations?

(2100)

Hon. Mr. Andrew: — Well the hon. member talks about a surplus of butter and cheese in the United States. If you want to see surpluses of butter and cheese, go to Europe and it would dwarf anything that the Americans have. The Americans, in our negotiations, both at the GATT and on the free trade agreement, milk and cheese products were not a bit issue with them. They really never pushed the one very hard with us.

And as I say, any of the aggressive nature on milk or milk products has come from the Europeans. The Europeans tend to have tunnel vision when it comes to that. They ask us to allow more cheese in and yet each day they seem to knock down more of our products that can go on the European market to the point where it's difficult to get our quality wheats into the European market, difficult to get our canola, canola oil into the European market. It's difficult to get some of oil-seed products even now into that European market. So that's where the drive is coming from, and it's primarily driven by cheese and primarily driven by the large European surpluses of milk products.

Mr. Mitchell: — Thank you, Mr. Chairman. Minister, in the Provincial Auditor's report he drew the attention of the legislature to the market development fund administered by your department. What he had to say is that the department did not have any procedures in place to check that recipients of market development grants had complied with the conditions of the assistance. And secondly, there was also no procedure to collect the amounts that were determined to be repayable.

Minister, have those deficiencies been corrected? And while we're on the subject, can you tell the House what was the total amount paid out of the market development fund — and I've got two years here, and I hope you have these numbers, '85-86 and '86-87 — how much of those annual figures does your department estimate is repayable because the recipients had not complied with the conditions of assistance?

Hon. Mr. Andrew: — I think the program that was referred to by the hon. member is a program that was cancelled, I believe, last year. We do not have that information with us, although we will. I am prepared to undertake to get the officials to provide that to you.

Some of the concerns were the concerns that I've raised myself as we went through the budget process, because very often you get a blanket program for market assistance. People pick it up, they go to a trade show, or they go wherever to assist in it and there's no sort of targeting of how we better do that.

So we're back at this point in time trying to get a more targeted assistance program, working with the other departments of government to spend the money much more wisely than we have been to date.

Item 1 agreed to.

Items 2 to 5 inclusive agreed to.

Vote 19 agreed to.

Consolidated Fund Budgetary Expenditure

Economic Diversification and Investment Fund Vote 66

Item 11 agreed to.

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

Hon. Mr. Andrew: — Yes, I would like to acknowledge the officials too. They've done a lot of work, not so much in the estimates here but certainly in the free trade agreement and now in the GATT negotiations. I also would like to thank the critic for the nature of the questions.

It's somewhat unfortunate, I think, the way sometimes this legislative system works that we didn't have a couple of days to debate and to discuss this type of thing because I think perhaps more important . . . and very often the media give it credit and certainly maybe some of the process of this House gives it credit.

Mr. Mitchell: — Yes, thank you, Minister. I'd like also to thank the officials. I'd like to take this opportunity of wishing Mr. Haddow every success in his negotiations with the GATT and hope that some day he'll come back to Saskatchewan and report on that to us.

Consolidated Fund Budgetary Expenditure Indian and Native Affairs Secretariat Ordinary Expenditure — Vote 25

Item 1

Mr. Chairman: — Would the minister introduce his officials.

Hon. Mr. Hodgins: — Thank you, Mr. Chairman. It's my pleasure tonight to introduce the officials for the Indian and Native Affairs Secretariat. It's certainly not a large department but I believe a very important part and parcel of government.

I'd like to introduce to the committee, beside me Eugene Larocque, director Indian and native economic development; back behind me is Glen Benedict, senior adviser, lands and resources. As well, other attending officials in the back of the legislature we have Doug Drummond, executive director, career and economic development; Jerry Welsh, director of career development and training; Doreen Bradshaw, program analyst, Indian and native economic development; Howard Gellich, negotiator and administrative officer; Marian Dinwoodie, senior policy analyst, policy and planning.

Mr. Chairman, it's my pleasure tonight to introduce the financial estimates for the Indian and Native Affairs Secretariat for the '89-90 fiscal year. I certainly welcome this opportunity to review the secretariat's many achievements. I believe that this is a time for all of us to look into the future and during these estimates we will see how the secretariat plans to build on its accomplishments in order to even more effectively serve Saskatchewan Indian and native people.

The men and women at the secretariat, I believe, can take a great deal of pride in their contribution and their commitment to their work, and I do know this from firsthand experience in working with all of these officials. Our secretariat strives to serve Saskatchewan's Indian and native communities in a number of important ways, and I will try to briefly breeze through them, Mr. Chairman.

These do include this government's very successful economic development and career training initiatives, the important work of our policy and planning branch, participation in the land entitlement process, and the secretariat's co-ordination of other government departments in addressing aboriginal issues. This government does place a high priority on Indian and native economic development. Our initiatives in this area have been particularly successful, and I might add very well received by the aboriginal community. The Indian economic development program has established a strong tradition of assisting Indian people to participate successfully in the business community of Saskatchewan. Since the program's inception, more than 9.4 millions of dollars in provincial grants have been provided, leveraging an additional 32.4 million from other sources.

The positive program continues to provide excellent results, Mr. Chairman, and I am pleased to report that in this '88-89 fiscal year, the province invested more than \$1 million in 51 Indian ventures creating approximately 177 jobs. My government's commitment to Indian economic development continues in this fiscal year, and I am pleased to report that we have increased the Indian economic development program budget by an additional \$300,000 or in percentage terms, 30 per cent more, bringing the total to 1.3 million.

As well, the native business development program is also proving to be very successful. Seven highly respected native people have been appointed to participate on the native business advisory committee. The advisory committee members come from all areas of the province and are successful business people in their own right. They are providing valued advice and guidance to the program as it evolves to meet the challenges of the future. The native business program has been very well received by the native community, Mr. Chairman. I've picked this up personally in my many comments and travels throughout this province.

As of March 31, the secretariat provided funding of \$251,950 to 14 native businesses. Employment for 35 people was generated through this program in such diverse areas as agriculture, construction, finance, and service type industries. Once again, this government has proven its commitment to native people by increasing the amount of funding to the native business development program, to a level that we will anticipate will satisfy demand for the current year. The funding has been increased by 20 per cent over last year's amount to a total of \$600,000.

Another important part of this government's economic development strategy for Indian and native people is the native career development program. The program is very successful providing direct employment, training, and

career enhancement, as well as increased accessibility to other training opportunities.

In the '88-89 fiscal year, 125 employment contracts with a provincial contribution of some \$370,000 were concluded. These provided 183 jobs in diverse areas such as administration, trades, and clerical services. Also 569 Indian and Metis people received training through training contracts amounting to \$240,000 in sectors such as mining, forestry, trades, mushroom picking, management training, and pilot training. A recent independent evaluation indicated that 84 per cent of the people who participated in the native career development program successfully completed individualized training programs. Mr. Chairman, I say that is a very good record. We are proud of this assistance that the government has provided to Indian and Metis people to further their employment potential.

Mr. Chairman, we expect continued positive results from this program, not only in the private sector as in the past, but also within the provincial government. Native career development has expanded its role to support this government's employment equity initiatives within the provincial civil service.

In addition, Mr. Chairman, to our success in economic and career development, the secretariat has continued to play an important role in the treat land entitlement process. I am pleased, Mr. Chairman, tonight to report to you that the province has reached agreement with the federal government and the Lucky Man Band on the transfer of land in the Meeting Lake PFRA (Prairie Farm Rehabilitation Administration) pasture to satisfy the band's entitlement in full. The band approved the settlement by a large majority on a referendum held July 15 of '89. In addition, provincial officials have been active participants along with the federal government in the negotiation of partial entitlement selections of a number of bands.

(2115)

Negotiations on partial entitlement selections are in progress now with the Piapot Band, Flying Dust Band, Ochapowace Band, Muskowekwan Band, Peter Ballantyne Band, and Onion Lake Band, among others. This progress underlines this government's commitment to doing its full part in meeting outstanding entitlement obligations to Saskatchewan Indian bands.

The valuable role of Indian and Metis women in our province continues to be recognized by this government. Funding support was provided to the Saskatchewan Indian Women's Association and the Aboriginal Women's Council of Saskatchewan in '88-89. Each organization received \$91,600 in funding. The same funding level, Mr. Chairman, I'm pleased to announce, will continue for 1989 and '90.

In conclusion, Mr. Chairman, the Saskatchewan Indian and Native Affairs Secretariat has had a productive and a busy year. We have made important progress in areas ranging from land entitlement to economic development. This government's commitment to Saskatchewan Indian and native people remains strong. And we look forward

to continuing our work with them in the future.

