

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

ORAL QUESTIONS

Mr. Speaker: — By special order of this House, oral questions will be at 2 p.m.

INTRODUCTION OF BILLS

Bill No. 56 - An Act to amend The Litter Control Act

Hon. Mr. Swan: — Mr. Speaker, I move first reading of a Bill to amend The Litter Control Act.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

Bill No. 57 - An Act to repeal The Scrap Vehicles Act

Hon. Mr. Swan: — Mr. Speaker, I move first reading of a Bill to repeal The Scrap Vehicles Act.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

Bill No. 58 — An Act respecting the repeal of The Agricultural Research Funding Act

Hon. Mr. Hepworth: — Mr. Speaker, I move that a Bill respecting the repeal of The Agricultural Research Funding Act be now introduced and read the first time.

Motion agreed to and, by leave of the Assembly, the Bill ordered to be referred to the Standing Committee on Non-controversial Bills.

Bill No. 59 — An Act to amend The Animal Protection Act

Hon. Mr. Hepworth: — Mr. Speaker, I move first reading of a Bill to amend The Animal Protection Act.

Motion agreed to and, by leave of the Assembly, the Bill ordered to be referred to the Standing Committee on Non-Controversial Bills.

Bill No. 60 — An Act to amend The Forest Act

Hon. Mr. Maxwell: — Thank you, Mr. Speaker. Mr. Speaker, I beg to inform the Assembly that His Honour the Lieutenant Governor, having been informed of the subject matter of the Bill, recommends it to the consideration of the Assembly. And I move that a Bill, An Act to amend The Forest Act, be now introduced and read the first time.

Motion agreed to and, by leave of the Assembly, the Bill ordered to be referred to the Standing Committee on Non-Controversial Bills.

Bill No. 61 — An Act to amend The Department of Parks and Renewable Resources Act

Hon. Mr. Maxwell: — Mr. Speaker, I beg to inform the Assembly that His Honour the Lieutenant Governor, having been informed of the subject matter of the Bill, recommends it to the consideration of the Assembly. And I move that a Bill, An Act to amend The Department of Parks and Renewable Resources Act, be now introduced and read the first time.

Motion agreed to and, by leave of the Assembly, the Bill ordered to be referred to the Standing Committee on Non-Controversial Bills.

Bill No. 62 — An Act respecting the Saskatchewan Property Management Corporation

Hon. Mr. Taylor: — Mr. Speaker, I beg to inform the Assembly that His Honour the Lieutenant Governor, having been informed of the subject matter of the Bill, recommends it to the consideration of the Assembly.

And I move that a Bill, An Act respecting the Saskatchewan Property Management Corporation be now introduced and read for the first time.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Saskatchewan Housing Corporation Ordinary Expenditure - Vote 51

Item 1 (continued)

Mr. Solomon: — Thank you, Mr. Chairman. The Regina North West member is standing up and asking questions in estimates on the Saskatchewan Housing Corporation.

I want to inform members that I'm going to try and get through the estimates in the Saskatchewan Housing Corporation in fairly quick time this morning. We're, as you probably are aware, celebrating the nomination of the New Democratic Party candidate in Saskatoon Eastview. Last night . . .

Some Hon. Members: Hear, hear!

Mr. Solomon: — On behalf of my colleagues, I want to congratulate Bob Pringle, our candidate, who was nominated at a convention last night at Walter Murray Collegiate. And there were about 600 people there, and think what the message was from that nominating convention was that we want to see, and the people of Eastview want to see, a by-election called as soon as possible. They are sick and tired of waiting for the Premier to call a by-election because of reasons that are unknown to the people of this province.

But, Mr. Chairman, I want to ask the minister a question

with regard to housing in Regina. The city of Regina has expressed interest and concern in being involved in the planning and delivery of public housing programs in Regina. And I'm referring to a letter which I believe the president of the Saskatchewan Housing Corporation received a copy of, dated July 10, '87, from the mayor, Mayor Schneider. And I quote from the letter:

We have recently been advised by several sources that the Saskatchewan Housing Corporation may be preparing to privatize several public housing units at a time when the demand is high for such units. We would ask that the city of Regina be an integral part of any discussions prior to such a move proceeding.

I ask the minister if he can confirm the receipt of this letter and provide a response with respect to SHC's involvement with the city of Regina in providing some additional public housing units?

Hon. Mr. Klein: — Mr. Chairman, first of all I guess I should refer to that, as he did, his little preamble. And you know, typically, he expects us to believe his numbers again, and he mentioned that there were 600 people at that glorious nominating convention.

Some Hon. Members: Hear, hear!

