

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

April 16, 1984

EVENING SESSION

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

SUPPLY AND SERVICES

Ordinary Expenditure – Vote 36

Item 1 (continued)

MR. KOSKIE: — I want, Mr. Minister, to get into the printing contracts, and what I'd like to do is to ask you what the present policy is in respect to printing contracts. Could you outline basically what the department's policy is?

HON. MR. McLEOD: — The policy with regard to printing is that any job that's under \$5,000 is an allocation. Anything over \$5,000 is by tender to firms within the province – firms who have printing capabilities within Saskatchewan.

MR. KOSKIE: — Can the minister indicate when the change in that policy was initiated, because I'm advised that in 1987, '78 rather, a decision was taken by the government to tender all printing, both flat and end forms? And this decision was made after some considerable consultation, and I'm wondering, when did the government change that policy?

HON. MR. McLEOD: — The policy was changed in the November/December period of '83. The reason behind it is we had some what I would term predatory pricing coming in from some eastern firms, and we're dealing within Saskatchewan, protecting jobs within our own province which we think is a reasonable and a good way to do business.

MR. KOSKIE: — Well, can you tell us how many printing contracts were tendered in the '82-83 compared to the total number that were issued in that particular year? And I'd like that statistic for '83-84 too, Mr. Minister, if you could. Do you understand that question?

HON. MR. McLEOD: — What I would undertake, we'll certainly provide and for both those years. But I don't have it right here with me, but I'll certainly provide it to you, and I'll get it to you as quickly as we can.

MR. KOSKIE: — And what I'd like to also is what was the value of the work tendered compared to the work that was allocated, that is the total value?

HON. MR. McLEOD: — We'll undertake to provide that information along with the other.

MR. KOSKIE: — I want to ask the Minister, has the Department of Supply and Services allocated any printing jobs without tender where the actual cost of the job exceeded the \$5,000?

HON. MR. McLEOD: — I'm advised that there are the odd case where there's an overrun or whatever, because the job is allocated on the basis of an estimate, if it goes over. But I'll undertake to . . . any that came in where the actual cost was over the 5,000, I'll undertake to provide that detail to the member as well.

MR. KOSKIE: — Well, I'll go a step further. Can the minister indicate whether any printing jobs were allocated, without tender, where the actual cost of printing exceeded \$10,000?

HON. MR. McLEOD: — I'm advised that that wouldn't be the case. No.

April 16, 1984

MR. KOSKIE: — Could the minister advise whether the allocation of printing costs for other departments are, in fact, done by his department? In other words, are you the central agency in so far as whether it's tendered or allocated?

HON. MR. McLEOD: — Yes, we are the central agency, and the other departments are the client departments to our department. Now I'm advised that there may be the odd little job out by a department here and there – a small one – but we don't . . . I don't know of any right now that I could cite an example to you.

The policy is that they all go through this department, and we do . . . I'm sure I would be safe to say that 99.5 per cent of all the printing of government is done and allocated or tendered through our department.

MR. KOSKIE: — Well, I'd like to ask the minister whether a recent report of the Department of Education, entitled "Directions," where the actual cost was well in excess of \$10,000 – I want to ask you and I want you to be careful in your answer – I want to ask you whether this job was tendered?

HON. MR. McLEOD: — The allocation was done by our department. We don't have the exact costs here, but I'll be quite willing to supply it to you.

MR. KOSKIE: — More particularly, did it exceed \$10,000, and was it tendered?

HON. MR. McLEOD: — I don't have the costs here. It was allocated as I said, not tendered; it was allocated.

MR. KOSKIE: — Well, I wonder if you could provide us with that this evening – the total cost of the publication? And then I want to ask you . . . Can you provide that information as to the total cost of that edition, the "Directions," a report for the Department of Education? I am advised that it's considerably over the \$10,000. You said it's allocated. Previously you said your policy was, in fact, under \$5,000 was allocation. Now what is your policy?

HON. MR. McLEOD: — The policy is as I've stated it: anything over \$5,000 in the estimated value, everything \$5,000 and under is an allocation. Anything over that is a tender. And I told you that there probably are some examples and, in fact, there are some examples where cost overruns will come in at over \$5,000, and I told you I would provide you with all of the examples of those. I don't have them with me here tonight. I will undertake to provide them to you.

The specific one that you mention – "Directions" or whatever it was for the Department of Education was allocated. I don't know what the price was. I don't have the price here with me. I will undertake to get it for you. I don't know if I can have it for you for tonight or not. But I will certainly undertake to get it for you right away, as soon as I can.

MR. KOSKIE: — Well, the problem I have with that is that, if you don't have the information, it's very hard to determine what your policy is. My information is that "Directions" that was prepared for the Department of Education was allocated and that the cost exceeded \$10,000, Mr. Minister. And I think it's incumbent upon you to have that information in order that we be in a position to determine what kind of a policy you have or whether it's an allocation to a particular preferred firms that you choose.

I want to ask you also: what about the budget? I ask you whether or not this job was, in fact, tendered?

HON. MR. McLEOD: — As far as the budget is concerned, and for very specific reasons that the hon. member, I would think, should be very, very well aware, the budget printing is not

something that you put out to tender. And that's a very obvious reason that the budget is a confidential, very highly confidential, document that's looked after for security reasons in a different way.

MR. KOSKIE: — With respect to the forms printing, can you tell us if all the printing of forms, forms printing, is allocated to Saskatchewan companies?

HON. MR. McLEOD: — Any government form that any . . . Any companies that are on our Saskatchewan invitational tender list to do forms are companies that have manufacturing facilities here in the province.

MR. KOSKIE: — Well it's my understanding that it is very, very limited, if indeed sufficient, companies in Saskatchewan who can provide form printing. And I ask you then: how many Saskatchewan companies are there in the printing of forms business?

HON. MR. McLEOD: — The firms who are on our list for the printing of forms and who have manufacturing facilities here in Saskatchewan are Lawson, Mercury, Paragon, Crain. The combination of those people that I mention here have the capabilities to do, right here in our own province, 95 per cent of the forms printing needs of the Government of Saskatchewan.

MR. KOSKIE: — Well, it's my understanding that there is a fairly significant amount of the forms work that is not, in fact cannot be, done here in Saskatchewan. And I think that if you check your records and, in fact, I'd ask you to give me a list of the amount of dollars that was spent in forms printing with Saskatchewan companies and the total amount of dollars spent for out-of-province companies.

HON. MR. McLEOD: — Mr. Chairman, I want to assure the House tonight and assure the hon. member there is a good, a very significant capability by Saskatchewan companies to do a good deal of the form requirements of the printing requirements of the government. It's a capability that's been here for some considerable time, but it's a capability that's only been tapped by the Government of Saskatchewan in very recent times, because we have a policy at which we try to adhere to at every possible turn that we give the jobs for . . . (inaudible) . . . the contracts that we let to Saskatchewan people, so jobs can be maintained here in our own province. We think it's a reasonable thing to do, and we will continue with that policy.

MR. KOSKIE: — In respect to your apparent decision to return to the old allocation system of acquiring printing, I'd like to ask you what representations that you received from the private sector, if any, to enter into this course.

HON. MR. McLEOD: — The representations that we had were from all of the individual companies that I cited, who have those printing capabilities, as well as from the Graphic Arts Association of Saskatchewan. The printing industry in the province is very, very pleased with the new policy, as they can see it.

I can assure you that, and something that we are pleased about . . . And every job that can be created out in the private sector, as a result of a government decision, is a good one. There are seven to ten brand new jobs created in these — brand new, that were not in existence in the printing industry in Saskatchewan before — that are there now as a result of the government business these firms are getting.

MR. KOSKIE: — Well, it's rather interesting that you mention the Graphic Arts Association, because the policy in 1978, was established with full consultation and an endorsement by the Graphic Arts Association, and I find it rather strange . . .

The difficulty with your policy . . . I guess what I want to ask you is: can you elaborate on the justification of returning to the allocations system when, in the past, the tender basis proved very

April 16, 1984

efficient and very effective? The problem that arises with your allocation is that you can, of course, if you wanted to – I'm not alleging you are, but you can start allocating any amount to a given company by splitting a given contract of \$20,000, say, into 4 units of \$5,000 and, as a consequence, that you can break up a fairly large-sized contract and start handing it out to whoever you feel like. And I'm not sure that handing it out to a given person, allocating it, necessarily is really in the best interest of the taxpayer.

So could you enlarge a little bit, on why you – the great so-called pursuer of the competition of the free enterprise, competing for jobs – that you would depart from the previous policy, a deficient policy, and revert back to where you have political power now to start allocating your contracts potentially to your political friends?

HON. MR. McLEOD: — Well, I'll assure the honourable member that the allocation is a rotational allocation in response to the representations that have been made to us by the people in the printing industry, by the Graphic Arts Association. I notice that honourable member says while the policy that he referred to from his government of 1978 was there with "full endorsement and consultation," I believe you said, with the Graphic Arts Association. I know that that's to be the case, that they did make some representations to you at that time. And they made representation to us and said, "We would like you to change that policy; we've got printers in Saskatchewan who are in serious trouble."

And why should we be talking about a system whereby, I believe to use your word again, you say the former "very efficient system?" If you want to call a very efficient system for Saskatchewan people one in which printing contracts are going out to Ontario firms for Ontario people to be working to print forms for Saskatchewan government and Saskatchewan people, then I don't agree with you.

We have gone to this policy, as I said, with the full support of the Graphic Arts Association. In fact, they asked us to do it, and companies like Paragon Printing and others would be in a state of bankruptcy today had it not been for a change in policy, and they're very thankful for it, as are their employees.

MR. KOSKIE: — I don't know why you aren't consistent because when you come to the Department of Highways, the Minister of Highways indicates in the House . . . What he does is put it up to tender, and if it's a Saskatchewan firm, that he has given preference to the Saskatchewan contractor. Why couldn't you have a preference for a Saskatchewan contractor, as is the case with the Minister of Highways?

And don't start alluding to the fact that you're the great saviours because what I want to ask you – there has been a lot of controversy about what you have done. It's gone out to get Ontario firms and not even allow Saskatchewan firms to, in fact, bid on them. That happened, and you know very well it happened. And so what I want to . . . What I want you to do is to provide a list of all the printing contracts that you have had done by out-of-province contractors, and I want you to indicate the total amount of those contracts.

HON. MR. McLEOD: — We'll undertake to provide to you a list of all the printing, the contracts that were awarded on the basis of the rotational, and I emphasize that, rotational allocation and according to the tenders and the costs of those. We'll undertake to provide that to you. I don't have it right here in my hand tonight, but I will give it to you.

MR. KOSKIE: — In respect to the new Wascana Institute facility that was announced, there was a press release by yourself and the Minister of Advanced Education. And you indicated that it would be an 11,000 square metres building, and that the government . . . The government today announced it will build a new facility.

It indicated that the contract was awarded to the H.R. Roberts Group Ltd. I want to ask the

minister whether or not the contract for the new Wascana Institute was tendered.

HON. MR. McLEOD: — This was a proposal call, Mr. Chairman, and several came in. I can give you the number of . . . If you just wait a minute or two I'll give you the number of proposals that came in and some other things about it.

As it relates to the Wascana Institute space, the proposal that was accepted from H.R. Roberts Group — there were 11 proposals submitted from a good selection of developers. H. R. Roberts, a Saskatchewan developer that we went to, they had the best proposal: the kinds of criteria that go into the selection; the rental cost; the site location; maintenance and operation impact; provincial employment impact; the building itself; and of course, then you get into all of the details of the building and the proposal that's there. We go into consultation with the client department, in this case, Advanced Education and Manpower, and their people that are involved in terms of what their needs are and the location that will be situated and all of those things. And the best proposal came from H.R. Roberts and we awarded it.

MR. KOSKIE: — Of the proposals, how many were by Saskatchewan companies?

HON. MR. McLEOD: — One of the officials just went out to get the material. We'll provide that to you.