I once again, Mr. Chairman, want to express my gratitude at the outset to the staff that has worked diligently with me on all of these programs for the benefit of all Saskatchewan people, native and Indian.

And, Mr. Chairman, I believe that the results of these programs speak for themselves and I'll certainly invite and encourage any and all questions from members opposite on the Indian and Native Affairs Secretariat.

Mr. Goulet: — I too, Mr. Chairperson, would like to welcome the staff of Indian and Native Affairs Secretariat, and I would like to acknowledge the fact that the minister is now on his second round in regards to the estimates. I must say that they were moved in from also the other member, I think it was — I forget the exact date — but probably about a year ago or so.

First of all, I'd like to make some general comments in regards to development of Indian-Metis issues in the province. I notice that the minister from Indian Head-Wolseley is always laughing on issues relating to . . . probably Indian-Metis issues for discussion. But I'd just like to keep on and deal with the issue at hand.

I would like to say that . . . I would like to look at it on a more long-term developmental context on Indian and Metis issues — and I might add, Indian and Metis issues, not Indian and native issues. I think the understanding from last year was that the word "native" would no longer be used, and I think I'd mentioned that already. I'd like to mention that again. I think that most people recognize that in section 35 of the Canadian constitution, it says Indian, Metis, and Inuit. So when we discuss that aspect, I would hope that the minister, when he deals with the issues in this province, deals with them with the proper legal and political terminology.

I would also like to, therefore, state at the outset that Indian-Metis issues have dealt with in a most general level on very different situations historically. During the '50s period, because of a lack of an administrative mechanism in the province, especially in the northern areas, a lot of the Indian and Metis issues were dealt with indirectly through the department of natural resources, and in many cases just directly in the South with new organizations that were forming on the day. It shifted during the Liberal period with the creation of a small Indian affairs; it was an Indian-Metis department. And the approach was to try and have a miniature Indian affairs for the province.

There was a lot of, of course, criticism of the Indian affairs approach during the '60s because that was the initial phase of a more critical evaluation of the role of government in regards to dealing with Indian issues. And the first phase of criticism was of course the Indian affairs branch role in government. But the Liberals had tried to copy that during the '60s, and so it came upon some criticism at the same time, although there was laudable goals by the government in power of the day to try to deal with Indian-Metis issues.

The '70s period was the period of greater development

and control and autonomy by Indian-Metis people. Organizations of the modern day had come in with the Federation of Saskatchewan Indians and also the Metis Society of Saskatchewan, later to become the Association of Metis and Non-Status Indians in '75. A lot of the direction then was to deal with . . . rather than having a bureaucracy in government to deal with this issue, it was shifted directly with cabinet and Indian and Metis organizations so that they would deal more directly with the autonomy question and earlier forms of self-government questions that were being discussed in the day. And so a lot of the strategy by the NDP during the period in the '70s was to deal directly with Indian governments and Metis governments that were in the formulation of the first days of autonomy.

As I looked at the Tory role in the past seven years, it was to try and look at it more in a governmental bureaucratic sense by the establishment of the Indian and Native Secretariat. But it was not to be a full-fledged department. At least one of the things the Liberals did was to give it a full-fledged departmental status. That's one thing you could have said about the Liberal government in the '60s. In regards to the Tory government, it was only a secretariat status.

A lot of the criticism, of course, in the early '80s was directed at this PC government in regards to not dealing with the issues more directly with Indian governments and the autonomy question and trying to deal with it on a more subordinated level of governmental bureaucracy. So that was debated during the early '80s, and a lot of the strong criticism came in between governments in regards to the constitutional debates; there was a heavy focus on the constitutional talks between '82 and '87. So a lot of the key issues, whether it was socio-cultural questions, were not really dealt with except in terms of the constitutional realm during the '82-87 period. So there was a heavy focus then on . . . and I might say that a lot of people were having great hopes of what might come out of the '80 to '87 constitutional forum. And so when we look at it in the historical context, there was great hopes pitted on the first ministers' conferences and the constitutional talks of '80 to '87. I'll refer back to that later on when I deal with one of the specific issues.

I would like to get on to the number one issue which is considered by both Indian and Metis people, and that's the issue of land. You know whether you look at any peoples in the world, and we look at the issue here with the Indian and Metis people, land is always a very important issue on a day-to-day level, basically because it's got the aspect of an economic base on it that people can work on the land and develop economically that way. So it's always an economic-based question.

The other thing about land is that it is a very important question in regards to self-government because no government in the world can operate without land base, and so it's therefore tied into the self-determination or self-government basis of Indian and Metis people.

The first issue on land I would like to deal with is the outstanding land entitlement question. I recognize the minister mentioned the fact that the Lucky Man Band the question has now been more or less resolved in regards to

the referendum that was held just lately. And so I automatically assumed that one is going to be dealt with so there's no questions on that.

The most important perspective, I guess, in land entitlement questions is the number of bands that have been laying their land entitlement claim for the past, oh, 14 years or so. And as I looked at the estimates, were close to 1.4 million acres of land. And as I looked at the settlements, we are nowhere near that 1.4 million acres. Some of the estimates were about a little over 1.3, but a lot of the more recent estimates were close to more — 1.4.

What I hear a lot of people saying, Mr. Minister, is the whole issue of fairness. People are saying of any group in the province that wants to succeed economically, Indian and Metis people are the ones who need a land base I suppose more than anybody else.

We know it's very important for everybody because we know that a lot of the farmers are saying the same thing as we hear of foreclosures and so on. We know that historically from a lot of the Euro-Canadians basically because they were chased off their land in many cases, in many of the European countries, and more recently in Asian countries. And when they came to North America land was an exceptional value to a lot of the Europeans who settled here. So land is an exceptional item on anybody's agenda.

When I deal with the land entitlement question therefore, it's still a very strong issue. Many people are saying, look, we are resolving these at a snail's pace. It's taken a long time. The '76 formula, which was agreed to by the federal level and the provincial level and has not be followed up by this government, shows that a lot needs to be done in that area. And they have a basic problem with the government approach right now, and what I hear them saying is this: look, let's have a bit of fairness.

Weyerhaeuser can get 12 million acres of land. You know, a giant American multinational company can come here, negotiate in a year and a half — just a year and a half — then they can get 12 million acres. That's about 10 times the size of P.A. national park. We are talking about the Weyerhaeuser base. It's 10 times the size of the P.A. national park. And the 1.4 million acres would be approximately the size of P.A. national park. So what Indian people were talking about is about approximately one-tenth of what Weyerhaeuser was getting on the Weyerhaeuser agreement. And they're getting a fairly good deal in terms of economic development because there was an interest-free package along with that. In most cases, on land claims we don't have an economic development package that comes along with that, but in Weyerhaeuser's case, there was.

And so what people are saying is how come a lot of the corporations that are even foreign countries to Canada can get land and we can't? Because the same was true a hundred years ago, that internally, within here, we had big companies again getting a lot of benefit. We had Hudson's Bay — got 7 million acres of land. We got the CPR (Canadian Pacific Railway) which got 25 million acres of land. And at that time, the people said, well look everybody needs land, but how come the big

corporations get so much land?

And the same is happening today. People are saying: where is the sense of fairness? How come we cannot get a faster process in terms of land claims? How come when it comes down to legal cases, whether it's bingo taxation or whatever it is, that the law is quick and fast, they're swift to operate, but how come the government doesn't operate that quick when it comes down to dealing with our land claims? How come the government will be very quick when it comes down to foreclosure for the farmers, but they will not be quick in dealing with this legal question of land? So there is a whole aspect of fairness, and I would like to get from the minister his own commitment on this year in regards to land entitlement question.

You mentioned a few bands that you're going to be dealing with in regard to the land entitlement question. Could we have a more concise figure in regards to the negotiations this coming year? Exactly how many bands are you going to be negotiating with? And to what extent do you see success in this coming year? So I'm more or less asking you, Mr. Minister, on a more proactive basis what are you expecting, you know, to achieve in this coming year in regards to the whole land entitlement question?

(2130)

Hon. Mr. Hodgins: — Thank you, Mr. Chairman. Mr. Chairman, if I could answer the hon. member's question and also offer a few comments.

The hon. member has made a case for fairness, and I respect what the hon. member is saying. I want the hon. member and indeed all members to know that, in my opinion, this government has worked exceedingly hard to provide a level of fairness to all people in Saskatchewan and certainly Indian and Metis people amongst them. The hon. member has used the example of the Weyerhaeuser corporation getting 12 million acres as opposed to settlements or entitlements, excuse my terminology, entitlements that are outstanding to the tune of one-tenth of that. I frankly don't know that that is a fair argument to make when Weyerhaeuser was not given anything at all; that Weyerhaeuser in fact purchased assets from the government; is in the process of paying back significant amounts of moneys; is in fact I believe employing a number of Indian and Metis people, and in fact has a lease or an agreement, a forest management lease agreement I believe the correct terminology is, on 12 million acres. And I don't think it would be fair to say that a government gave 12 million acres to Weyerhaeuser.