Hon. Mr. Klein: — And I understand that the full NDP caucus was there, so they were part of the 600, because according to the media report this morning, there were less than 200 votes — less than 200 votes, and they're making a big deal out of it. Well less than 200 is kind of a joke. If that's the best that they can get to vote then, you know, maybe the Premier will call that by-election quickly. But in any event . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Klein: — Mr. Chairman, I'm really not sure what the member just asked. I will say this: this department is one of the few in government that is scrutinized very thoroughly. It's discussed in Crown Corporations, it's then discussed in Public Accounts, and we then take it through estimates, as we're doing now.

Clearly, if the member is referring to questions that were responded to in Crown Corporations . . . I don't have the transcript with me. I'm not sure of his question, and I would suggest that we would leave that there and he move on to another question.

Mr. Solomon: — Was Marion Hodgins employed with your corporation in 1987 or 1986?

Hon. Mr. Klein: — Yes, she was employed in the property management division of the corporation.

Mr. Solomon: — What was her responsibilities?

Hon. Mr. Klein: — She was a senior manager of housing authority operations.

Mr. Solomon: — Did she have any involvement with Mandala Systems or the purchase or operation of the new

computer system that Sask Housing corporation purchased?

Hon. Mr. Klein: — Mr. Chairman, she would not have had any involvement at all in the purchase of the system. But because of her work, she certainly had involvement with connecting the local housing authorities into the system and the like . . . that her jurisdiction was.

Mr. Solomon: — So you're saying that Marion Hodgins had no involvement with the computer system and therefore no involvement with Mandala Systems Limited.

Hon. Mr. Klein: — Yes, that's right.

Mr. Solomon: — The reason I ask is because I have a letter addressed to Mr. Ron Sotski, the Saskatchewan Housing Corporation, Regina, December 17, '86. And in this letter — it's a four page letter — it indicates that the Mandala Systems Limited, which is stationed in Dartmouth, Nova Scotia, was the corporation that provided you with the programming and the software and some of the other hardware, I'm led to believe. It was a corporation purchased or at least operating out of Nova Scotia, setting up an operation in Saskatchewan as a result of their contract with Sask Housing Corporation.

And in the letter it identifies a Mr. Guy Hodgins, who has been hired as a full-time representative to serve the Saskatchewan Housing Corporation contract. I'm also informed that Mr. Guy Hodgins was married to Marion Hodgins, who worked at the Saskatchewan Housing corporation.

I'm wondering if the minister could explain this relationship and give his opinion as to whether this is a relationship that is healthy for the corporation; whether Marion Hodgins had any influence on the people that made the decision with respect to the computer; and whether or not she is involved with this operation, with the Mandala Systems Limited?

Hon. Mr. Klein: — Mr. Chairman, I can't explain the relationship between man and wife — that's up to them. If in fact that's true, I don't know about it. All I can tell you is this Marion Hodgins had absolutely nothing to do with the purchase of the system. It was a federal-provincial public tender. It used all the rules and regulations that apply to tenders, provincially-federally. And the lowest price got it.

So if there's hint of something going on there, two things: nothing did, number one; and number two, she wasn't even in a position to be able to sway an opinion, even it were a fact.

Mr. Solomon: — Don't you think it's an unusual happenstance that the corporation purchasing a large system like this would have a principal employee involved in the corporation who had a spouse that was involved with the successful corporation that got the tender.

Hon. Mr. Klein: — Mr. Chairman, I suppose if Marion Hodgins was in some senior position at the corporation, vice-president's level or something like that, the

allegations that the member is trying to get at might have some foundation. But this lady was not in any position at all to: number one, sway the opinion of the officials; number two, if in fact she was married to this gentleman that had anything to do with that corporation. I don't know; and number three, it followed public tender procedures that have been established by the federal-provincial government. It was a public tender. They were the lowest price and allegations along this line are simply absolutely misleading.

Mr. Solomon: — Well you're saying they're misleading. I'm trying to determine whether there's any relationship between the two individuals and the fact that the corporation purchased this computer. Can you tell us whether Marion Hodgins is still employed with the Saskatchewan Housing Corporation?

Hon. Mr. Klein: — Mr. Chairman, I can't . . . I can tell you that Marion Hodgins does no longer work for the corporation, that's number one. And number two, I'm not about to defend this lady, who I don't know, who had nothing to do with the purchase. And clearly when it's done along a tender line the way this was, there's just absolutely no foundation to what you're trying to hint at. And if there were, I'd be delighted to get into an argument with you, but I don't have to defend this person because it was just . . . it's really unfortunate she's being dragged into this.

Mr. Solomon: — Well it's not a matter of dragging anybody into it, Mr. Minister. The position I'm taking is I'm trying to obtain information with respect to this operation, and I'd appreciate some co-operation. Why was Marion Hodgins terminated, and when?

Hon. Mr. Klein: — Mr. Chairman, her position was abolished, is what it amounts to.

Mr. Solomon: — Her position was abolished; and for what reason?