MR. KOSKIE: — You referred that one of the considerations was rental costs. Is the building that the new Wascana Institute going to be owned by H.R. Roberts and then leased by the Government of Saskatchewan or by your department or whoever for the use of that facilities? In other words . . .

HON. MR. McLEOD: — The proposal was for a lease with an option to purchase and that's the situation.

MR. KOSKIE: — And obviously then what is happening is that the Government of Saskatchewan is not, in fact, constructing a new facility at all. What they're doing is having the private sector construct it, and you're going to be renting that particular space back from the H.R. Roberts. Is that correct?

HON. MR. McLEOD: — That's right.

MR. KOSKIE: — Is this the new policy of this government in the future, that court-houses, schools, institutes . . . Is this the established policy, that you're going to have the private sector, in fact, build it and then lease it back with the option to purchase?

HON. MR. McLEOD: — Each particular case is looked at on its own merits. We don't have a hard and fast policy that says which will be leased-purchased and which will be leased back and which will be owned outright by the government. But certainly there will be a lot fewer buildings. We don't 'apologize for having fewer and fewer owned outright by the government. We believe it's a reasonable . . . It's a reasonable policy to undertake, to have private developers build the facilities that we require, that the government requires, to better serve the people of the province. And we will continue with that policy. We think it's a reasonable one. It's one in which we don't have to, as a government, put out the capital dollars right away. And that's the way we will continue to operate.

MR. KOSKIE: — Well, I refer to your press release here, and I think it's somewhat misleading, Mr. Minister, because it says:

As part of its major expansion of technical training in Saskatchewan, the provincial government today announced it (it!) will build a new facility for Wascana Institute of Applied Arts and Sciences, in Regina.

That's what you said in the release, leading people to believe that the government was, in fact, going to be building this. And in fact, what it turns out to be is that the H.R. Roberts Group is going to build it, and you're going to be leasing it back. So how can you, in fact, justify the statement that the government announced today, "It will build a new facility"?

HON. MR. McLEOD: — If we had not put out the proposal to lease some space, and if we had not put out the proposal to provide the space for the expansion of the Wascana Institute of Applied Arts and Sciences, that space would not be now under construction. You can rest assured of that.

MR. KOSKIE: — I want to ask whether you have an employee in your department – and I hope you'll be able to look this up; it should be known to you – a person by the name of Wayne Walker. And I wonder if, indeed, you would indicate the particular position he holds, if indeed he is with your department.

HON. MR. McLEOD: — Yes, I'm informed that Mr. Wayne Walker is a procurement analyst with the purchasing agency in our department.

MR. KOSKIE: — And could you indicate whether that's under a contract, or whether that position was indeed posted, and there was a competition for that particular position?

HON. MR. McLEOD: — I believe it's an order in council appointment, Mr. Chairman.

MR. KOSKIE: — Can you indicate when this individual commenced his duties, and also the salary of this individual.

HON. MR. McLEOD: — I don't have the salary of every employee in the department with me, but I will undertake . . . And you pick one out, and I would say that I'll give you his work history and where he's worked before and what salary he makes now, and so on. I'll undertake to provide that to you in writing.

MR. ENGEL: — Thank you, Mr. Chairman. Along this same line for providing spaces for technical institutes, can you tell me what your plans are to provide additional spaces in Moose Jaw?

HON. MR. McLEOD: — Mr. Chairman, this is in answer to the hon. member's question regarding Moose Jaw STI (Saskatchewan Technical Institute) expansion. We are looking now at going to a proposal call for approximately . . . And I just . . . This is an approximate number, but in the order of 35,000 sq. ft.

You know, any more details in terms of what expansion at which program at STI would probably be better asked of my colleague, the Minister of Advanced Education and Manpower. But we are just down into the . . . We're very, very close to going to a proposal call for that space in Moose Jaw.

MR. ENGEL: — Will you be looking at a similar type of proposal as you're doing here in Regina at Wascana Institute, or would that be in addition to the facilities that we have in Moose Jaw?

HON. MR. McLEOD: — It's an option that . . . We haven't come to a determination of which way we go, and that's why I say those are the things that . . . We have now been requested by Advanced Education and Manpower that this would be approximately the amount of space that they need.

We have to . . . As I said to your colleague, we look at each case on an individual basis. We will do that. There'll either be a lease, or a lease purchase, or a bill to own for us. We haven't decided on that yet.

MR. ENGEL: — Will you be putting this out for public tenders, or are you going to be negotiating with individuals as far as providing these spaces, either on a rental or lease option basis?

HON. MR. McLEOD: — We'll be going for a proposal call for about that much space in Moose Jaw.

MR. ENGEL: — Last time I visited Moose Jaw, the press asked me there if I was familiar with the situation. And apparently they already know of the kind of proposal that is being offered, and it'll be joint office and class-room space.

I just felt that this was completely out of the question, but listening to your responses of the member of Quill Lakes, where you are, in fact, dealing with Roberts Group, and then renting class-room space . . .

I just didn't think I'd live long enough to see that happen in Saskatchewan, where we possibly will even sell this building, because there is a Tory government that rents even their capital buildings.

Now, if you're that anxious to privatize, we maybe should get more information on the proposal, and I think the minister knows who has made a proposal, and where the location is going to be, and what other purposes the building will be used for.

HON. MR. McLEOD: — Well, Mr. Chairman, the hon. member wants to draw a long bow, but I would say to him that he'd mentioned something that . . . The press in Moose Jaw were filling him in on whatever they view as going on over there. I can assure you that the press don't know what the story is. And we haven't come to a determination in our own department about that, and I'll give you that undertaking today.

We have the request from Advanced Education and Manpower for expansion. We have the money in our budget, in Advanced Education and Manpower, for expansion, because of the commitment of this government to training of young people in the technical fields. We will continue to do that. STI (Saskatchewan Technical Institute), Wascana Institute here — those kinds of expansions are things that we will point to proudly, in spite of what your colleague says, or what you say, and we will continue to build those spaces for the training of our young people.

MR. ENGEL: — The problem is, I think your priorities in building those buildings is more in the priority of who gets the development, and how much money they can make in making the development, because you are saying you are leasing the space for Wascana office from H.R. Roberts Group.

The proposal that you're putting together for Moose Jaw . . . Is this not a saw-off you're making, because of how you turned a developer off in one other project, and so you're going to give him a little project to do in Moose Jaw?

Are you trying to tell me that you haven't got this proposal and this deal all made? I think the scenario is this: the minister and his colleagues and his friends make a deal, and then they come back to the department and say, "Put a proposal and a package together to accommodate it."

I would like to challenge the minister, and say that as far as the expansion at the Moose Jaw Technical Institute is concerned, it won't be over at Saskatchewan Street where the old normal school was and the complexes there. And it will likely be a development by a developer that was going to do another project that got very perturbed with you people by turning him down, so you offered him this place and said, "We'll rent some class-room space for you and that will make your office building go." And I think the minister should come clean and tell us what kind of deal he's made with Mr. Klein.

HON. MR. McLEOD: — Mr. Chairman, this member continues to amaze me. That may be the way in which things happened in your former experience in your government, or whatever. But I tell you right now. . .

I told you on Friday something about the way in which this government operates, and the way in which I always suspected your government operated, which now you have confirmed here in this House tonight — how you always operated. And I will tell you is that there is no such . . . You're out on some kind of a dream tangent. It means nothing . . . Even what you're talking about doesn't mean a thing to me. I don't even know for sure what you're talking about.

But I can give you an assurance that a proposal call that goes out from this government is just that: a proposal call. And whoever comes in with the best proposal gets the contract. That's how it works, and that's how it will continue to work.

MR. ENGEL: — Mr. Chairman, I registered the name of a firm that will likely be making a proposal in Moose Jaw, and it's going to be very interesting to see who finally wins this proposal as far as Moose Jaw Tech is concerned.

As far as some other capital works projects are concerned, Mr. Minister, the critic asked me to ask a few questions about some of the other capital projects and capital works programs you have in place. What is your department's plan or what are your plans for the facility at Echo Valley centre? Have you some proposals, or are there studies? You assured us last estimates that a study would be undertaken. What proposal have you for the Echo Valley centre?

HON. MR. McLEOD: — The proposal we had in our department was that it would be turned over to Parks and Renewable Resources, and that was accepted. And that's who has responsibility for it now.

MR. ENGEL: — What about the Saskatchewan Hospital at North Battleford? When our fire protection committee was up at North Battleford, the member from North Battleford took us on a tour of the facilities there. And can you tell me how the major renovation program for this facility happened to have been cancelled, or is it cancelled? Are you going ahead with it? There's a lot of money was spent, and then it's left in the cold. I was just wondering what are your plans for that facility?

HON. MR. McLEOD: — Okay, as it relates to Sask Hospital . . . And I know there are some other facilities around the province — I believe in Weyburn, Souris Valley centre . . . Is that what it's called? I'm not sure, but there were several.

As my colleague, the Minister of Health, said during his estimates, those facilities were under active study by a committee headed up by his Legislative Secretary, and my seat-mate to the left here, Mr. . . . Or, the member for Moosomin. And that report is forthcoming in the very near future. And the future of Sask Hospital, and some of the other buildings that were studied, facilities that were studied, will be determined, probably by the recommendations that come forward there.

MR. ENGEL: — It's my impression that Supply and Services were going to look after these buildings. Did your department call the tenders for the original renovation, after the fire there? Was that construction, or the initial stage of the renovation, conducted by Supply and Services, or was that by the Department of Health?

HON. MR. McLEOD: — Just to clarify, are you talking about the roof repairs in North Battleford as a result . . . Okay. The roof repairs there were done by our department on a temporary basis, but only to get it into a situation where it could be usable, to the point that they are. The meanwhile, for the long-term — and that's what we all must be concerned about — the long-term use, or whatever we do with Sask Hospital, the Souris Valley centre, and some of

those other facilities . . . So, but certainly when there was a – we could say an emergency, or at least the situation arose where something had to be done – our department did look after the roof repairs.

MR. ENGEL: — This minor little temporary repair . . . Can you inform this House as to just about how much money is spent?

HON. MR. McLEOD: — We'll get the cost of this. At least, there's some speculation here that some of it, I think, was under your administration still, so . . . Or very near . . . during the transition period, but in any case, we'll get you the cost of it, from the records.

MR. ENGEL: — Have you those numbers? I think it's a shade over a million dollars, what the people that are doing the tour told me.

HON. MR. McLEOD: — I can give you from the *Saskatchewan Government Services Annual Report 1982-83: Projects – Capital Program: Saskatchewan Hospital roof replacement; North Battleford*, and the various details about it. The tender was opened on May 7th of 1982. I remember being out on the front of this building, being sworn in, on May the 8th of 1982. So I think if there was any tender opening it would be under your administration. It's on page 18 of the 1982-83 annual report of Saskatchewan Government Services.

MR. ENGEL: — If I could just ask a couple of questions on behalf of my colleague, the member for Shaunavon, that has prepared these for me. His understanding was that the department had about 100 positions cut in the '84-85 budget. Is this accurate?

HON. MR. McLEOD: — Okay, the details from the Department of Supply and Services . . . Individuals who were given notice on budget day were 35. Do you want to take these numbers down? There were 35; 53 positions were vacant, of the permanent positions that were cut from our department. There were 88 permanent positions; 53 of those 88 were vacant positions. So that leaves 35 permanent positions that were occupied by individuals. There were 20.7 non-permanent positions, for a total of 108.7 positions, but not necessarily individuals, because a good number of them were vacant, as I said.

MR. ENGEL: — That's why I suggested the word "position," because I think you must have been aware of that.

What functions in your department have basically been affected by this 108 – I thought it was about 100 but it's 108, you say – cut-back? What functions are you deleting from your department that you can get by with 108 less positions?

HON. MR. McLEOD: — We haven't deleted any function of the department. No function of the department is deleted. Some of the functions that are down-sized, and that certainly all of the functions are operating more efficiently than they ever have.