The hon. member has specifically asked about which entitlements the government is presently working on, which entitlements would most likely be brought to a conclusion in the forthcoming year. I think the hon. member has a very good understanding and appreciation of the lengthy process involved in bringing any entitlement to conclusion. And I do want to say that, in my view, Indian people have been exceedingly patient over the years, and not only with this administration, but in fairness I say with the former administration. And if one want to get into the arguments over which

administration has brought forth more entitlements, I think I could make a good case for the record under this administration.

The hon. member will know that the federal government has announced the policy decision to return to entitlements based on date of first survey, and until that issue is totally resolved, the emphasis, frankly, on selections, has to be those bands that are willing to look at partial entitlements.

I would provide for the hon. member the following list of what I would call high priority or most likely entitlements that may transpire over the coming year. And I would include in that the Piapot Indian Band, section 35; I would include the Onion Lake Band, half section north-west of the reserve; I would include the Flying Dust Band, the Jarvis Lake selection — that particular entitlement, I would think, has a very strong chance of proceeding in the very short term, and I would look forward to the day when that is concluded. I'd also include the Peter Ballantyne Band, the Deschambault forestry, A and C selections, selections that have good chance of an early conclusion.

I would say that there are certainly many other selections under way. Other ones that we are working on include with the Peter Ballantyne Band, the Deschambault Lake community, Sandy Bay, Pelican Narrows, Denare Beach, Deep Bay, Southend, Muskeg Lake Band, the Mistawasis Lake selection, Muskowekwan Band, the selection adjacent to the reserve, and certainly others.

But the first list that I read would probably be the most likely ones that could proceed soon.

Mr. Goulet: — I would like to also deal with the issue date of first survey that you have just mentioned. I've noticed in the past while there have been talks developing with SARM (Saskatchewan Association of Rural Municipalities) and also with wildlife groups on the federation, trying to work out issues of land entitlement and also the issues of environmental concerns.

I must say that it's a fairly laudable development in this province and good initiative that is taken, you know by the different groups in the province trying to deal with these important questions.

And the problem that I see on the specific aspects and on the basis of your debate is that what appears to be standing in the way is an agreement on the date of first survey. I must say on a very personal level and for many people who have negotiated this particular point in the more modern history of Saskatchewan is that it's highly and grossly unfair to deal with the issue of date first survey, you know for the majority of the bands in this province.

It was understood that the '76 formula would be used rather than the date of first survey, you know and that was negotiated about in '74, '75, '76 period. It took quite a while for an agreement to finally come into play. And what it does mean is this, for those that are listening out there, date of first survey simply means that the population figures of Indian people would be taken at the

time the survey was taken at the reserve, and it could have been in 1906, 1919, or 1889 or whatever.

Different surveys were taken at different times during the treaty-making in the province and the populations then were the populations used to come out with a figure on the amount of land to be given out. And what has happened is that a lot of the people said it was unfair. Many people said, many of the Indian people said, look when you calculate your money in regards to the cities and the towns or in regards to federal-provincial arrangements, the per capita basis is taken on a year-by-year basis. For example, we get our grants, the communities get their grants this year based on a 1989 formula; next year it will be a 1990 formula.

And what happened is that the PC government says they want to use approximately a 1900 formula and in many cases, of course, it may be 1917 or when the actual date the first survey was.

And a lot of people say that why is it that for Indian people you will not agree to a more modern-day population figure? Why will you not . . . which would give them more land. Why do you want to go back in time and say, look, we will go back to the late 1800s or the early 1900s to deal with this issue, when you deal with this issue on a per capita basis, on a year-by-year basis with everybody else? You didn't look at Weyerhaeuser way back when it started in the 1900s to say these are what you should get. You know, this is what you have in Washington, in the state of Washington; and this is the amount of land you will get, and we'll have to go back in history, and this is all you deserve — when they got many more times the size of the state of Washington today in northern Saskatchewan. They've got 12 million acres of land.

And contrary to the minister's statements on that, they do have 12 million acres of land. You try and get the land deal, a land entitlement in that area. There's a section and a provision within the Weyerhaeuser agreement that 90 days notice has to be given to Weyerhaeuser by Indian governments to deal with the issue of land entitlement in that particular agreement. For you to come here and state that there is absolutely nothing to it is in gross error to what the situation actually is.

Weyerhaeuser can make new rules and regulations within that situation, and so on, and they get the first crack at everything. And it should be made very clear also that no land claim has an economic development package with 12, 13 per cent interest free situations applied to Indian economic development packages along with the land claims.

Nothing like that occurs, but it occurs for an American multinational giant. So there is really no sense of fairness in that whole area of Indian land entitlement. So the question is one of the issue of fairness on the aspect of the date of first survey. I notice as a minister you gave your opinion, you know, as to the developments this coming year on land entitlement. I was wondering whether or not you would care to give your opinion in regards to the fairness of the date of first survey for the — and its importance — for the majority of bands in the province?

(2145)

Do you not think that the '76 formula or a 1989 formula may be more a more better way to go in regards to dealing with the issue of land entitlement? And more particularly, I think most bands would want to go on the '76 formula because that's what was agreed to, and two of the bands had agreed to that style of provision in northern Saskatchewan in the early '80s. And I would like to know from the minister whether or not he thinks that the date of first survey is more fair than the '76 formula?

Hon. Mr. Hodgins: — Thank you, Mr. Chairman. I would firstly offer the observation that the whole subject of the legality and the fairness and the properness, if you like, of the 1976 formula, vis-a-vis the date of first survey or quantum method of calculation, is at present under court scrutiny. And the hon. member will know that it is the subject of a court action and numerous arguments, I am certain, in a very major court challenge, if you like, will be brought out. And I am sure one will hear all sorts of arguments on both sides of the issues respecting the fairness and appropriateness of date of first survey.

And far be it from me, sir, to pre-empt, if you like, what may happen in that court case. I do make the following argument that in my view, and in the view of this government, and I believe in the view of many Indian people, the 1976 formula, although it sounds like a nice formula that would be workable and practical, in reality was not. And in fact, and I think the hon. member would concede this point, that between 1976 and the time that the federal government announced the policy decision to return to date of first survey, that only a handful — only a handful — and I might think of perhaps three at the outside, entitlements were settled. And I believe that that in itself is clear evidence that the 1976 formula was unworkable at best.

I would say that the 1976 formula failed, and failed miserably to take into account the realities, the realities of economics of the day. And that is a blanket formula applied universally without regard or respect for land valuations, without regard or respect for minerals or resources, without regard or respect for future economic developments, without regard nor respect for past developments in all of these types of factors, would lead me to say that it is indeed an unworkable formula.

I cannot and will not offer any more arguments on the date of first survey versus the 1976 formula. But I will say that I will pay particular close attention to the court challenge under way, and in my view, in the time to come I would hope that a better, a better system, far better than the '76 formula and frankly, more fair that a strict, hard and fast date of first survey formula will come about, and one that would recognize all of the different factors, and be such that entitlements could be solved on a timely basis.

Mr. Goulet: — It is very interesting that the minister will talk about economic arguments and a variety of factors dealing with the issue of workability, and he uses the word workability. I would simply say that it's just a matter of lack of backbone by the Premier and the government of the day to deal effectively with the issue of formulas in

regard to province.

I mean, these things can be dealt with in the first ministers' conference. You can deal with distinct society clauses, you can deal with all these other issues, but you will not deal with this particular topic. And it's up to the Premier that gathers from a year-to-year basis on these FMCs (first ministers' conferences) to bring these issues out. I think a little backbone would go a long ways in effectively dealing with the issue of the formula.

I would add, with due respect, Mr. Minister, that while I like your comments, that indeed there may be something that could be worked out, that you yourself do not feel that the date of first survey is fair, I'm glad that you're fairly frank on that. I'm pleased to say here also that you might want to get something that's better than a 1976 formula, maybe a 1992 formula after 500 years of celebration that's going to be taking place on European settlement in North America, so that there is not only a symbolic celebration, but indeed that there might be a real solid land entitlement effort by Canada and by Saskatchewan when that happens.

Some Hon. Members: Hear, hear!

Mr. Goulet: — I would state that a lot of the Indian leadership in the province don't want to get into the legal wrangles — costs money, costs money for the government, costs money for the Indian governments to deal with the issue on a legal basis. Nobody likes to deal with the '76 formula in that level or even the La Ronge claim and so on. They don't want to deal with it in the courts.

They want to deal with it on political negotiations with you and your government. They want to deal with it right on the table. And I think that the way to deal with it is to . . . sure, it takes time, recognize. But I think that real solid negotiations could indeed take place faster; I mean, everybody knows that. I feel that that could definitely happen.

But I want to deal with another topic, on the issue of Meech Lake which I referred to a little while ago. And I think I'll just make a statement on that. A lot of the people state in regards to self-government — and people call it Indian government; some people call it Metis government; others call it self-determination; and so on — but the whole issue of self-government is an important one.

There was problems in regards to a couple of the agreements — one, free trade, but more particularly Meech Lake because it didn't pay due respects to the treaties as they were signed before. And there was no consultation with the treaty Indian governments to deal with these two particular issues — but more particularly Meech Lake.

One of the things that has been raised time and again is this: you had five years to try and deal with the issue of self-government, but after five years with all the premiers putting their heads together, and two prime ministers, nothing really came out of it. They couldn't even come out with one definition.

I remember one of the speakers said that when it comes down to big corporations, and I'll mention Weyerhaeuser again. I looked at the Weyerhaeuser agreement and there was over 300 definitions in the Weyerhaeuser agreement, and you could come out with 300 definitions in a matter of a few weeks and a few months for big corporations. But you couldn't come up with one in regards to self-government.

But the most contradictory aspect, the most hypocritical aspect of the agreement is that one of the leaders, one of the aboriginal leaders of the day had mentioned that look, there is an upcoming Meech Lake accord, and he mentioned, that I'm pretty sure you will be signing this Meech Lake accord, because you always do that with one of your own, and he implied that there was going to be politics involved in it. And as time come to pass, that did occur, Meech Lake was reached within about a 20-hour agreement, and a distinct society clause was made for the province of Quebec.

A lot of the people said, my goodness, it took five years, they couldn't get an acceptance of a principle on self-government for Indian and Metis people after long hours of rigorous negotiations with many departmental experts, with many ministers, and so on, and different governments. We couldn't come out with an agreement. And here, bingo, we had one for a distinct society — a distinct society clause, just like that.

The Premier of the province acknowledged it was a great day in Canadian history and so on. And it seemed that they were going to accept it, accept the principle, without it being defined. Nobody in this world still knows what distinct society means. But it was acceptable to the Premier.

And I remember time and again he was the main leader in saying, hey we don't know what self-government means. We need to have very specific detailed definitions. But it was very hypocritical for him a month later to turn around and accept distinct society clause in regards to Meech Lake. And of course Meech Lake is now running into a problem across Canada, it's going to run into a problem in Manitoba and also in the eastern provinces, and there is greater opposition to Meech Lake now that there ever was, you know, since its inception.

Now the thing that a lot of people tell me is this, they say, how come in Meech too you cannot only deal with a distinct society clause, you can deal with fish. There is a specific clause in there that says, hey we're going to deal with fish in the upcoming talks. You could deal with cod and jack fish, but you will not deal with the issue of Indians and Metis people in the province.

It was a very sad day in Canadian history when people saw that happen. And I remember they used to do these polls and the majority of Canadians wanted change, over 80 per cent of Canadian people wanted change. Ordinary people from workers, farmers, small business, people wanted to see a better way for a lot of Indian and Metis people. They wanted fairness and justice because they think and many people think that's the only way the system will work.

(2200)

So that aspect is an important question and I would like to ask the minister whether or not he sees again a bit of light in the future. I'm pretty sure that you discussed this with the Premier as he went to Quebec this time again and hopefully that there would be discussions in regards to Indian and Metis issues on first ministers' conferences or maybe there's a brand-new mechanism that they want to deal with.

I would like to from you, Mr. Minister, whether or not you see anything more positive in the future in regards to the Government of Canada and more particularly your government and your Premier to deal effectively with this issue either at first ministers' conferences, or in another important mechanism that is agreeable to the aboriginal, to the Indian and Metis people in this province. Do you see that coming out some time in the near future, Mr. Minister?

Hon. Mr. Hodgins: — The hon. member certainly has made some strong arguments respecting the Meech lake accord and the self-government issue, and I respect his understanding and knowledge of those types of issues. I would say at the outset that the primary responsibility for these types of issues does fall under the Justice department, does speak on behalf of the government for constitutional types of matters like these.

I frankly have to admit that I lack a little expertise in this area. I do say that the province at this time remains committed to the Meech Lake accord, and yet I believe that that commitment may well be somewhat conditional. As time goes on, new information does come to light, and I think one will have to assess the merits of distinct societies, if you like, on self-governments as time passes.

I can only commit to the hon. member that I, as Minister of Indian and Native Affairs, will pay close attention and work diligently with Indian and native people for and on their behalf and frankly do the best job that I can in that respect.

Mr. Goulet: — My next set of questions refer to the Metis. During the time of the '82 to '87 talks, one of the leaders for the Metis made a very strong statement of course in regards to the Premier. The Premier at the time was trying to, according to the opinion of many Indian and Metis leaders, was trying to push a more watered down approach on self-government and so on. But what came out on national TV of the day was the strong statements made . . . and I noticed as I was watching the TV on March 27 of '87 that the ministers had . . . the premiers had been bowed down a little bit, and I didn't know whether it was in shame or in anger in regards to the situation and the plight of the Metis in this province.

I remember clearly when I reviewed the documentation, he said that he would roll up his sleeves when he came back to Saskatchewan. A lot of people felt that he would roll up his sleeves and get down to work and deal with the important issues of the Metis and the Indian people as he came back. But the thing that history showed in this

province is a sad part of Saskatchewan history because what we saw was the vengeance of a premier against the Metis. We look at the record, that time in '87 when 100 per cent cut-back on the organization, the Association of Metis and Non-Status Indians of Saskatchewan there was 100 per cent cut-back.

While as we politicians here stand in the legislature and we get paid, you know, for doing political work out of the tax purse, and we get our increases, we got out 20 per cent increase this past year, Metis politicians are expected to work for nothing. And it is a sad day from a sense of fairness and from a hypocritical basis, that you would have one set of standards in regards to politics for Metis people and another one for us as provincial politicians.

And many people said, look we may not like some of the issues presented by the organization but where's the sense of fairness? We see these politicians being paid by the public purse and here they make a decision to cut back those organizations just because the Premier got a bit of tongue lashing on national media. But as I looked at the record, it wasn't only that, because even during that year, in February of that year, it was a continuation of a Tory strategy of cut-back.

And I remember the fact that the native court workers had been cut off in February of '87 just prior to the first ministers' conference. So that the process of cut-backs had started even before the tongue lashing, so it wasn't only the tongue lashing itself which caused the severe cut-backs on Metis and non-status Indians. It had already started just prior to that. So that's what the historical record shows.

Now, the Metis have been fairly, I would say, patient in trying to resolve their issues on land and self-government. And they've been waiting. They're reorganized and formed their new organization, the Metis Society of Saskatchewan, and they've gone through their own political regeneration and are now . . . and have been ready to meet with the government this past year. And what they're asking is one of trying to work properly with this government.

They were trying to deal with both the issues of land and self-government. They'd like to start meeting with the government in regards to both the provincial level and the federal level in trying to resolve these issues, and I am wondering what the minister is willing to recommend to his Premier in regards to dealing with the issues of the Metis as we look forward to the '89-90, because from my understanding, very little or nothing has been done except cut-backs since '87. Could the Minister try and give us a more positive light for the future in regards to the Metis in this province?

Hon. Mr. Hodgins: — Mr. Chairman, without going into a long answer or rebuttal to the hon. member, I find it my absolute duty this evening to respond in a fairly forceful manner, sir, respecting your allegations of lack of compassion, if you like, for Indian, and more specifically on your point, on Metis people on behalf of our Premier.

And certainly, Mr. Sinclair on national television had

some forceful comments regarding the Government of Saskatchewan. But I want you to know, sir, that the Premier of this province is not in any sense of the word a vindictive or vengeful person. And the Premier has on, I don't know how many countless occasions, taken special interest of the portfolio that I am in charge of and encouraged me to continue my discussions with Metis people, and in fact, taken initiatives himself personally.

I speak also of the Deputy Premier who himself has met with, not only Jim Duroscher, the leader today of the Metis Society of Saskatchewan, but as well with Mr. Jim Sinclair, past leader of AMNSIS (Association of Metis and Non-Status Indians of Saskatchewan); and myself as well, sir, have met with both of these gentlemen, want to work in harmony, want to leave for the moment, if you like, all the partisan and political differences and the difficulties that have gone in the past including a national stage on television, and work together.