MR. ENGEL: — Can you give us a list of the people that were affected? Have you that list available?

HON. MR. McLEOD: — No, I won't give a list of the individuals that were affected but . . . (inaudible interjection) . . . Oh, the positions? I'm sure we can provide you with a list of the positions, but we won't give a list of the people. But the positions: we'll give you a list, certainly.

MR. ENGEL: — Now, the department was involved on a regional basis. Have these lay-offs affected any communities, as far as what was happening out of some regional offices was concerned, or regional subdivisions, or regional district structure, like you have in place?

HON. MR. McLEOD: — I'll provide you with a list of the positions, as I undertook before, and

April 16, 1984

the location of that position, when I give you that list. How's that?

MR. ENGEL: — Let me run it by you again. If you can get by in your department with 108 less people, my concern is similar to what we'll do when we get to Culture and Recreation department. Now, they can do away . . . They can do away with a lot of positions, if they do away with people out in the field, and my concern is the district offices that were running.

Have you affected . . . Have you affected any of your district subdivisions? I understand that you had offices in Weyburn, Moose Jaw, and Swift Current, just to name three in our south country. Are those offices affected in any way, and have there been staff cuts that are directly related to, or closing of those offices?

HON. MR. McLEOD: — We haven't affected any of the offices in delivery of service. And I want to make it very clear as I started out to do. You say, "If you can get along with 108 less people," but it's very important to remember when vacant positions are not people performing a function as the time comes.

So it's 35 less people –okay? – 35 less permanent positions, in terms that were occupied by individual people. So it's a misconception to say that, "How can your department operate with 108 less?" It's not the case. We're operating with 35 less than what we had before. It does not affect the functions of any of the offices, anywhere in the province.

MR. ENGEL: — You're saying you're not affecting . . . The district managers are still in place in Weyburn, Swift Current, and Moose Jaw?

HON. MR. McLEOD: — There are still district managers in Weyburn, Moose Jaw, and Swift Current.

MR. ENGEL: — Last fall you – or when this budget was announced – you laid off, you said, 35 people. You report that your deputy minister fired eight managers, and I understand that at least two of these that were fired about the same time. Have you settled with the 10 people, or are there some settlements that are still outstanding?

HON. MR. McLEOD: — Mr. Chairman, eight have been settled and two are outstanding.

MR. ENGEL: — I understand that of the nine, at least, people that were fired, they received letters that were substantially the same. They had been dismissed because the deputy minister said, and I quote just one sentence from that letter," . . . lost confidence in the ability of the employee to perform the duties and the responsibilities of his position." Is this substantially correct?

HON. MR. McLEOD: — Yes, that's correct.

MR. ENGEL: — Two of these individuals have reportedly taken their cases to appeal the Public Service Commission. I want to read just a few brief excerpts from one of the judgements that were handed down. This is a hearing by the Public Service Commission, Wednesday, November 30, 1983, in the Oak Room, Regina Inn, and it's the Douglas Archer dismissal appeal. You likely have that copy before you there, under the area that says, "The evidence":

Counsel for the employer added no evidence to demonstrate und satisfactory work performance on Mr. Archer's part. I refer the counsel for the appellant by way of documentary evidence, and the testimony of Mr. Archer's demonstrated that Mr. Archer had an exemplary record as a government employee. His performance appraisals, up to December, 12982 indicated Mr. Archer performed his duties well, and that he was highly regarded by his superiors.

And I want to further read into the record that he was, “. . . awarded a salary bonus for outstanding service”, and on May 16, 1983, he received a letter from Mr. Cutts, on behalf of the minister, the Hon. Joan, Duncan, congratulating on his years of service; thanking him for his contributions to the department, and looking forward to the continuation of his excellent service.

Now the minister said that all can receive letters that said they lost confidence in the ability of the employee to perform the duties and responsibilities of his position. Can you still substantiate that same statement in light of the hearing that was conducted on Wednesday, November 30, 1983, in the Oak Room in Regina? Where's the discrepancy there, Mr. Minister?

HON. MR. McLEOD: — Well, there's no discrepancy. The deputy minister stated exactly – in the letter to the employee – exactly what the situation was. And the cases have been to the Public Service Commission hearings, as you have mentioned, and they're all done.

I should point out that . . . Well, that's enough. It's been covered, and the deputy minister has sent them the letter. And each of them have been . . . As I've said, eight have been settled and two are still outstanding. The one that you mentioned is now settled.

MR. ENGEL: — Well, I think the opposite is true. I don't believe that there's any evidence here to substantiate the claims of lack of no confidence. Does the minister feel that dismissals that cost the taxpayers close to a quarter of a million dollars is money well spent, when all the evidence that we have is that they performed over and above the call of duty; that they were highly respected?

I can't find anything, in these six or seven pages here, that would indicate even a hint that this employee came anywhere close to a person that lost the ability to perform his duties and responsibilities that the position called for. I feel that this is a very serious situation, that the people of Saskatchewan have to pay for your errors.

We raised this in public accounts, and the large majority on the government side are trying to vote down that these individual figures will be kept quiet, so that you folks can hide them and keep this out of the public eye. But I think that the people of Saskatchewan demand better from you people. If they have 300 or 250 people that worked for the Department of Highways you have 35 here that worked in your department – people that performed like all civil servants do and like the people that are sitting around you are doing tonight. They're performing and going more than the second mile. And I think you have thrown a monkey-wrench into the Public Service Commission by making the decisions yourself, and taking those decisions and then telling your department what to do afterwards.

I think the minister has very aptly portrayed tonight that, be it a proposal call for new seats in a technical institute in Moose Jaw or Wascana, be it a proposal call to sell \$40 million worth of highway construction equipment, whatever area you're getting into, you have one criteria in mind only and that is what's the best political mileage you can make. And those are the decisions, those are the criteria that you base your decision on. Instead of setting up five criteria I think the minister should stand-up and tell us also he has a sixth criteria; and you look at the person's political stripe, and then they decide whether they're going to accept his proposal or not.

HON. MR. McLEOD: — Do you think there was a question in that, Mr. Chairman?

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, with respect, let's take the Archer one. Will you concede the fact that fully one year after your government came to office Mr. Archer received an indication that his services were quite satisfactory – written indication from his superiors?

HON. MR. McLEOD: — I'll have to check the file for the Leader of the Opposition. I'm not sure that that's the case; I rather doubt if that's the case.

But in any case, the members make a large thing out of the . . . and that we say there were 10 people – and we replaced none of those people, by the way, we replaced none of those 10 people. The deputy minister . . . And you say that, well it's costing the taxpayers money to pay the settlements and so on; and we believe in fair settlements, no question about that. It cost the taxpayers money to pay the settlements, but I can tell you, when the management of the department — senior management of the department — loses confidence in people to carry out the tasks that they are required to carry out, with a department the size of ours, and I would say to you that it's money well spent. If the senior management can't have confidence in the people, it's money well spent to pay a fair settlement to the person and have them go their way into other employment and have the department carry on, on behalf of the people of Saskatchewan.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I hear what he says, and what we're trying to find out is who this senior management is, and just how senior. I think we can establish the fact – and I invite you to look at your documents – that on May 16, 1983, Mr. Archer received a letter from Mr. Cutts on behalf of the Hon. Joan Duncan . . . that senior manager, those two, the Hon. Joan Duncan and Mr. Cutts, congratulating him on his years of service, thanking him for his contributions to the department and looking forward to the continuation of his excellent service.

Now that's what happened up until May of '83 with those senior managers, Mr. Cutts and the Hon. Mrs. Duncan. What we have to figure out is what the new . . . (inaudible interjection) . . . I think we can say that the letter came from the Hon. Joan Duncan, it didn't come from the member for Maple Creek. I'm obviously quoting from the letter, paraphrasing it. But obviously senior management, presumably not that minister, the then minister, and presumably not that deputy, has lost confidence. Would we be right in assuming that the senior manager – management – who has lost confidence with the new minister . . . That's what's come new on the scene, is the new minister has come on, and suddenly – no confidence. What other reasonable explanation is there?

HON. MR. McLEOD: — Well, the reasonable explanation . . . The letter that you cite, I'm sure, was a letter to people who had received their 10-year pin for service to the government, or something, and I'm sure that's the case.

The senior management that lost confidence in the members of the civil service that you are mentioning, and in this case Mr. Archer, was the deputy minister, Mr. Cutts, who sits on my right here, now . . . I will go as far as to say what some of the things in that letter say . . . I have every . . . I believe that it is fine to say, “thank you very much for your service to the people of Saskatchewan.”

And the individual that you are talking about, presumably under your administration . . . Apparently, there was . . . You had no . . . Everything was fine, and it seems to me that we should have a right, at a senior management level, to know is who we have confidence in, and some of the positions, and we have that.

And I would say at the same token, and even though our senior management says, “We have lost confidence in you to conform the duties that you were performing,” it doesn't preclude us from saying, “thank you for your service to the people of Saskatchewan to this date.”

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, does the minister deny that the letter, signed by the deputy who sits beside him, also indicated that he, the deputy, looked forward to the continuation of his excellent service? Does the minister deny that?

HON. MR. McLEOD: — I don't deny that. I suppose there were a number of letters went out for

10-year pins that day, and that was one of them. But I don't 'deny that it's there. I don't have the copy of that letter with me. But in any case, things can change in a matter of a number of hours, in terms of losing confidence in somebody's ability. And you know that as well as anyone else.

And I believe that that could change, and it certainly it has changed in terms of whether or not the government, or the senior management of this department, had confidence in Mr. Archer. The deputy minister wrote him a letter and told him that he hadn't no longer had confidence in him and to perform that function. And it's gone through all of the hoops, to the point where the Public Service Commission has ruled, and the case is closed.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, you say that this all can happen in a matter of hours. Well, allow me to say that you underestimate the problem. A cabinet shuffle usually take a couple of days, and that's what we have here – a cabinet shuffle. That's what produced the change.

This deputy, the same deputy under one minister, looks forward to the continuation of his service. This same deputy, under a new minister, suddenly loses confidence . . . (inaudible interjection) . . . suddenly loses confidence. I think we can draw a reasonable assumption as to what has happened here; and the change, the changed element, is the minister.

But what I want to ask the minister is: does he take the position that the simple declaration of lack of confidence in any middle management person in this public service is sufficient grounds for dismissal, the simple declaration of lack of confidence? No suggestion that there is any evidence of it, total unwillingness to offer any evidence. A simple declaration, because we have a new minister, that somebody now lacks confidence in a middle management person – not a deputy, but a middle management person.

All of these people can now expect that their tenure depends upon whether or not a cabinet shuffle produces a minister who says, "I no longer have confidence." Is that your position?

HON. MR. McLEOD: — Well, Mr. Chairman, the Public Service Commission rules that, in fact, that that wasn't sufficient cause. But so the outstanding question then became, what would be sufficient compensation?

That has been determined and has been, in fact, accepted by Mr. Archer. And so that when I say the case is closed, that's what I'm saying. The case is closed because the Public Service Commission has ruled after the deputy minister sent his letter of no confidence, and on it goes.

But meanwhile the settlement agreement with Mr. Archer has been signed and he's, as far as I know, it's all, it's completed.

HON. MR. BLAKENEY: — I'm using the example of Mr. Archer because the facts are at hand, but the same indications could be given of many other people. I'll ask the question again, Mr. Minister.

Is it your intention as a minister of the Crown, in respect of any department to which you may be transferred, to take the position, to take the position that any middle management person is subject to summary dismissal on the simple declaration that you no longer have confidence? And you feel no obligations to bring forth any evidence which would lead any rational person to withdraw confidence from that employee.

You offered not a shred, not a scintilla of evidence to substantiate the position that, as you say, your deputy has lost confidence. Now deputies don't simply lose confidence. They lose confidence for reasons. Would you mind giving this committee some of the reasons why confidence was lost in, let's say, this particular employee, Mr. Archer?