And I say to you in a very strong manner that we have done well in that respect, and I would like to quote for you, if you like, I think a short summation of a letter that I just received in my office a few days ago from the president — or the leader, excuse me — of the Metis Society of Saskatchewan. And a paragraph from that letter says:

On behalf of the Metis people, I want to extend my personal thanks for the support you have provided for our efforts to improve the economic opportunities for Metis people and communities.

And, Mr. Chairman, I could talk long and strong and hard and make many arguments on efforts that have been made by this government as a whole and by ministers in particular, including the Premier of the province of Saskatchewan, who has a very strong belief and a high level of compassion for the difficulties and the trials and the tribulations that Indian and Metis people have and continue to have in the province of Saskatchewan.

And I frankly, sir, take some exception to some of the words that you have used here this evening.

Mr. Goulet: — I certainly hope, Mr. Minister, that you take them to heart and put them into action, because it's action that people want. I think it's very important to recognize that in the past two years, \$500 million . . . \$500,000 was slated for native economic development, which was separate from the Indian economic development package. Historically that was slated for Metis and non-status Indians, because there was a separate one for Indian economic development.

(2215)

When I looked at those budget reports, zero had been spent. I wondered — in this past year there was an increase from 500,000 to 600,000 — whether or not you are going to be fully spending all this money on Metis and non-status Indians, that \$600,000 that is slated for in the estimates, because in previous years, it had not been spent, contrary to your statement that you have indeed spent the money.

My talks with a lot of the Metis leaders and organizations is that not all of it had been spent, that indeed the mechanisms for getting the dollars were never fully developed in any one of those given years in the past. I know in order to be fair to you, Mr. Minister, that you are fairly new, and the letter you quote is a fairly recent letter, and that indeed, I have to say I hope that what you state is indeed going to be the new trend. I hope . . . We don't want to see what happened back in '87, back in '88; we want to see what will happen in '89 and what will happen in the '90s, and I certainly hope that you will follow up on those aspects.

I might say generally in your economic development package, and I combine that with the estimates on the different items, the amount of money remains the same. The total figures remain the same. There is no change. You mentioned a \$300,000 increase on Indian economic development. But you forgot to mention one thing, Mr. Minister. There was a \$500,000 cut back on native training projects — \$500,000 in regards to the estimates. And if you look at the estimates on item 6, you will see that.

Also you talk about the fact that there was an improvement in terms of organizations. And really the Metis are still waiting in regards to organizational dollars for this government. And I hope that some of your fairness can be translated not only in terms of economic development but political development as well. But I don't see that in the budget. I only see 283,000 for organizations of which 91 each goes to the Indian women in the aboriginal women's organizations. So I don't see the rest of the money, you know, going that far in regards to the Metis political organization.

So I guess, Mr. Minister, I would like to be positive and say I hope that in the latter part of your statements that we will indeed see action this coming year on the Metis. As I said in the earlier parts, the Metis themselves want to be positive and they want to co-operate with the government to deal with the issues of the land and self-government question. And I hope we can see that in the near future.

The thing that I would like to ask is that I would like to get a complete record on all of your economic development projects, both Indian . . . the native business one, and all of those, and find out exactly where you've spent and which person or which business got the money, how many people did it hire, and also how many dollars and so on. So if you could get that information for me, it would be appreciated.

Hon. Mr. Hodgins: — Mr. Chairman, I would like to say for the hon. member's benefit in response to his question when he talked about the dollars allocated to the native economic development program and the fact that there were some \$500,000 and the majority of that, the initial year, did not get spent. I say the hon. member's quite correct on that. I would only ask the member's indulgence to the fact that it was during that time the program was just starting to get up and running. We wanted to have a good program, and it took a while before we could get it under way.

The member has asked whether or not all those moneys this year will be spent. I can tell the hon. member, the

demand for that program is very high. I have every reason to believe that all or at least most of those moneys will be spent this year, and I can give the hon. member that assurance.

With respect to other economic development projects that has assisted Indian and northern and Metis people, the member did neglect to take note of something I think northern people are very proud of and has been of great benefit to them, and that is the northern enterprise development fund, I believe under SaskPower. My exact title of that fund may not be correct, but I do know the figure of somewhere in the neighbourhood of a million dollars per year, going to northern people, is very much appreciated. And the fact that it is administered by northern people is, I think, the same goal that both you and I are seeking.

I say to the hon. member that he, perhaps, neglected to talk about the Cumberland House settlement, something that I think for the most part has been well accepted by people at the Cumberland House area. I think the hon. member should probably have mentioned something about the northern power grid and the fact that electricity is now provided to people in northern Saskatchewan at probably a cost of somewhere in the neighbourhood of 5 cents per kilowatt, vis-a-vis 29 cents per kilowatt.

I finally say to the hon. member that he has asked for a listing of the economic development projects that we have funded, and I would be pleased to provide that information to the hon. member. I do not have the details with me tonight, but I give the hon. member my assurance that those will be sent to him.

Mr. Goulet: — Just a final comment in regards to the whole issue of hydro development in the North. I would say that it's taken many years, and the deputy minister knows that, it's taken . . . the dams that were built there were built in 1930 and also 1938 in regard to the White Sand and there's been outstanding issues of compensation for the people in the North. They know that the \$1 million is something that they have fought for for a long time and they were happy to get. But they know that, you know, after 60 years in some cases the issue of fully compensating them for the destruction of their land in the North is something that they will for ever feel, and that hopefully more can be done.

I would rather say that instead of \$1 million they should have utilized approximately \$7 million of the new royalty structure for the uranium mines. I recognize that the mines got an extra 1 per cent royalty benefit and they make about \$700 million a year, so approximately \$7 million benefit went to them. What the people in the North are always saying is this, and what Indian and Metis people are saying is very clearly, we want a fair share of the resources that are taken from the North and so on, not one-twentieth or one-sixth or one-seventh, we want a good fair chunk of it. And not only the big corporations should be benefitting from the development. And so the issue remains the same for both the North and an Indian and Metis issue.

But I would like to in closing comments say I thank the minister for his frankness and also willingness to provide

me with the information. I would also again like to thank his staff for their year again in the Native Affairs Secretariat, and maybe next year we'll call it Indian and Metis secretariat. Thank you very much.

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Thank you, Mr. Chairman, and I too would like to add my thanks to the officials and thank the hon. member for his correction in some of my terminology this evening, and I'll certainly take that under consideration.

Item 1 agreed to.

Items 2 to 6 inclusive agreed to.

Vote 25 agreed to.

Mr. Chairman: — I would like to thank the minister and his officials as well.

Hon. Mr. Hodgins: — Thank you to all the officials for their hard work over the past year.

Some Hon. Members: Hear, hear!

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

Mr. Chairman: — Order. The next item of business before the committee is Department of Economic Development and Tourism. I'd ask the minister to introduce her officials.

Hon. Mrs. Duncan: — Thank you, Mr. Chairman. I'd like to introduce my officials, as you requested. I have with me David Rothwell, the deputy minister; David McQueen, the director of the policy development branch; Linda Martin, the manager of financial services administration branch; and Bob Volk, our director and assistant deputy minister, director of programs and projects division.

Item 1

Mr. Lautermilch: — Thank you, Mr. Chairman. Madam Minister, regarding your plan, the Department of Economic Development and Tourism, we've heard in this province since 1982, on a fairly regular basis, the theme of the PC Party and I guess now of the government that this government is building and diversifying and that things are really moving along well in Saskatchewan. And I'd like to know, Madam Minister, how you feel about that and if you have some statistics that can back up your government's statements that this province is really moving along economically and that things are all fine and dandy.

(2230)

Hon. Mrs. Duncan: — In response to your question, colleague, I can say that while some of the indicators do suggest that 1988 was a poor year, others would suggest the opposite. The unemployment rate in Saskatchewan

averaged 7.42 per cent — that was below the national average of 7.82 per cent and below both Alberta and Manitoba. New capital investment was \$4.602 billion in 1988, and that was up 6.8 per cent over the same investment in 1987. Oil drilling activity rose from 1,602 wells in 1987 to 2,082 in 1988, and that represents about a 30 per cent increase.

Exports by province were up about 15.9 per cent from January to November of '88 compared to the same period in 1987, and total domestic exports were up 13.8 per cent for the period January to December 1988, as compared to 1987. Along with that there were significant industrial projects in the province in 1988.

Mr. Lautermilch: — Well, Madam Minister, there are some figures and some numbers I guess that I would want to share with you that really do reflect what the economic conditions in this province are and what they have been since your government took over. And because this department does involve the small business department, we might want to look at the number of bankruptcies in Saskatchewan now as compared to when your government took over in 1982.

Just as an example, if I go back to 1980-81, I see in the neighbourhood of 114, 116 bankruptcies in the province; 1988, 461; 1987, 361. Some of these numbers are a little bit concerning to those of us that are involved in the small business aspect of our economy. I note for an example, we have the highest increase of bankruptcies of any province in the country, 27.7 per cent.

You mentioned earlier that unemployment figures were acceptable to you. Well, Madam Minister, there's members on this side of the House that don't feel very comfortable with 37,000 people unemployed. There's members on this side of the House that don't feel very comfortable that thousands of people are fleeing this province, an out-migration higher than at any time in this province's history. How do you square those figures with what you're saying?

Hon. Mrs. Duncan: — I think one would have to look at the total economy of the province, and I think you would have to agree with me that within the agricultural sector, and the downturn in the agriculture sector, the drought of last year had a very significant effect on the economy of the province and would account for a large percentage of the bankruptcies. I think it's no secret to the people in our province and people across the country that Saskatchewan business, particularly in small town Saskatchewan, depends heavily upon agriculture to sustain it. And I think the saying in Saskatchewan: as goes agriculture there goes business. We have indicated that there was about, I think it was, 10,000 less jobs in the agricultural sector last year than compared to previous years. However, one bright spot, and that has directly to diversification, is the fact there were 4,000 new manufacturing jobs created last year over 1987.

Mr. Lautermilch: — Madam Minister, that may be true but let's talk about the true figures in terms of manufacturing jobs in the province. In 1982 there was something like 21,500 jobs in manufacturing and processing. That figure has dropped to somewhere in the

neighbourhood of 19,000. And if this building and diversifying has worked, why then would we have less people working in manufacturing, which is a sector that I will agree with you and I'm sure you will agree with me that we are light on in this province and we have to work towards developing. But if it has worked, my question is, since 1982 to 1988, why would we have fewer people involved in that sector, employed in that sector now than we did in 1982?

Hon. Mrs. Duncan: — I would indicate to the member that Statistics Canada indicate that there were 4,000 new manufacturing jobs created last year. I would venture to say that the statistics that you are quoting from are from the census done of major manufacturers.

Mr. Lautermilch: — Well, Madam Minister, no matter where the census comes from, the facts are that there were 21,479 people involved in manufacturing and processing in Saskatchewan in 1981; in '87, 19,122.

But let's not banter figures. We've talked about the out-migration and the fact that in 1989 we've lost 11,869 people from this province, which really tells me that your economic diversity is working and that your economic game plan is really working. And those 11,869 people who had to flee this province, because of your government's actions, really understand what you're talking about when you talk about building and diversifying.

Madam Minister, I'd like to know if your department had any money involved in the High R Doors operation in North Battleford. We talked about bankruptcies, and my colleague from The Battlefords would like to ask some questions regarding that particular operation, because there was a promise of hundreds of jobs for his community, and I think it's pretty clear right now that that is not about to happen. And I'd like to know how much money that this government has thrown into that operation, what your department has cost the people of this province. And I'll turn it over to my colleague from The Battlefords.

Hon. Mrs. Duncan: — I'd like to just go back to the member's comments on the population and the fact that we did have an out-migration of 11,000 people last year. Now a declining population, I would say that a declining population is nothing new for Saskatchewan. The declining population reflects the state of agriculture in our province and the state of world commodity prices.

I would say that, for example, in 1971, there was an out-migration of over 15,000 people. And I would also indicate to the member that in the past 30 years, there have only been seven years where there has been a net in-migration of people to our province.

With regards to High R Doors in North Battleford, the department did not put any money into that company; however, the company did apply for an industrial incentive program grant, which the member is aware is a \$7,500 per job created for one year. They did have a commercial commencement date, and the audit has not been done on the company to see whether or not they qualified for any of those funds.

Mr. Lautermilch: — Before my colleague asks you some further questions on High R Doors, let me correct you in terms of the numbers of out-migration. The 11,869 figure that I quoted you was for the first five months of 1989. The 1988 figures was 12,626. And I can go back down the numbers, but let me take you right back to 1971 when this government took over from the . . . the former NDP government took over from a Liberal administration. Surely you can't blame that out-migration on the New Democratic government of the 1970s, the government that was finally defeated in 1982.

But, Madam, understand that the figures in terms of the net loss of people we've got in this province is a serious problem, and it's clear by those numbers and it's clear by the first five months of 1989's out-migration numbers, that your government is not doing its job, and that's why people are leaving this province. And I'll defer to my colleague.

An Hon. Member: — He didn't ask a question.

Mr. Anguish: — I'm sorry, Madam Minister, I thought he asked you a question. In regard to High R Doors, when they applied for the industrial incentives program, I understand that their application was approved and pending an audit they would be eligible for \$7,500 per job. Is that correct, Madam Minister?

Hon. Mrs. Duncan: — Yes, that program is \$7,500 per job created for one year after the commercial commencement of operations, and their application approved 21 jobs.

Mr. Anguish: — Well 21 jobs, Madam Minister — when the project was announced there was talk of close to 200 jobs being involved at High R Doors, and I'm wondering why the stringent criteria on High R Doors that they're only approved for 21 jobs.

Hon. Mrs. Duncan: — I would indicate to the member, that's all they applied for on their initial application.

Mr. Anguish: — Madam Minister, I have a lot of other questions about High R Doors. I was really expecting that we would get to the SEDCO estimates tonight, and it doesn't look like we will be doing that. So I doubt if I have any further questions at this time in regard to High R Doors because you would of course answer them that that has to do with SEDCO, not the Department of Economic Development and Tourism. So I anticipate your response, and I see you shaking your head in the affirmative so I assume that there wouldn't be any more answers no matter what questions I would pose to you.

It's unfortunate that High R Doors are in receivership, and that's the reason there are a number of questions we'd like to place on the SEDCO estimates and I look forward to that.

I guess the final question I would have to you, Madam Minister, would be: other than the industrial incentives program being approved for High R Doors, were there any other contacts or applications made by High R Doors or BTU Panels of Edmonton to the Department of

Economic Development and Tourism?

Hon. Mrs. Duncan: — That's true, that was the only contact the department had with them was their application under the IIP (industrial incentive program).

(2245)

Mr. Anguish: — I also ask, Madam Minister, about BTU Panels, did BTU Panels have any contact with you outside of the direct involvement with High R Doors?

Hon. Mrs. Duncan: — Out-of-province firms are not eligible under the IIP and BTU Panels is an Edmonton-based company.

Mr. Anguish: — That wasn't my question about the IIP program, any program. I'm asking if BTU Panels made any applications, had any counselling from your department, any contact at all did you have with BTU Panels from Edmonton?

Hon. Mrs. Duncan: — The answer is no, no contact with BTU.

Mr. Lautermilch: — Thank you, Mr. Chairman. Mr. Chairman, this government recently relocated their operations and it was really quite a massive transfer in terms of relocating basically the entire department. I would like to know, Madam Minister, how much empty space from the relocation there is and at what cost that empty space might be to the taxpayer?

Hon. Mrs. Duncan: — With regards to your question, we are utilizing all the space we have leased in the Ramada.

Mr. Lautermilch: — Madam Minister, that was just part of my question. I realize you're utilizing all the space that you've leased in the Ramada. I would like to know at what cost per square foot and how many square feet you're leasing in there. I would like to know what empty space your department is now paying, at what price, and how many square feet?

Hon. Mrs. Duncan: — I would indicate to the member that it is government policy to restrict disclosure on individual rental rates for all leased government facilities. Certain lease information has been traditionally supplied, but governments have not released any rental rates and this policy, I would inform the member, has been in effect since November of 1976. It was brought in by the government of the day to minimize any effect on market conditions and market rates.

I can indicate to the member that the Department of Economic Development and Tourism does lease 4,108.43 metres from property management corporation.

Mr. Lautermilch: — Well, Madam Minister, the reason, and I know . . . I'm clear on what the policy is, but the reason I ask is simply because of the record of incompetence and mismanagement that your department and your government has portrayed over the years, and the kind of political patronage that's been going on in Saskatchewan since 1982 prompts me to ask these questions.

Part of the question that I'm sure wouldn't be outside of the limits of what you will disclose and wouldn't hurt the people of this province to know is: how much empty space, how many square feet of empty space are you renting? I'm not asking you at what cost, I'm asking you: how many square feet of empty space and where would that be located?

Hon. Mrs. Duncan: — We are renting no empty space.