April 16, 1984

HON. MR. McLEOD: — As I said, Mr. Chairman, the Public Service Commission has ruled on this particular case, and the only outstanding issue then, the only outstanding issue, the only outstanding issue then, was what settlement would be paid. Because of the fact that, as the Public Service Commission said, the simple statement by the senior manager that lost confidence in him was not enough. I accept that because of the ruling of the Public Service Commission — okay. I accept that as a minister, and so then the question became: what settlement should be paid? That was worked out between the lawyers for the two parties, and as far as I know, it's been settled in the case of Mr. Archer. And, in fact, it's been settled in the case of eight individuals, and there are two that remain outstanding.

HON. MR. BLAKENEY: — I'm well aware, Mr. Chairman, and Mr. Minister, of the procedure of the Public Service Commission. I am asking you, Mr. Minister: did you find out from your deputy why, in the opinion of the deputy — and we will continue with this little charade — in the opinion . . .

AN HON. MEMBER: — Charade?

HON. MR. BLAKENEY: — Charade, yes. Charade, because the deputy had full confidence in the man when the member from Maple Creek was the minister, and suddenly lost confidence when the member for Meadow Lake was the minister. Those are the facts.

But I will . . . (inaudible interjection) . . . You are telling me, you are telling me that the deputy lost confidence. I ask you: did the deputy outline for you the reasons why he lost confidence?

HON. MR. McLEOD: — The deputy told me that he had informed 10 people that he had lost confidence in their ability to perform the job on behalf of the Government of Saskatchewan, and the jobs that they were doing, and I said, "Fine."

HON. MR. BLAKENEY: — Are you advising me, Mr. Minister, that you received from the deputy no indication of any of the reasons why he may have lost confidence in any one of those employees?

HON. MR. McLEOD: — Mr. Chairman, the Hon. Leader of the Opposition would suggest that . . . I think you used the terms that the minister changed, and so as the only difference in their whole scenario was that there was a new minister.

What I would submit to you is that when the government changed, that took a few days as well, to change the government, a good number of days. And the ongoing review of all of our departments after taking over a new administration was an ongoing and a continuing thing, regardless of which ministers were appointed to which departments on which given day. And that was an ongoing review.

That same ongoing review was done . . . This deputy who sits to my right served as deputy under the Hon. Mrs. Duncan, the now Minister of Consumer and Commercial Affairs, and continued to serve when I was appointed to Supply and Services. The ongoing review of all of the management functions within the Department of Supply and Services continued throughout that small transition between two ministers.

And after . . . I'm not even sure how long I was there, but when the deputy reported to me . . . When we were reviewing our department, certainly down-sizing our department, certainly making our department more efficient . . . And everyone who works in that department will tell you that — that it is a more efficient operation now; happier people; better morale than they've had for a long time . . . And people sitting here will tell that, as well as those who work in South Broad Plaza.

So all I can say to you, to the hon. member, is that the deputy minister informed me that he had

lost confidence in these 10 people. I said, "Fine. You've lost confidence in them." I said to him, "I have confidence in you as a deputy. I have confidence in your other senior management team in this department. Let's run this department as efficiently as we can on behalf of the people of Saskatchewan. Do what you must do." And he did it.

HON. MR. BLAKENEY: — Thank you, Mr. Minister. You have told us that you did not inquire as to why this deputy may have lost confidence. You had confidence in this deputy. He had the distinction, I think, of being the third deputy to serve the hon. member for Maple Creek when she was the minister in that department, if I've got a handle on that.

So confidence doesn't always flow from minister to deputy. We now have, as I say, this third deputy in this department in the period of a year, and you express not the slightest concern as to whether or not you should even ask the reasons why 10 senior public servants, some of them with 10 years service, were summarily dismissed.

Do you not think it was your duty as a minister of the Crown to ask the deputy for some reason as to why he had lost confidence in those particular employees?

HON. MR. McLEOD: — The hon. member well knows this deputy is the only deputy that has served under this Minister of Supply and Services. I have great confidence in this deputy, and you say — and we all have, and the government has . . . He said, "I have lost confidence in him," speaking of himself. He'd lost confidence in these people, and he wrote them the letter.

And I said to him, "that's it." I just said to him, "Well, that's fine. I have confidence in you, which I must have. If I don't, I will let you know." And I will if ever it happens that I don't. I will certainly let him know, as I expect him to let people in the department that work for him know if he has lost confidence in them. In this case — in 10 cases — he did let them know, and it went through the various hoops of the Public Service Commission procedures.

HON. MR. BLAKENEY: — The member for Regina South indicates that that is normal. I wonder if the minister can, in outlining this normality, give any other occasion in the history of the department, of which he is aware, that this Public Service Commission has ordered payments of 40, 50, \$60,000 for wrongful dismissal. We will see how normal it is.

HON. MR. McLEOD: — No. I haven't gone back through the history of it. As I said before that the settlement s—we do believe in fair settlements for individuals who are affected. We'll stand by that. The settlement s that were agreed to were in the range similar to what goes on across the country for dismissals, both in the private and the public sector. We don't make any apologies for making fair settlements and fair payments to people. We do that, and if a case should arise again, we would do the same thing. But this sort of — that's all I can say.

That's all I can say is that I don't know the history of the Public Service Commission in terms of what payments have been made. I do know in these cases, these people were not replaced in the department. They were not replaced. So what it means to me is that if the people are unable to carry out the functions that are required of them by the deputy and others in the senior level of management, then it's probably on behalf of the people, it's probably cheap at twice the price.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, I realize that you are here tonight in your capacity as Minister of Supply and Services, and not minister in charge of the Public Service Commission, but I give you notice that in the next capacity when you come here, I'll ask the same question, and you'll have your staff, you'll be able to tell us all that. And then you will, then you will know all that because the staff in which you have confidence doubtless will be there with you.

Yes, but what I am asking you again — and I'm not interested in the settlements — I'm not interested now in what the Public Service Commission decided. I'm interested in how it ever got

April 16, 1984

to the Public Service Commission. And I'm interested again in asking you whether or not you think it's appropriate, an appropriate stance for minister of the Crown, to have a deputy come in and say: I have lost confidence in ten middle management, and I propose to dismiss them. I have no grounds. I have no grounds that will stand up before the Public Service Commission. It's going to cost the public a quarter of a million bucks, but I propose to do it anyway.

The minister says: fine, if you don't have confidence in them, why I wouldn't question your judgement even though, obviously, it's contrary to the provisions of the Public Service Act; even though we will have to pay substantial awards. None of this is of concern to me if you don't have confidence. Is that your position, Mr. Minister?

HON. MR. McLEOD: — No, I would say, Mr. Chairman, and to the hon. Leader of the Opposition, it was a good business case that was done. I will stand by what happened. It was a good — it could be a good business case made for what was done, and we did it. And certainly, individuals involved, and that's why I say once again: we understand when you're dealing with individuals, we do have compassion in that area, but that's why we have reasonable and very lucrative settlements, and we don't apologize for that.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, there are good business reasons for it, but you will disclose none of them. You will — now I understand your answer. There are good business reasons for what you did. You will disclose none of those reasons. You will give no single reason why any one of those persons was not performing well for the public service. You, none the less, discharged them. And you say, and by that word, Mr. Minister, you say that anyone else in the public service is similarly subject to summary dismissal, without any reasons being given other than some nebulous reasons of whether or not the minister or the deputy has confidence, and that no member of the public service can expect to get from this government any reason why he is summarily dismissed, he or she, even if he is summarily dismissed after 10 years service, and even if you cannot identify one single reason why they have not served the public well. That's what you have said.

May we understand, then, that on behalf of the public service of Saskatchewan you are saying everybody is subject to dismissal; nobody is entitled to reasons. All you need to do is say, "It was a good business decision. I will give you no reasons for it. I stand by it." That is the position of this government, and I say that that is not an appropriate stance for a government which says that it's dealing with its employees fairly, evenly, and openly.

HON. MR. McLEOD: — Mr. Chairman, in the one case that's been cited by the hon. member — and I think eight of the 10 have been settled. Obviously the employees have agreed with what's happened because they have now signed and agreed to the settlements that are there, and really there is little else that I could say about it.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, just so I understand what the minister has said. The employees, he says, have agreed to this. Do I understand that the employees had failed to agree, that they could still be employed? Or what option did they have?

HON. MR. McLEOD: — They agreed to the settlement that was offered.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, once again I was not asking you about the settlement. I was asking about the events that led up to the settlement. They most assuredly didn't agree with those. Or are you saying that all of those 10 agreed that they were no longer fit employees of the Government of Saskatchewan and, therefore, they presumably tendered their resignation — in contrition?

HON. MR. McLEOD: — Well, Mr. Chairman, I'll stand by the decision that was made by the deputy. We were downsizing our department. We made a good business decision. We informed 10 people that we . . . (inaudible) . . . lost confidence in their ability to perform the job that they

were in. The whole process took place. Eight of the 10 – eight of the 10 have signed the settlements now. And as far as the last question, it's an academic question, because you say, well, would they have had the option of coming back? And no, they wouldn't have had the option of coming back, but they had the settlement, they had the option of fighting it further, as two of them have chosen to do, apparently.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, and I now change the subject. Can the minister outline, if you have not already done so for my colleague when I was unavoidably absent, outline the functions being taken over by the department of government services – particularly with respect to Valley View, but also with North Park Centre – which functions, previously performed by employees directly employed by the Department of Social Services? We are told that the employees who are no longer working for Social Services were doing jobs that are going to be done by Supply and Services. What sort of functions are now going to be taken over?

HON. MR. McLEOD: — The maintenance and operation functions at those centres. The operations of the building, the maintenance, the janitorial staff, that sort of thing.

HON. MR. BLAKENEY: — Those functions, Mr. Chairman, and Mr. Minister, being taken over from the department of public services – what percentage do you anticipate will be performed by employees of your department, and what percentage do you think will be performed by outside contractors engaged by your department?

HON. MR. McLAREN: — Okay. The operations service at the centre – I'm informed that the operations service at the centres will not be affected by the take-over. The CUPE (Canadian Union of Public Employees) agreement at both centres will be honoured, and no lay-offs of staff are contemplated or planned in the foreseeable future.

So what we're saying is that the same people who were performing those functions before under their various bargaining units will be performing those functions, but under our department. We believe the maintenance and janitorial staff and operations of buildings and so on, is much better performed by our department than it is to be dispersed throughout other departments of government who certainly have a very different mandate than that.

HON. MR. BLAKENEY: — There are as many opinions on that one as there are managers, and I'm not about to argue with you. Do I understand you then, Mr. Minister, to be saying that the same number of employees who performed these functions – and I will say at North Park and Valley View – will be performing them, at least for the time being? But in the transition there was no loss of employees when these employees were transferred from the direct employ of Social Services to the direct employ of government services, or Supply and Services, sorry.

HON. MR. McLEOD: — Yes, that's true, as you outline it: the same people that were transferred. It's a transfer of the administration of the function rather than a transfer of the individuals, and no individual people have fallen through the cracks, so to speak, in this transition from one department to the other.

HON. MR. BLAKENEY: — If you have it there, would you give me the number of positions which were transferred at each of those locations?

HON. MR. McLEOD: — So, permanent positions: there were 59 transferred from Valley View and North Park Centre – 59 permanent and 3.7 non-permanent positions.

HON. MR. BLAKENEY: — Thank you, Mr. Minister. Mr. Chairman, and Mr. Minister, I want, at some point, to ask some questions with respect to the operation of the Saskatchewan Liquor Board. And we then come to the organizational problem of where to ask for them, ask them. And the . . . As I understand it that the normal thing has been to ask them of the administration vote

April 16, 1984

of the minister who was in charge of the liquor board, since there was nothing in the blue book. As I understand it, it has been arranged that, at a time convenient to you, and when your staff are available, that will be arranged?