Mr. Lautermilch: — Is property management corporation part of the pay-out of any empty space that would come from a lease that would have been signed by your department?

Hon. Mrs. Duncan: — No.

Mr. Lautermilch: — Well, Madam Minister, I'd like to, if I could, deal with some programs that you've developed and announced, the participating loan program, the working capital loans program, loan guarantee programs, small-business enterprise programs, and there is some question in terms of the repayment terms of some of these programs. And I would ask about the participating loan program and the working capital program. What are the terms of repayment? You indicate they're based on profitability of the business. I'd like to know what the repayment terms and what the interest rates would be?

Hon. Mrs. Duncan: — I would indicate to the member that these are the estimates of the Department of Economic Development and Tourism. Those particular programs are SEDCO programs.

Mr. Lautermilch: — Well, Madam Minister, I think there seems to be some confusion in terms of when the SEDCO estimates are coming up, and I'll put those to the side and will be asking you those questions.

I would like to ask now, if I could, Madam Minister, polls are indicating that 75 per cent of the business people in Saskatchewan are indicating that their biggest major concern is the high rate of taxation provincially that this government has put upon them. The national average in terms of that being the main concern for the business community is 57 per cent. Could you maybe explain to me why three-quarters of the business people in this province feel that your government is gouging them tax wise?

Hon. Mrs. Duncan: — I think the major concern . . . and you're quoting from an independent small-business association survey that was done quite a few months ago, the 75 per cent in Saskatchewan, I believe, indicated that they were worried about municipal business tax. And as you know, the Department of Urban Affairs has introduced a program to address that particular concern.

Mr. Lautermilch: — Madam Minister, it's more than just the municipal business tax. The fact is that the cut-backs to revenue-sharing to the different municipalities is creating a necessity for those people to raise their business taxes; it's creating a necessity for them to raise the property taxes, and those are the kinds of concerns that the business community have, Madam Minister.

Are you telling this House that there was no relationship to the amount of local taxation to what your provincial government does and these three-quarters of the business community are quite satisfied with your taxation level and the way you've been running this province?

Hon. Mrs. Duncan: — I believe that we have a high degree of support amongst the business community in the province for this government. I look at the business resource centres that are scattered around our province and the high degree of utilization of those centres. So yes, I would say very confidently that in excess of 75 per cent of the businesses in the province would support this government and the government's policies and the government's direction.

Mr. Lautermilch: — Well, Madam Minister, on that I think there will be a clear disagreement between you and I. The simple facts are that the business community, along with working men and women and the farmers, are fed up with this government; they're fed up with the incompetence and the mismanagement that you've displayed.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — And I'll tell you what's more, Madam Minister, in terms of the new federal tax, the new federal sales tax, they're a little more than upset in that they don't know where this government stands. One minister has one story and the Premier has another. Now I want to know how you feel about that small business . . . or that tax on small business, and are you convinced that they'll be happy with what your position is after you've enunciated it.

Hon. Mrs. Duncan: — I think the position of our government has been made very clear by not only the Minister of Finance but also by our Premier. One thing that all provinces agree on is that the manufacturing 13 per cent sales tax is an unfair tax, an unproductive tax, a tax that hurts our manufacturers, makes them uncompetitive on an international market.

Now all governments agree that the 13 per cent manufacturing tax must be removed and a new tax brought in. And our Premier has states very, very clearly to this House, to the people of the province, and to the premiers at the first premiers' meeting that's going on right now that we all agree that tax is unfair. The federal government has come up with a proposal to replace that tax; let's have a look at it; let's make suggestions; let's get on with it and get rid of the manufacturing tax.

You know, this is a typical stance for the NDP. They don't want to raise taxes, yet you want governments across the country to spend more and more and more. Well people on this side of the House are a little more realistic than that.

Mr. Lautermilch: — Madam Minister, could you perhaps explain, since you feel you're in such close contact with the business community in Saskatchewan, would you give some indication as to how you feel that tax should be

collected. Should we be including it in the list price, or should we be adding it on through the cash registers? I want your personal opinion as minister responsible for the small business community in the province.

Hon. Mrs. Duncan: — I think the member knows full well that today it was announced that the premiers agreed that their ministers of finance would get together and come up with a compromise position or a proposal to put to the federal government on this new tax. And that is a policy question that is being worked on and any announcement would be made by the Minister of Finance.

Mr. Lautermilch: — Madam Minister, I can listen to the radio and I can watch the TV and I can hear all those things for myself. I'm asking what your personal opinion is and what your representation is going to be to the Premier. Surely you will give him some kind of suggestion, as you're being in tune with the small-business community in Saskatchewan and how they feel about this tax and how it should be collected. What will your representation be to the Premier, or to the Finance minister, or to whoever is going to negotiate on behalf of the people of this province?

Hon. Mrs. Duncan: — I would indicate to the member that that is a policy that will be discussed by cabinet and ultimately our caucus, and I'm not about to make my views known before I do the courteous thing and make my representation in cabinet and caucus.

Mr. Lautermilch: — Madam Minister, surely you must have made up your mind, and after consulting with the business community, you would be able to carry their views to the Premier and to cabinet. And I'm asking you what your position is on it. You must have formulated some kind of an opinion, or are you so busy with other things that you can't bother yourself with your job?

Hon. Mrs. Duncan: — I can assure the member that I will take the concerns and the suggestions of the business community to my cabinet colleagues.

Mr. Lautermilch: — Madam Minister, as you are so closely tied to the business community, can you tell me what representation you made to the minister in charge of the liquor commission and the liquor control board? In the last five years the hotels' association of Saskatchewan indicates they've lost 75 to 80 hotels through bankruptcies, 17 have burned, 20 have just closed their doors and disappeared. Can you tell us what representation you made to that minister in terms of this particular group's concerns and the economic conditions they faced? And can you further tell us if those representations have resulted in an economic turn-around for the rural hotels in Saskatchewan.

Hon. Mrs. Duncan: — I can indicate to the member that, even when I had Consumer and Commercial Affairs, I was often part of a group of ministers and back-benchers that would meet regularly with the hotel association. Many changes were brought in by this government, not only in the liquor licensing area, but also in other areas through my other department, to help keep our hotel industry viable in the province. Things like allowing beverage rooms to be open on Sunday for smorgasbords

and things like that have been a real boon to some rural hotels.

However, I would go back and refresh the member's memory as to the state of agriculture in rural Saskatchewan. There are many, many reasons why there has been a steady decline in the patronage of beer halls, for want of a better word, in rural Saskatchewan: low commodity prices, declining return in agriculture — all those things have a factor.

It is a fact, too, and it's recognized by the hotel association that a number of the hotels that found themselves in difficulty in the last few years were ones that were bought at the high cycle, and I think we have . . . This government has worked very closely with the hotels association and we will continue to.

(2300)

Mr. Lautermilch: — Well, Madam Minister, I will just share with you how closely you're working with the hotels association. You couldn't even attend a meeting 30 miles . . . Not one of your ministers could attend a meeting 30 miles, 35 miles, out at Qu'Appelle that was dealing with instructing people as to how to deal with customers who had been over-consuming. You couldn't even send a cabinet minister out there, or a back-bencher.

You're running into the same kind of problem, Madam Minister. When we quote the economic indicators that show that this province is in a disastrous situation, you blame it on agriculture. When we tell you how many hotels have closed their doors in the last five years, you blame it on agriculture. But all the time you're telling us that you've got a plan for diversifying and building. It doesn't ring well, Madam Minister, for those that have had to close their doors and leave the province.

And you still have your head in the sand and you still have the belief that 75 per cent of the business community support the kind of mismanagement that you've perpetrated upon the people of this province through your mismanagement of your government. Wouldn't you think, maybe, after seven years of government, it would be time to sit down and assess the direction you're taking this province, and if you've made some economic mistakes, and if you have made some mistakes like you've done with GigaText and like you're doing with Canapharm, that you would just sit down and admit that you've made some errors and try and change the direction that you're taking this province so that you can win back some faith in the people of this province?

I personally, as politician, don't want to see it happen but this government can't afford any longer your kind of administration. And you've got to understand that there are problems out there, and that people are leaving the province because of what you're doing in Saskatchewan. Don't you think maybe, Madam Minister, it's time that you had a look at some of the concerns that the hoteliers have, that some of the retail outlets, that some of the farm implement dealers have, and sit down and seriously develop a plan instead of a slogan?

They're not looking for slogans, they're looking for some action by this government. In every budget you come in and tell the farmers, and you tell the small-business people, and you tell the working men and women how wonderful it's going to be the next year, but it's always next-year country because it doesn't happen.