HON. MR. McLEOD: — Yes, Mr. Chairman, I'll clarify that now. My other responsibilities, which I will be coming to the House with various estimates will be: the Public Service Commission, as you have alluded to tonight; the Northern Affairs Secretariat, and at that time, I will bring forward the officials of the liquor board. They are now at the hotels convention in Saskatoon, so they are unavailable tonight. But we'll bring them forward at the time that I come in with one or the other of those other responsibilities that I have.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister. Thank you very much, and if you would just tell us with what agency of government liquor is going to be coupled on that occasion . . . We will then know whether it is with the Public Service Commission, or whatever, or when your people are available, obviously. And obviously not tonight, since that is not convenient, nor would it have been reasonable for us to expect it. And I'm not suggesting that.

HON. MR. McLEOD: — I can't say, you know, just which, but I would think probably Public Service Commission. It will be by arrangement between, with your House Leader and myself.

MR. YEW: — Mr. Minister, before we conclude our estimates here, I want to find out from you what areas are affected in terms of item 14? There is a section here which eliminates, at least, 10 positions and jobs . . . (inaudible interjection) . . . Under item 14 of Supply and Services, you have eliminated 10 positions. I wonder if you can explain what areas are going to be affected?

HON. MR. McLEOD: — Okay. Of the 10 positions, three of those positions were transferred to what we call the mail and telecommunications division; seven positions were deleted due to the reorganization.

MR. YEW: — Did I understand correctly — seven positions were eliminated due to the dismantling of the department?

HON. MR. McLEOD: — No — due to reorganization within the Department of Supply and Services.

MR. YEW: — And seven positions were eliminated? So, in effect, then, Mr. Minister, the dismantling of the department of northern Saskatchewan did have adverse effects, in terms of government programs and services in northern Saskatchewan, as it relates to jobs previously held by various people. Am I correct?

HON. MR. McLEOD: — Well, no, you're not correct, in the sense that it depends on what your interpretation of it is. The dismantling of the Department of Northern Saskatchewan . . . We've been over this many times, and it went out to the various agencies of government . . .

One of the things that you must remember, in all of the departments, that DNS encompassed all departments, and so it had administrative functions of all departments. There would be a parallel with all of the departments that were in the regular government structure, and so when the supply and services functions were transferred to the Department of Supply and Services, obviously there was a lot of the administration function that's already there, and so there would be no need for that parallel structure.

That was one of the efficiency measures that we talked about in opposition; one of the efficiency measures that we said we would do, and that we did do — and that was the major reason behind the whole of the realigning of the Department of Northern Saskatchewan.

MR. YEW: — With respect to the provincial government building, Mr. Minister, referred to and

called Mistasinihk Place, I understand that a portion of this building is leased out to the northern teacher education program – and I want to say that is good – instead of public's interest, and definitely it will help that community organization. Are there any other spaces within that provincial building that are available to the public? As an example, should a local organization or association want to take advantage of certain spaces within that building, is that open to them, or is it not?

HON. MR. McLEOD: — Mistasinihk Place just now has been totally allocated and adjustments have been made after the accommodation of NORTEP. We believe, as you have said, and I appreciate what you're saying in terms of NORTEP being accommodated in some very good space, because it's a very good program. We accommodated NORTEP, and we reallocated the remainder of the space. And it's now totally allocated; it's my understanding that it's now totally allocated. Whether or not everybody has moved into the space allocated to them, I'm not sure, but it is totally allocated to provincial operations.

MR. YEW: — With respect to, and speaking of government building, Mr. Minister, I wonder if you may have some comments or information with respect to, say, the trailers that were made available for the Department of Northern Saskatchewan's other functions, and departments that were there before this dismantling process ended.

HON. MR. McLEOD: — Just a point of clarification. Are you talking about the trailers that are commonly known in La Ronge as the upper Atco Building trailers? Okay, and if that's the case, and I notice that the member is confirming that, then I would say that some overflow space is allocated now into that upper Atco situation. Our own Department of Supply and Services, what remains in La Ronge, is in there. And there is other space there that certainly is surplus. As I indicated to you before, there was a great deal of space to accommodate civil servants in La Ronge prior to the change of government; there is less required now because of more efficient operation.

MR. YEW: — Do you, Mr. Minister, have available in La Ronge and other northern settlements DNS employee accommodations that were there in terms of trailer accommodations? Are there any more trailers left, and if there are, what are your intentions re those trailers?

HON. MR. McLEOD: — I'm informed that the staff housing, trailers and apartments or whatever, was there for staff housing of civil servants, owned by government had been transferred from us to Sask Housing Corporation, and so I'm not sure what their plans are, but I believe they will be utilized for some of the housing needs in the North.

MR. YEW: — Okay. I understand then that those trailers are under the jurisdiction of Sask Housing Corporation. Okay. I wanted to go on and recommend some uses for those trailers in terms of other community uses that could have been with respect to those trailers. I'll have no further questions.

MR. KOSKIE: — I'd like to ask you, Mr. Minister, in respect to the new government offices in Humboldt, whether or not there was invitation for a proposal in respect to the offices that are presently occupied in Humboldt?

HON. MR. McLEOD: — Yes there was a proposal that went out and asking for submissions as it relates to some office space in Humboldt. We evaluated the proposals and awarded it to the best, to the best proposal submitted.

MR. KOSKIE: — Could you indicate the date that the proposals went out, how many proposals were received, and the date that the proposal closed?

HON. MR. McLEOD: — I don't have it right here, but I'll undertake to provide it to you. I'll provide it to you – the number of proposals that were submitted, and what other detail do you

April 16, 1984

want? Outline the detail you want, and I'll give it to you as soon as it's possible.

MR. KOSKIE: — The date that the proposal was made by the department, when it went out, the date that it closed, and the number of proposals that were submitted to the department.

HON. MR. McLEOD: — We will undertake to supply it to you. I don't have it here tonight, though, but I'll supply that information for you.

MR. KOSKIE: — The problem that I have with not having that full information—it's my understanding that there was an individual in the town of Humboldt that was prepared, in fact, to provide new space, a new office complex; that that arrangement was turned down, and that the proposal that was accepted is the modification of a wholesale building; and that the location of that office building is indeed on a truck route for all the major truck pass through. It's on the truck route, that there is no parking, and it's my understanding that there is a considerable amount of concern and dissatisfaction with the allocation of the particular building for the purposes of government offices.

HON. MR. McLEOD: — Well it's — that's not the case what you say, because the parking facilities that are provided are on the basis that so much parking for the number of square feet of space and so on, as is done all over the province. The specifications that were required by the client departments, the various client departments in Humboldt, were clear to us. They were made clear to the individuals submitting proposals. We selected the proper proposal, and we got good space for our client departments, for the government departments, at the best possible price.

MR. KOSKIE: — Are you prepared to indicate the number of square feet that the new office location has, and would you indicate the price that you were able to rent the space?

HON. MR. McLEOD: — I will indicate the number of square feet. I will not indicate the price. We've been over this ground several times before in the case of Yorkton, and Regina, Saskatoon earlier today. We went over this ground for a while. And we won't be disclosing the price for the reasons that I outlined then, but we will provide the information as to the number of square feet, along with the other detail that you've asked for.

MR. KOSKIE: — What standards are required in respect to a private invitation? What standard of offices are established by the department? Are any standards required?

HON. MR. McLEOD: — The office space standards are standards that have not changed. They haven't changed since we formed the government. They are the same standards that are required in our locations throughout the province.

MR. KOSKIE: — Can you provide me then with a copy of those standards, because I definitely want to see whether those particular standards have been adhered to, because it's my understanding that they haven't been.

HON. MR. McLEOD: — We'll provide that, too, as well.

MR. KOSKIE: — Mr. Minister, one concluding question in respect to the Brown's auctioneers rooms' submission, which your government's accepted. I'm going to ask you this particular question because it has been indicated to me, the fact that when the proposal or the request for proposals was submitted, I am advised that Brown's Auction's had not intended, in fact, to put forward a proposal, and that there was a contact made by one of your staff, or a representative on behalf of the government, which went directly to Brown's, and insisted — not insisted, but urged them — to put in a submission.

All I want to do is to put that particular information on the record. And I'm not putting it forward,

this is the information that was provided to me – that a contact was made with Brown's urging them to make a submission. And I want to know your position in respect to that. And I can suspect what it's going to be, but I want it on the record in order that I can, in fact, pass this record on to others so that they can take a look at it, and they may, in fact, want to pursue the matter further. So I ask that particular question to you.

HON. MR. McLEOD: — Well, Mr. Chairman we've been through this sort of innuendo, or whatever, from these guys before. But I have no hesitation whatever to tell you that when the proposals went out to the auctioneers of Saskatchewan (all the registered auctioneers of Saskatchewan) – the invitation to submit proposals – Brown's, being a licensed auctioneer in Saskatchewan, received one of those. How can you expect me, as a minister in this House, to comment to you whether or not Brown's intended to submit a proposal until something happened.

I can give you the assurance that our department, or nobody representative of government, approached Brown's or anyone else and said, "Submit a proposal." We approached all auctioneers on the same basis with an invitation to submit a proposal. That was done, and the results we have ploughed over here for a good period of time, with many of the same questions repeated over and over again by your and your colleagues.

MR. LUSNEY: — Mr. Chairman. Mr. Minister, on Item 1, under administration, you've got an increase, a fair-sized increase, in other expenses. Could you indicate what those other expenses are, and why the increase? You've had a reduction in staff, but other expenses went up.

HON. MR. McLEOD: — The one item in there is an office automation pilot project which is under way – an office automation pilot project which is under way in the Department of Supply and Services, and it's some \$477,000.

MR. KOSKIE: — I'm wondering if the minister could provide us with information of any consulting contracts that the department may have had during the course of the year, with whom, and the purpose of such consulting contracts, that is, if any, and the amount of those consulting contracts.

HON. MR. McLEOD: — Yes, we'll undertake to provide that to the member.

MR. KOSKIE: — And can you also, if indeed you have any contract for legal services, whether you would indicate with what firms and also indicate the amount and the purpose for which it was paid.

HON. MR. McLEOD: — Mr. Chairman, yes we will provide the informant as to the firms and the amounts paid to each.

MR. LUSNEY: — Mr. Minister, under the office automation pilot project you were talking about, the increases you've got, you've reduced staff, which meant you've laid off a number of people, and yet the cost of going into this pilot project to automate these offices means that it's going to cost even more than it did before by keeping the workers there. Could you just tell me what this automation is; what the cost are that are incurred under that?

HON. MR. McLEOD: — Well, Mr. Chairman, the office automation pilot that's being conducted by Supply and Services, and I'll just give you a little explanation for the member about what Supply and Service as a central agency department, working on behalf of all the client departments, represented by my colleagues here, is that . . .

We conducted the pilot project to determine the cost efficiencies, if there are any, in fact . . . If there are the cost efficiencies . . . The ways in which . . . To get the "bugs," so to speak, to the get "bugs" out of office automation, some of the computerization of offices, and so on. Because we

April 16, 1984

are the client department which has the responsibility for purchasing various, the various new equipment, and so on.

And we just want to be very sure if this, this sort of . . . If there is to be a move within government, within the wider scope of government for office automation, we should know the cost efficiencies. And that's what a pilot project is all about. And what better place to conduct that pilot project than within the department which has the responsibility for the purchasing and the procurement of all those materials?

Item 1 agreed to.

Items 2 to 4 inclusive agreed to.

Item 5

MR. LUSNEY: — Item 4, Mr. Minister, maintenance and operations of administration: you've got a staff increase there. Could you tell us why the staff increase?

HON. MR. McLEOD: — It's as a result of the reorganization with the department. The 15 in the other blue book were 15 positions in '83-84 were to 21 positions.

I can give you the details — three positions were transferred from capital development; two positions transferred from operating program; two positions transferred from administration and financial services; one position to administration, and transferred to administration and financial services; one position transferred to operation program; and one position transferred from operating of buildings — a total of 21 positions.

MR. LUSNEY: — Maintenance of building, Mr. Minister: again an increase there, under other expenses. What was the increase?

HON. MR. McLEOD: — That's the increase with the addition of Valley View and North Park Centre that we talked about earlier; those buildings' maintenance which have come under our department. And the other one is the CIC (Crown Investments Corporation) building which we got from CIC, which was the former Sask Tel head office, which is now under the purview of Supply and Services.

Item 5 agreed to.

Item 6 agreed to.

Item 7

MR. LUSNEY: — Item 6, Mr. Minister, Item 7 pardon me. Again you've got a substantial increase in staff and in expenditures. Could you outline those please?

HON. MR. McLEOD: — The operation of building increase, Mr. Chairman, relates to the same as the increases for the same reasons, as the increases in the maintenance of buildings, addition of those three other buildings which I mentioned. The growth under Advanced Education and Manpower given the expansion at STI (Saskatchewan Technical Institute) which was opened just last year.

MR. LUSNEY: — Mr. Minister, would it be possible for you to send over a breakdown of those expenditures, what buildings it includes, and what the cost was of operations for all of the buildings?

HON. MR. McLEOD: — No problem at all. We'll send you those details.

Item 7 agreed to.

Item 8 agreed to.

Item 9

MR. KOSKIE: — There is a substantial increase from 23 million to 26 million. Can the minister indicate the new leased accommodations, and the amount of the additional leased accommodation that will be picked up by the government during the course of the year?

HON. MR. McLEOD: — It's primarily the escalation in leased costs and the thing like South Broad Plaza building which was leased by your administration but not occupied until after, you know just prior to us coming into government, and it's been occupied now by our administration.

MR. KOSKIE: — Does that account for the full \$3 million? Can you provide us with a breakdown?

HON. MR. McLEOD: — There'll be no problem. We'll provide you with a breakdown of the expenditure on that subject without any problem.

Item 9 agreed to.

Item 10

MR. LUSNEY: — Under item 10, Mr. Minister, there's a doubling of expenditures pretty well under other expenses. What was the increase, or the purpose of the increase?

HON. MR. McLEOD: — Okay. Under the other expenses, under item 10, under other expenses the major portion of that is a new computerized purchasing system which goes into, that's \$250,000, a new purchasing system. I can send you the details on it if you like, but that was the major expenditure of it, okay.

Item 10 agreed to.

Item 11 agreed to.

Item 12

MR. KOSKIE: — Under Item 12, I notice that with mail and telecommunications that you have an increase of staff and for personal services, and I would like you to indicate what additions of the staff and for what reason.

HON. MR. McLEOD: — It was a transfer from what was DNS in that area, so it was DNS people being amalgamated into Supply and Services.

Item 12 agreed to.

Item 13 agreed to.

Item 14

MR. THOMPSON: — Thanks, Mr. Chairman. Just one short question, and it's actually to finish a question. You were indicating that the contracts for putting up the fencing around the hospital were under \$1,000. Could you indicate if that was just for labour, or was that for labour and material?

April 16, 1984

HON. MR. McLEOD: — It was for labour only.

MR. THOMPSON: — Could you indicate what the cost of the material would be? And I assume that your department would be providing the material, would it not?

HON. MR. McLEOD: — The material is hard to get a cost. We can give you what a replacement value today would be, but the material that we used was surplus material that had been around for some time apparently under the old DNS administration, so we used it for a good purpose.

MR. THOMPSON: — Well, is there no way of finding out how that material was dispersed to the contractor and how much material that he received? There's got to be some way of finding out how much material he received.

HON. MR. McLEOD: — Certainly we'll undertake to provide you with that information. I don't have it here as to exactly what the fencing material around the hospital was, but I'll find out and I'll provide it to the member.

MR. THOMPSON: — Well, thank you very much, but it's quite important to me that we find out just how much material was dispersed to this contractor in Buffalo Narrows.

Item 14 agreed to.

Items 15 and 16 agreed to.

Item 17

MR. LUSNEY: — Under item 17, Mr. Minister, last year you apparently had a recovery. This year you've got a \$1.6 — \$1.7 million expenditure under the central vehicle agency. Could you explain those two figures for me, please?

HON. MR. McLEOD: — I'm told that this has to do with the time, the timing in which the delivery is made of vehicles that are purchased, in the sense that if they come in just after a fiscal year, in the April/May period, a purchase is then done in that fiscal period. So that's what it is. In this particular year coming up, we expect them to be there at that time, and that's it. Last year they were delivered, apparently, in the other fiscal year, so it was before the April/May period.

MR. LUSNEY: — Mr. Minister, are you saying that that is what happened last year? Or are you saying that this is what could have happened to have the discrepancy in those two figures?

HON. MR. McLEOD: — No, and just one more clarification point before we get on to your next question. There was some cash payment here in this allocation under '84-85 for the payment for a CL-215 water bomber which has been just delivered.

Item 17 agreed to.

Item 18

MR. LUSNEY: — Item 18, again, Mr. Minister, an increase. Could you explain the increase in item 18?

HON. MR. McLEOD: — No. This has to do with the renegotiations of the leases from the various suppliers of printing equipment and various capital acquisitions we have for equipment for within offices throughout all of government.

MR. LUSNEY: — What you're saying, then, Mr. Minister, is that the leases have apparently gone

up that much that it increased the costs for this year. Just a renegotiations of the leases.

HON. MR. McLEOD: — No, I'm saying that's one portion of it. That's somewhat the case but there is also some other capital acquisitions which would account for that as well. So it's a combination of those two factors.

MR. LUSNEY: — Could you, possibly, send those details over at a later time then, Mr. Minister?

HON. MR. McLEOD: — We will undertake to provide you with some detail of that.

Item 18 agreed to.

Items 19 and 20 agreed to.

Vote 13 agreed to.

CONSOLIDATED FUND BUDGETARY EXPENDITURE

SUPPLY AND SERVICES

Capital Expenditure – Vote 14

Item 1

MR. LUSNEY: — There's a fair increase in Advanced Education and Manpower. Could you give us some details? If you can't provide them right now, could you provide details at a later time then?

HON. MR. McLEOD: — Okay, I can . . . I'll just give you a run-down of some of the things – Regina, Wascana Institute of Applied Arts and Science, who have got a program for furniture; at STI, a roof repair at Moose Jaw; at STI, a generator; some expenditure at Kelsey, which I don't have the details right here, but . . . ; equipment repair depot, south, in Prince Albert; STI, a program, furniture; and La Ronge, some program, furniture as well, for some of the Advanced Education and Manpower programs there – for a total of 2887.

MR. LUSNEY: — Could you provide us with that list, Mr. Minister?

HON. MR. McLEOD: — I will undertake to . . . I'll send it over to you. Yes, we'll give you the list and the details of it.

Item 1 agreed to.

Item 2

MR. LUSNEY: — Item 2, Mr. Minister: again we have a \$2 million expenditure, which is \$2 million more than we had last year. There was no expenditure last year, under Health. Could you explain what the expenditure was this year?

HON. MR. McLEOD: — Well, Mr. Chairman, I would undertake just in the interests of time here . . . If we go down all the items on page 84 – Advanced Education and Manpower, Health, Highways and Transportation, whatever – I will undertake to provide the details to the member in each of those cases if it's your intention to go down and ask on each one of them. But I'll undertake to provide them all to you. There's no problem with that.

Item 2 agreed to.

April 16, 1984

Item 3

MR. KOSKIE: — Can you just give us a general explanation for the dramatic decrease there of just about \$1 million in Highways and Transportation?

HON. MR. McLEOD: — I will undertake to give you the details of each of them, but as it relates to the Highways, it's my understanding at this stage, although I don't have the exact thing here, but . . . Last year, it was a major project: the equipment repair depot at Yorkton, which was a major project of behalf of Highways, and it was in last year's expanded number. And this year, it's a smaller number because we don't have a project of that magnitude ongoing.

Item 3 agreed to.

Item 4

MR. KOSKIE: — . . . (inaudible) . . . For the Justice, could you indicate the location, also, of where the expenditures are going to be made? . . . (inaudible interjection) . . . Yes.

Item 4 agreed to.

Items 5 to 7 inclusive agreed to.

Item 8

MR. LUSNEY: — Mr. Minister, on item 8, the buildings . . . when were these buildings purchased? Could you provide that information? If you don't have it at this point: when they were purchased; what the cost of them was; the total cost of the buildings.

HON. MR. McLEOD: — We'll provide the date to you, but it's . . . I believe we've owned it for five months in the Supply and Services. It's been under the purview of our department for about five months, but we'll provide the exact date of the agreement to you.

Item 8 agreed to.

Vote 14 agreed to.

SUPPLEMENTARY ESTIMATES

CONSOLIDATED FUND BUDGETARY EXPENDITURE

SUPPLY AND SERVICES

Ordinary Expenditure – Vote 13

Item 1

MR. LUSNEY: — Mr. Minister, could you indicate the expenditures much the same as you're going to do no capital expenditures, and tell us, give us the information all in one lump sum then?

HON. MR. McLEOD: — We'll undertake to provide that over to you. We'll give you the package as it relates to the page 7, the ordinary expenditure under supplementary estimates.

Item 1 agreed to.

Item 2 agreed to.

Vote 13 agreed to.

SPECIAL PROJECTS FUND BUDGETARY EXPENDITURE

SUPPLY AND SERVICES

Capital Expenditure – Vote 14

Item 1

MR. LUSNEY: — Mr. Minister, when will the completion date . . . When is the proposed completion date of this building?

HON. MR. McLEOD: — Was the question the completion date of the institute at Prince Albert? The aim is for September of 1986.

MR. KOSKIE: — Mr. Minister, can you indicate the number of spaces that will be made available, additional spaces? Well, I mean, it's under your . . . You look after . . . Well, the building I thought, would be built to a certain number of spaces.

HON. MR. McLEOD: — Mr. Chairman, the member is quite right in saying that we provide the building, but we provide that building for Advanced Education and Manpower, from which to conduct their programs. It's not up to us whether or not they conduct a night school and a day school or have classes that . . . how many hours between classes, all those things. So that's a question much better directed to Advanced Ed and Manpower, which you can get to within about a few minutes from now.

MR. KOSKIE: — That's fine. I would have thought that if you were looking after the plan; that you would have, in fact, discussed it with the Department of Advanced Education and Manpower, and you would know the details in respect to that particular building. But I can, of course, get it from there. I would have thought you'd have it.

HON. MR. McLEOD: — You get it from there. The preliminary plans that we do with the others indicates something in the order of 632 space, but I think if you're going to approach the program in fairness, it would be best placed there. But we have 632 as a number that we dealt with.

MR. LUSNEY: — Mr. Minister, what will the total cost of the institute be when it's completed?

HON. MR. McLEOD: — \$22,254,300.

Item 1 agreed to.

Vote 14 agreed to.

SASKATCHEWAN HERITAGE FUND BUDGETARY EXPENDITURE

SUPPLY AND SERVICES

Provincial Development Expenditure – Vote 14

Item 1

MR. LUSNEY: — Mr. Minister, park facilities development – Cypress Hills, Could you give us a breakdown on what this expenditure is going to be for?

April 16, 1984

HON. MR. McLEOD: — The major expenditure there is a new swimming pool and change room at Cypress Hills Provincial Park which we're pleased to be able to say that it's finally going to be built now that this new administration is in place.

Item 1 agreed to.

Vote 14 agreed to.

SUPPLEMENTARY ESTIMATES

SASKATCHEWAN HERITAGE FUND BUDGETARY EXPENDITURE

SUPPLY AND SERVICES

Provincial Development Expenditure – Vote 14

Item 1

MR. LUSNEY: — Mr. Minister, to save time could you just give us a breakdown like you agreed to do before?

HON. MR. McLEOD: — Yes, we'll undertake to do that, Mr. Chairman.

Item 1 agreed to.

Item 2 agreed to.

Vote 14 agreed to.

MR. CHAIRMAN: — I'd like to thank the minister and his officials.

HON. MR. McLEOD: — Thank you, Mr. Chairman. I would as well like to thank the people who came to assist me with this. And as I said many times during the estimates, I have good confidence and great confidence in the senior officials in the Department of Supply and Services. And their performance here showed exactly why.