The figures are here and they're clear. These aren't my figures, Madam Minister, these are public record, and everyone out there who is experiencing the economic conditions in Saskatchewan right now knows that they're true, because they're seeing their friends and their neighbours, pack up their homes and leave the province. And they know that all they get from you is another line of, well we're building and we're diversifying and they see hundred of millions of dollars go to Cargill Grain Company but there's nothing for small operations in their communities.

And they know full well that Peter Pocklington has your ear or at least he had if he doesn't. He's working in Quebec now to pull out some government dollars, but they know he has your ear but that they don't. And that's what the problem is, Madam Minister.

We ask you: have you made representation on behalf of the business people to cabinet and to this Premier in terms of the business tax? Well, we don't know. We ask you what representation you made on behalf of the hotels association? Well, we don't know. Madam Minister, why don't you do the right thing and resign from your job and sit as a back-bencher where you won't do as much damage to the people of the province as you're doing as minister of this Crown.

Hon. Mrs. Duncan: — You know, Mr. Chairman, here we have the typical line of the session. It's either resign or call an election, that is the breadth and the width of the mentality of the members opposite.

Some Hon. Members: Hear, hear!

Hon. Mrs. Duncan: — I would say to the member that he talks about diversification but he doesn't even know what the word diversification means — he does not know what the word diversification means. I found it very interesting, Mr. Chairman, that that member fought tooth and nail against the sale of the P.A. pulp mill to a company called Weyerhaeuser of Canada Limited. They went around and they said a paper mill would never be built in Prince Albert. Well what do we have today? We have a paper mill producing paper in the city of Prince Albert in the province of Saskatchewan. And they're expanding that paper mill, Mr. Chairman. They are putting in what's called a sheeter. So instead of sending out those huge roles of paper to be cut elsewhere, they are putting up a sheeter in Prince Albert that will cut and package the paper there. That's what we call diversification, that's what we call value added.

And you know what, Mr. Chairman, a headline in the P.A. *Herald* recently stated, "P.A. pins its economic future on paper mill." And that member from Prince Albert has the audacity to run around this province criticizing Weyerhaeuser of Canada for creating jobs in Prince Albert in his own riding, Mr. Speaker, in his own riding.

Well I'm going to give the member a list of things that have been done in this province since this government, under our Premier, won in 1982. I will just give you a quick list of significant projects for 1988: Canada Packers limited in Moose Jaw . . . And the member from Rosemont, chirping from his seat, the member from Rosemont that salivates that absolutely salivates and hates success and salivates when there's failure. He encourages failure, encourages failure because he is a failure.

You know, Mr. Chairman, and the members opposite they go about talking about how they are the only ones that feel for the family. And I will say here and now, Mr. Speaker, that I took three weeks off to get ready for my daughter's wedding and they poked fun at it. This is our only daughter and I make no apologies either to any of the members opposite for feeling so close to my daughter that I would take three weeks off of listening to them day after day after day, and they poke fun at families. They absolutely poke fun at families, and I that's about as low as you can get. And then the member from Elphinstone says, lighten up. Go pick a rose.

Some Hon. Members: Hear, hear!

Hon. Mrs. Duncan: — The member from Prince Albert, I want you to listen to the list of fairly significant projects that we had in this province in 1988: an expansion to increase the slaughtering capacity at Canada Packers limited in Moose Jaw; Babcock-Willock, setting up a production of high pressure boiler components in the city of Melville; Brekmar Industries, Saskatoon, an expansion of and manufacturing of fibreglass products; Hitachi Canada limited, construction of turbine manufacturing plant in the city of Saskatoon; an expansion of the slaughtering division of Intercontinental Packers in Saskatoon, a very significant expansion; Steel Brothers Limited of Canada, Prince Albert; Thomson Meats in the city of Melfort expanded their slaughtering capacity; the Co-op heavy upgrader here in the city of Regina, a project that never would have been able to be put together by the NDP — never, never in a million years could the NDP have put together a major project like the Co-op upgrader; Ekaton Industries in Regina, the china clay plant operation; Flexibrick of Canada, Swift Current.

And then I can go to our industrial incentive program, and he asked about it, Mr. Speaker. In 1986-87, there were 169 applications received. The estimated capital expenditures under this one program was in excess of \$23 million and the estimated positions created, Mr. Chairman, was 1,673.

Then I can go to the industrial incentive program's pay-outs that have been paid out, and these are companies that were created, either new companies or expansions of existing companies in the province, who all took advantage of this government's commitment to diversify our province. I look at . . . and I'll just run through some of the smaller towns here: Wynyard, Artistic PrepCast Ltd., 2.75 jobs; B 2 Enterprises Ltd., Choiceland, three new jobs; Bazaar Manufacturing Saskatoon, five new jobs; Blair's Fertilizer Ltd., Lanigan, Saskatchewan, two jobs; CSP Foods Ltd., 5.75 new jobs.

And I could go on and on and on. I'll send a list to the member.

But you say that there is nothing happening in this province. I can tell you that there is activity in every corner of this province — in northern Saskatchewan, in southern Saskatchewan, in Regina and Saskatoon, in a great number of our smaller towns, our rural towns. There is activity everywhere.

Mr. Lautermilch: — Well I guess, Madam Minister, what you've done is just articulated my point that you really don't know what's happening in this province. The fact is that we don't have the number of jobs. We've got 37,000 unemployed. We've got out-migration at an unparalleled rate, but you tell me and you tell this House that there's excitement and there's building and there's diversifying — just more of your slogan — in other areas of the province, all over the province.

We're sitting right now, Madam Minister, with the opportunity to lose 270 jobs that are directly affected by the brewing industry, and when you had a chance to make a submission to project the bottle brewing industry in this province, you sat on your hands. And if you did talk to the minister who was piloting these regulations through cabinet, you must have had no effect. So it's one of the two, either you're speaking for them and your voice isn't effective or you're saying nothing, because clearly what's happening is we're losing jobs and we're losing people, and that's the stark reality of what's happening in the province.

Madam Minister, we could go on, and we could carry through with these estimates, but I was only really trying to make one point with you in Economic Development estimates, Madam, and that's the fact that your record is dismal and it's causing people to leave this province. And that's the reality of it.

You can stand up in this House and you can do. . . you can say what you want. You can talk about the development throughout other parts of the province, and that there's activity all over the place, but the fact is that there's families that are moving.

And the fact is there are businesses going bankrupt, and you can't blame it all on agriculture, Madam Minister, because some of the expenditures that you've made could have been well spent on small business programs that would have kept those businesses operating. Some of the money that you've squandered could have been used to change the mark-up structure for rural hotels in their retail sales. But you chose not to do that.

You chose your friends, Weyerhaeuser. You chose your friends, Cargill, and you chose Peter Pocklington. And that's whose side you're on, Madam Minister. And I want to say that if this is the last set of estimates that we go through before another election, if this record that has been in this province since you've been governing carries on, I feel you're going to feel the wrath of the voters come election day. And I think you would deserve no less than to have everyone of the members on that side turfed out for what you've done to this province.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — Madam Minister, your government hasn't built this province; your government has sold this province. You've sold every asset, every Crown corporation that was revenue-generating, that could produce programs, with the exception of SaskPower, which you're intending to do, and the potash corporation, which you've got lined up to do. Every lucrative Crown that you've put your fingers to you've squandered, and you're squandered the heritage of the people of this province.

Madam Minister, it's clear to me that your government no longer cares to listen to the business people or the working men and women of this province, and it's clear to me that if we stood here for another four hours you would stand up and your line would be: but we're building and diversifying, and there's so much more we can be. But, Madam Minister, those aren't the facts. The facts are that you've created a disaster.

(2315)

Item 1 agreed to.

Items 2 to 13 inclusive agreed to.

Items 14 and 15 — Statutory.

Vote 45 Agreed to.

**Consolidated Fund Budgetary Expenditure
Economic Diversification and Investment Fund
Vote 66**

Items 1 to 3 inclusive agreed to.

Vote 66 agreed to.

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

Mr. Chairman: — Any questions?

**Supplementary Estimates 1989
Consolidated Fund Budgetary Expenditure
Economic Development and Tourism
Ordinary Expenditure — Vote 45**

Items 1 to 5 inclusive agreed to.

Vote 45 agreed to.

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

Hon. Mrs. Duncan: — I thank my officials for coming out this evening and helping supply the answers to the very easy questions from the opposition.

Mr. Lautermilch: — I would like to as well thank the minister's officials for helping out in these estimates this evening. I know it must have been a sometimes trying job, so I thank you very much.

Mr. Chairman: — Being past 11 o'clock, the committee will rise and report progress and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 11:20 p.m.