MR. KOSKIE: — Yes, Mr. Chairman, we, too, would like to join with the minister in thanking his officials for providing the information to the minister.

CONSOLIDATED FUND BUDGETARY EXPENDITURE

ADVANCED EDUCATION AND MANPOWER

Ordinary Expenditure – Vote 5

Item 1

MR. CHAIRMAN: — Would the Minister introduce his officials?

HON. MR. MAXWELL: — Good evening, Mr. Chairman. Thank you. Hon. members, to my right, the acting deputy minister Advanced Education and manpower, John Law; immediately seated behind me is Dave Murray, assistant deputy minister, manpower division; to his right, behind my deputy minister, is Ed Evancio, assistant deputy minister education; and Henry Kutarna on my left.

MR. KOSKIE: — I have waited with patience to enter these estimates, Mr. Chairman, Mr.

Minister. And what I would ask you to do in respect to post-secondary education is to give an outline or an objective review of, in respect to the universities, what particular problem areas you see, and any new particular direction that you would like the universities to be adopting in the future. I'd like just a sort of a general statement of your philosophy in dealing with the higher education institutions and in particular, in this instance, the universities.

HON. MR. MAXWELL: — Mr. Chairman, in reply to the hon. member, he's asking about a particular philosophy towards the universities and how I feel, or perhaps how my department feels, towards universities. I would indicate to the hon. member that nothing has changed over the last few years in terms of funding and towards universities except, of course, that we have been increasing funding. We haven't gone on any policy of reducing funding to universities. Our relationship with the universities hasn't changed. The universities, as the hon. member knows, is governed on the bicameral system, by the board of governors and the senate of the university. Our relationship has not changed.

MR. KOSKIE: — Well I imagine that the relationship hasn't changed in your view. Have you had discussions with the university, and have you discussed with them any of the concerns which the universities may have addressed to the Minister of Education?

Since you, Mr. Minister, have indicated that apparently all is rosy, I would like you to address some of the concerns, then, that have been put forward by the university community, vis-à-vis the funding, vis-à-vis the aspect of capital expenditure, and vis-à-vis the increase in student enrolment.

Could you indicate some of the concerns that have been brought to your attention, or have you not received any concerns?

HON. MR. MAXWELL: — Thank you, sir, for the opportunity to respond in a little more detail. Yes, I have several meetings with boards of governors of universities, Mr. Chairman. The last one was with each of the board of governors of our two universities a day following the budget. And that was the last meeting I had, which is what some two weeks ago or so.

Before that we'd met on several occasions. I've met with individual faculty members. I've met with both of the presidents. I've met with some of their officials, both in my office, and at the two universities to identify particular problems.

I could quote several things to you. The hon. member said something about indicating all was rosy. Well, all is not rosy, for several reasons. Perhaps I could quote a letter I received from Lloyd Barber, president of the University of Regina. After our earliest meeting, after I assumed this particular portfolio, he said:

Dear Colin. My sincere thanks for a most pleasant and productive first meeting. I came away with an enthusiastic feeling. I like where you are coming from. I like what you want to do, and will do my best to help you get there.

Given the nature necessarily of a university, it may not always appear that we are trying to do our best to help, and it would be a "two moon Friday" if everyone in a university agreed on anything. Despite these institutional limitations, we will do our best to help.

I'll end the quotes there, except just a parting piece from the president. He says: "I look forward with enthusiasm to working with you."

I share that enthusiasm and the respect I have for Dr. Barber. He has outlined to me several problems they have with mounting enrolments, and they've felt there's been some squeeze on space at the university.

That's probably the type of thing to which the hon. member from Quill Lakes is referring.

MR. KOSKIE: — I wonder, that letter must have been written after the first meeting with you, because the comments from Dr. Barber since seem to clearly indicate that where you're coming from, and what you are proposing to do has not really satisfied the demands at the University of Regina.

But I would have thought that the — I would have thought that the minister — have you had an opportunity to review the . . . Since the budget you indicated you met with the respective presidents of the university, and I was wondering whether you could indicate, not necessarily the confidence of what was indicated, but . . . do you get the feeling that the two universities, that's the University of Saskatchewan and the University of Regina, are satisfied with the basic funding that you have provided to those institutions?

HON. MR. MAXWELL: — I don't believe it'd be breaching any confidence to discuss with the members of the Legislature here what exactly took place at our meetings. So I have really no hesitation, hon. member from Quill Lakes, in telling you in a frank manner the tone of our discussion. And yes, we did discuss money, and I would like to point out to the hon. member that in a pre-budget exercise conducted by the University of Regina last fall, they budgeted for a 4 per cent incremental increase, Mr. Chairman, across the board — and in fact they received 5 per cent.

And the University of Saskatchewan in Saskatoon . . . The president there conducted a pre-budget exercise where he instructed his deans and department heads to project a budget that would be a decrease over last year's spending of 4 per cent. He, in fact, received an increase of 5 per cent; the net difference was 9 per cent.

MR. KOSKIE: — Well last year, very shortly after you brought down the budget of this government, what was necessary is to give supplemental increases to both the universities. I think at the . . . they agreed — the government agreed to an extra 800,000 to the universities to compensate them for severe, severe enrolment and cost pressures.

Is it, in fact, true that the budget has been brought down only a few weeks ago, and that now you are in the process of re-examining that? And have you provided any supplement to the universities since the budget was brought down?

HON. MR. MAXWELL: — No, we have provided no supplement to the universities, Mr. Chairman, since the budget was brought down.

MR. KOSKIE: — Have you had any requests for supplementary funding to the universities? Because certainly the crisis at the University of Regina is alluded to by the president of the university. He seems to indicate that the university is going to run another huge deficit. And I wonder in light of the fact that deficits are being built up, how do you expect the universities to be able to pay off these deficits and if the government is not, in fact, providing sufficient funds?

HON. MR. MAXWELL: — Mr. Chairman, I should point out that at the University of Saskatchewan the situation is: the board of governors has directed their administration that they have to come in this year on a balanced budget. And the situation with the University of Regina: I suggest to the hon. member that we check section 63 of the university act before we talk too much further about deficits.

And I have not been contacted directly, unless there is something in the mail, or a call of which I am not aware right now from the University of Regina regarding supplements. Regarding supplements with the University of Saskatchewan I believe a call was received at my office today asking for a meeting some time next week to take a look at their situation. And naturally, I

am, as always, prepared to meet with the administration or the boards of either universities at our earliest possible convenience when asked to do so.

MR. KOSKIE: — Mr. Minister, the problem that is developing, as I see it, is that last year there was insufficient funding, and then the government brought in a supplemental payment. The position here, this year, is one in which the reports from the president of the University of Regina indicates that they're in a very, very difficult position.

He's indicating difficulty in so far as equipment is concerned, and I'm not placing all of this on you. You've only been there for the one year. But he's also indicating that there was a deficit last year, and I don't know if his report is inaccurate or not, but indicating that there will likely have to be another deficit this year. Are you saying that there was no deficit last year at the University of Regina, contrary to what the president was saying?

HON. MR. MAXWELL: — Mr. Chairman, in response to the hon. member, I am advised it was a budget shortfall carry-over of approximately three-quarters of a million dollars at University of Regina. And if I may just say something about that, "Capital and equipment expenditures delayed for up to a decade have placed physical limits on the efforts of staff to maintain the quality of education." It's a general comment — it's not my comment; it was made by Leo Kristjansson, president at U of S, and it was made some time prior to my taking this portfolio over.

MR. KOSKIE: — Well we're going to be so much more with your government, and I don't know why you want to go back to the past, because everything was great expectations when you assumed office. I want to draw your attention to the situation in Regina and to quote to you a few of the words of the president, and the headline is: "The University is in a State of Near Bankruptcy."

The University of Regina is in a state of near bankruptcy. University president Lloyd Barber said Tuesday, "If we were in business, we'd be in bankruptcy." Barber said at a news conference. "The institution (just a moment) the institution will need 7.5 to 8 per cent financing increase to balance the 1984-85 budget."

And in view of statements by Dr. Barber, and in view of the very limited operating grants that you have provided, how do you expect the University of Regina, we're talking about, to continue to provide first class education and quality education to the students who are attending?

HON. MR. MAXWELL: — Mr. Chairman, I want to indicate to the hon. member that we provide, almost without exception, our funding to the universities on an unconditional basis. We provide funding and then leave it to the university to determine the appropriate use of those financial resources, in terms of teaching, research, community service, or whatever.

Mr. Chairman, these are not my words, although they echo entirely the sentiment I feel towards university funding. These words belong to a one Doug McArthur, and they are found in May 26, 1980 *Hansard*, on page 3538. I think it rather sums up the attitude towards funding in general towards the universities, Mr. Chairman.

MR. KOSKIE: — Well is it your position, Mr. Minister, that the funding that you have provided in operation grants to the universities is sufficient for operation of a quality university during the current year, that you have provided funds in the 1984-85 budget? Are you expressing a view that this is adequate funding to the respective universities?

HON. MR. MAXWELL: — Mr. Chairman, without waiting for my officials to look up numbers, I can say in the last year of the NDP administration, operating grants to universities were \$100 million per annum. This year will be \$132.5 million. That's a \$32.5 million increase, and that's an awful lot of money no matter how you slice it, and how you look at it, Mr. Chairman.

One comment. I'm sorry, could I just add to that please? I was going to comment on what you'd said about Dr. Barber's remarks, and needing something in the order of 7.5 or 8 per cent. That comment was made by the good president about one week before the budget came down. He had already done his budget exercise – incremented a 4 per cent across the board last fall. Dr. Barber has my utmost respect as a politician, and as a good politician should, he set the scene before the budget – that the university was going to need a lot more money. No matter how much money came up in the grant, they were going to need more. I expect no less of Dr. Barber as a good politician.

MR. KOSKIE: — Well, are you indicating to this House, that the comments of Dr. Barber are politically motivated – acting as a politician rather than a concerned president of the university – when he makes the statements that he has, and the very deep concern that his university is at the stage of almost being bankrupt? And here you sit and indicate that the president of the university is just playing politics. I want to specifically ask you . . .

AN HON. MEMBER: — Go ahead.

MR. KOSKIE: — I will go ahead, and I don't 'need the member from no constituency there, that no-name member from Moosomin.

I want to indicate or ask you: are you disagreeing with the basic concerns that have been expressed by Dr. Barber? Are you disagreeing with the basic concern that is being expressed by Dr. Barber?

HON. MR. McLEOD: — Mr. Chairman, I'd like to indicate that I said earlier that I have the utmost respect for Dr. Barber. And notwithstanding the small exchange I'm having with the hon. member – for whom I also have a great deal of respect, Mr. Chairman – notwithstanding that, I'm making no criticism of the good president of the University of Regina. When I say he's a good politician, he is. He's an astute politician. He's a respected president across this country. I have no criticism whatsoever to make of the president of the University of Regina.

I should point out, when we're talking about funding and grant increases it might be a good idea to put this in context and take a look at what's actually been happening across the country. In Saskatchewan, as we know, we increased our operating grants to universities this year by 4 per cent. Manitoba is anticipating a 3 per cent increase – and that, I say, is anticipated; it's not certain. Alberta was a 0 per cent increase – there was no increase in operating grants in Alberta. British Columbia was minus five, in other words it's 5 per cent lower than it was last year. Saskatchewan: plus 4 per cent.

As I say, in the years since we've been in office, Mr. Chairman, there's \$32.5 million more for operating grants to universities than there was in the last year of the NDP administration.

MR. KOSKIE: — I'd like to remind you that in the last budget that we brought down – and which was copied by your government – in March of 1982, there was something like 17.5 per cent increase for the universities. This is the further concern here, Mr. Minister: "The University Teachers Attack Lack of Funding." And this is what they're saying:

"Saskatchewan university students are getting poor instruction because the provincial government hasn't been giving universities adequate funds," Saskatchewan university teachers said Tuesday. Alec MacDonald, a professor at the University of Regina, and vice-president of the Saskatchewan Association of University Teachers, said faculty and students are making do with old, faulty, and obsolete equipment and unsafe facilities.

The 5 per cent increase in operating budgets of the universities this year, and the slight decrease

in the capital budgets, won't help restore deteriorating university buildings such as university Darke Hall, or replace equipment like Regina's electron microscopes. He says they're old – they're so old some visiting scientists have never seen the model before.

And what I'm asking you is: here is the time, when the number of students are attending university has increased very dramatically over the past two or three years. And there's a very, very limited opportunity for jobs during the recession – although we claim in Saskatchewan, or at least the government claims, we never participated.

But many young people don't have an option of finding a job, and so many of them have gone to university, with the hope that in the future there may be a turn-around in the economy, and this investment which they're making for their future, of becoming educated.

Certainly, Mr. Minister, how can you short-change the young people of this province by so drastically decreasing the quality of the education which is being provided at the universities?

HON. MR. MAXWELL: — I'm not so sure, Mr. Chairman, that I can follow the logic of the argument employed by the hon. member, in somehow saying that the government is responsible for decreasing the quality of education when we have, in actual fact, increased the amounts of money given to universities substantially over our three budgets.

I'm also not sure, Mr. Chairman, that we, in effect, as a government, have any control over, to quote the hon. member – and I believe I'm being accurate here: “the quality of instruction.” The quality of instruction is certainly outwith, is certainly outwith the domain of government. And I, as Minister, would never presume to interfere in the internal administration or dealings of the university.

You mention Mr. MacDonald. I just, just recalled I had a letter addressed to me.

Dear Mr. Maxwell: On behalf of Mr. Alex MacDonald and myself, I wish to thank you for taking time to meet with us to discuss matters of concern pertaining to problems and challenges at our universities.

We appreciated the candour of your questions and comments, and hope there will be further opportunities to discuss and search for acceptable solutions to those problems and challenges.

We thank you for the interview.

That was prior to Christmas, Mr. Chairman, and yes, I'd be more than pleased to meet the gentleman again. The gentleman who signed it is T.D. Regehr, president, SAUT (Saskatchewan Association of University Teachers), and we have met subsequently.

MR. KOSKIE: — Mr. Minister, the attitude that you're taking here in the House is sort of like the attitude that you take when you go to the university, where you go and you have a confrontation and make accusations, as you did, that they weren't properly utilizing the space because one room in the campus was empty as you walked by – somewhat of a total lack of appreciation of the institution of the university. And obviously you got yourself into a lot of problems in the relationship with the university faculties.

But what I want to ask: if the minister . . . Again I'm asking you: do you think, in view of the increasing enrolments and the pressure on the universities, that the amount of fundings that you're providing this year is sufficient to give quality education? I want your opinion on it, whether you think, in fact, there's going to be quality education.

Are you saying that the university teachers which attack the lack of funding . . . If you see what

April 16, 1984

the president of the University of Regina has said – that the university is in a state of near bankruptcy – I'd like you to, in view of those statements in the concern of those in the field of education, to somehow justify to this House, to the people of Saskatchewan, that you are in fact providing sufficient funding to give a quality education at the universities.

HON. MR. MAXWELL: — Mr. Chairman, the hon. member has touched on, I think, two or three issues there. One was to do with utilization of space, and I guess you referred to some comment attributed to me about I walked through the university one day and noticed that there were a lot of empty class-rooms, or something like that. I'm paraphrasing that.

I'd like to point out to the hon. member that I was on the faculty of education of the University of Regina for approximately three years, and I have some knowledge of the workings of a university and some appreciation for the role of a university and for the role of the faculty. And I'm well aware, Mr. Chairman, as I know the hon. member also is well aware, that are more facets to being a university professor than teaching. There are other facets to the role.

The one specific that was raised was utilization of space. The utilization to which the hon. member referred was on a Wednesday, I believe, which was one of the days I happened to have been through there, which was one of the light teaching load days in the university. And I do have, if the hon. member is interested, and I can break it down for him, the utilization of the class-rooms – the percentage of utilization by teaching hour of the day – if that's particularly what he wanted. And we can show that overall utilization works out as something like 70 per cent of the available space on the university campus.

MR. KOSKIE: — I did direct a question to you and I want your opinion as to whether you think the funding that you're providing is indeed providing an adequate standard of education for our young people at the two universities.

HON. MR. MAXWELL: — Yes I'd be pleased to comment on that. The faculty complement has not changed significantly over the last two or three years at the University of Regina. The number of students has, in fact, increased.

I do recall in the early days of the administration, their talking about being under-studented at the university for the size of their faculties at that time. So I guess the conclusion is that the campus which was built – and I compliment you on being built under your administration – for some 10,000 students is rapidly approaching the 10,000 student point, with a faculty complement considered to be adequate for the number of students.

So I would say yes. I would have to say that I think I have confidence in the administration. I have confidence in the faculties, and I think they are capable of delivering a sound and good education for the youth of Saskatchewan. And not always the youth, those who are not so young, as I was when I did my other degree at the University of Regina.

MR. KOSKIE: — Well, Madam Minister, or Mr. Minister. Mr. Minister, I want to point to what is happening on the campuses, and that is that there is a necessity by the universities to continue to increase the tuition fees.

This is a very serious imposition on the students during this here recession. As the hon. member will know, minister will know, that more and more students are, in fact, taking out student loans and increasing in the amount of the bursaries paid out by the government. All of which is an indication that many of our young people are not able to get adequate jobs, as in the past, to earn sufficient to pay for their education and now are resorting to having to go through student loans. And many of them are leaving the institutions with a very, very substantial indebtedness and very little hope, immediate hope, of obtaining employment in their particular field.

And what is happening is that there have been substantial increases in the tuition fees, and this is

a concern to the students. And I think it should be a concern to the students. And I think it should be a concern to you, Mr. Minister, that at a time when it's most difficult for the young people to pay for their education, that indeed the inadequacy of your funding is requiring many of the universities to, in fact, increase their tuitions.

And I would have hoped that the minister would take a look at it, because this is a very serious situation. And I wonder: will he not admit that forcing the universities to increase the tuition fees at this time really is an indication that the amount of funding from the government is basically insufficient?

HON. MR. MAXWELL: — Once again, Mr. Chairman, the hon. member has touched on two or three points. I'll attempt to address a couple of points just now. There's no doubt in my mind you will remind me if I've forgotten to touch on a couple.

You mentioned student fees. Yes, the student fees as announced have been increased for the next academic year. Mr. Chairman, this is a prerogative of the board of governors of the two universities. It's part of academic freedom. They set the tuition fees, and they do so without necessarily consulting with this minister, this government, or the cabinet, on what we think level of fees should be for the next year.

So this is their prerogative; this is their business. It is not for me to question or to criticize their decision. But I think we should get the student fee increase in context in terms of what is happening elsewhere.

Now we mentioned British Columbia is experiencing a 5 per cent cut in funding to the universities. And this is coupled with, Mr. Chairman, approximately a 30 per cent increase in student fees. So, B.C. — a 5 per cent cut in operating, a 30 per cent increase in tuition fee.

Alberta, zero. Alberta is a zero increase in grant to universities, and it looks like something in the order of approximately a 30 per cent increase in tuition fees.

Manitoba looks like a 3 per cent increase in the grant, and the student fees have not yet been set by the board of governors.

In Saskatchewan, we're looking at a 4 per cent increase in the grants to the universities. The boards of governors have elected to increase the tuition fees in Regina by 9.3 per cent, which works out to be \$88 per year for a student taking a full load of classes. In Saskatoon, it is 8 per cent increase, Mr. Chairman, which works out to approximately \$75 per year increase to a student taking a full load of classes.

MR. KOSKIE: — Could I ask the minister to indicate what are the sources of revenue that the universities have, other than the grants? Would you indicate in your view, what are their sources of . . . ?

HON. MR. MAXWELL: — Other than the grant, there's the tuition fee, and there's directed funded research project, and private funds, foundations, that type of thing.

I would say that the funding the government gives the two universities — it varies slightly between our two universities, as I'm sure the hon. member is aware — accounts for something in the order of between 83, 88 per cent of the total funds they receive.

MR. KOSKIE: — That's exactly the point. When you indicate that the universities have very limited ability to provide, or generate revenue for themselves . . . And what you have done, obviously, is by underfunding, is forced the universities into increasing the tuition fees. And I think it's awful simple for you just to sit back and say, "Well, I'm not going to dictate to the universities." But I think it's very, very clear, and it's directly related to the amount of funding, Mr. Minister.

Would you not agree that if your funding were indeed more adequate, that the likelihood of having to increase tuition fees would be less? The universities, by the very admissions that have indicated that they needed 7.5 to 8 per cent increase to be able to provide the same form of education or quality as they had last year. Those are the words of the president of the university. You seemed to mock the presentation that's put forward by the university.

You indicated that you took . . . you destroyed . . . you destroyed or your government destroyed the university commission, which was a go-between the negotiations of directly with the government and the universities, indicating that the relationship would be improved if you did away with the university commission and accordingly dealt directly with the universities.

Now, what you're saying is, what you're simply saying is, "I have provided X number of dollars and that the universities can do what they want with it, but that's it." And you've admitted it, that the only source, real source that they have is tuition fees.

And are you not here again another indication, just as it was in the Education estimates, what is happening is that there's a transfer of the cost of education onto the students. And the old principle of the user-pay philosophy of the Tories. And I want to ask you, Mr. Minister, I think that you have to, indeed, take the full responsibility – the full responsibility – for having the university tuition fees increased as they have been during the past year because of the lack of funding.

HON. MR. MAXWELL: — Mr. Chairman, first of all, I apologize to hon. member. I may have misled you with a figure I gave earlier out. It's one I gave off the top of my head. Perhaps I should have checked first. In actual fact, the grants support to University of Saskatchewan would be in the order of 72 per cent; University of Regina was 83 per cent. That was one of the figures I had quoted.

The tuition recovery rate, as a percentage of operating of university, is approximately 12 per cent. The hon. member indicated that it looked like somehow we were pushing this recovery rate up. I should point out that at one time, going back some number of years, the recovery rate was 30 per cent from tuition fees.

MR. KOSKIE: — Mr. Minister, your relationship with the universities has been marred since you have taken over the portfolio. I think that at the beginning of your ministry that you did, in fact, have a competent deputy minister in the name of Mr. Gil Johnson. And Mr. Gil Johnson had been working closely with the universities; was, in fact, doing a consultation, a co-operative approach to meeting the basic problems that were confronting both government and the university, but indeed isolating the areas that had to be dealt with. And it's my understanding that considerable progress had been made.

And it was you, Mr. Minister, in your flamboyant way, decided that that was not the course that you were going to take. And indeed, what happened is that in midstream, in order to put forward your underfunding arrangements with the university, is it not true that Mr. Gil Johnson had to be sacrificed? In other words, I'm asking you why, during the period of critical negotiations which had been carried on, did you see fit to dispose of Mr. Gil Johnson, who had, in my understanding, a very good working relationship with the respective universities?

HON. MR. MAXWELL: — A couple of points for the hon. member's edification: he said somehow that my relationship is marred ii I think we should just carry on. We're doing so well here; I think we can finish by about 3 a.m.

He said somehow it'd been marred. I'm not exactly certain what that means. I was aware of one newspaper report that forgot to put the correct punctuation marks in place, and a reaction by a few faculty members.

However, what the hon. member has led into is an entirely separate issue. And he said that I'd had a very competent deputy minister. Mr. Chairman, I'd like to point out to you I think I still have a very competent deputy minister, and a very competent executive director of university affairs, and two competent assistant deputy ministers. And under the previous deputy, the funding to which you alluded was guide-lined; the funding to which you subsequently alluded, under my new deputy, is guide-lined.

The committee reported progress.

The Assembly adjourned at 10:04 p.m.