Hon. Mr. Klein: — Mr. Chairman, the people of Saskatchewan look towards this government to provide the most efficient and the best management possible. The corporation over this last year has undergone dramatic changes. I'm pleased to work with these gentlemen. I enjoy working with them, as a matter of fact. They are my top officials at the corporation. The corporation has been streamlined. I think that my constituents in Regina South expect their member to operate this corporation the same way he would have operated any business that he would have been out in in past. And with the help of these talented men we're doing that.

So as we move to modernize our operation at Sask Housing, as we eliminate a duplication, as we transferred programs to the federal government and the like, all in the manner of efficiency and good management — none of the programs have been cut, simply been a transfer back to CMHC (Canada Mortgage and Housing Corporation) who is capable to deliver these programs — there were several positions at Sask Housing corporation that became redundant, and she happened to be in one of them.

Mr. Solomon: — Well at Crown Corporations, Minister, you'll recall that you confirmed the employment of one Nancy Consaul, who was hired from Dome Advertising, who happens to be the agency of record with the corporation and almost every other corporation and department of the government.

You confirmed as well that Sheila Hammond, who was employed by the corporation, or is employed by the corporation, was the president of the women's PC party.

You confirmed that Sid Dutchak was paid almost \$7,000 a month for providing advice, as your little helper, to do a report. And what I'd like to ask the minister is whether that report from Mr. Dutchak is available and, if it is, could you please table it for us?

Hon. Mr. Klein: — Mr. Chairman, this was brought up in Crown Corporations. Again I was questioned in the Assembly, and I indicated at that time that there was no report required by Mr. Dutchak for the job that he has done for us.

With regard to Dome Advertising, yes it is the agency of record for this government. We're very proud of that firm. They do an excellent job. They're well respected, not only in Saskatchewan but throughout Canada, indeed all of North America.

Sheila Hammond, yes, she was the president of the PC Women's Association — a very talented lady that brought an awful lot of expertise to her position at Sask Housing Corporation. If we want to get into patronage, if that's what we're talking about, I again refer, as I have before, to one Alex Taylor, a defeated NDP MLA, former NDP cabinet minister, who, unlike Mr. Dutchak, who I appointed for a term of 90 days to help us through a period of time when the corporation was involved in a very successful program and needed some direction, we were without a president until Mr. Little's appointment.

But in any event, Mr. Taylor, who was elected in 1971 in Kerrobert-Kindersley, defeated in 1975 in Kindersley, was appointed several times. And one: he was appointed to conduct a study for Sask Housing Corporation for the year 1981; he was paid \$48,000 a year plus \$4000 expenses — over \$52,000 to an ex-cabinet minister. What can I tell you.

Mr. Solomon: — I'd like to have the expenses for Sid Dutchak, and I'd also like to have a copy of the report. You indicated that you run your operation, your corporation, in an efficient manner. We start looking at some of the names of the people, the basis for efficiency is whether they carry a Conservative Party card. And I have a whole list of other names here.

I'd like to ask you if Ken Cheveldayoff is employed with the Saskatchewan Housing Corporation, and if so, what are his qualifications, what are his duties?

Hon. Mr. Klein: — As I mentioned several times before, Mr. Dutchak's employment was such that we did not require a written report from him. Regarding his expenses, we have nothing to hide. His expenses during that period, that included transportation,

accommodation, and meals, Mr. Chairman, amounted of \$1,943 — a far cry from the 4,200 that was paid to the NDP appointment. Mr. Cheveldayoff does not work for the Saskatchewan Housing Corporation.

Mr. Solomon: — Well the rates of pay of Mr. Dutchak is about \$84,000 a year, for someone who is your little helper, as you described him in the newspapers. You indicated in Crown corporations that he performed some duties and he put together a report, but you failed to say that you would go so far as to table the report.

I'm wondering if the minister could let us know whether he could table some report that Mr. Dutchak did for this \$7,000 a month. And can you confirm whether Mr. Ken Cheveldayoff worked for Saskatchewan Housing Corporation in the past 18 months?

Hon. Mr. Klein: — Mr. Chairman, no, Mr. Cheveldayoff has not been in the employ of Sask Housing Corporation in the last 18 months.

As I explained several times before — and this is really, in my mind, unnecessary questioning — I did not require a written report from Mr. Dutchak. He was employed to help me operate the corporation when it was without a president. I mean, everybody has to understand that you need a leader. He was aware of the programs; he was aware of all the management at the corporation.

And as far as referring him to my little helper is concerned, I don't have to tell the members opposite and the people at large, I take a lot of ribbing for the size of myself, so when I'm in a position to finally dish it back and say I've got a little helper, I hope that people understand exactly what I'm saying.

(1030)

Mr. Solomon: — We don't know what you're saying, that's the problem. I don't think that has anything to do with your size.

Mr. Chairman, can the minister confirm whether Ken Cheveldayoff had a contract, any financial arrangement with the Saskatchewan Housing Corporation in the last 24 months, if he wasn't employed directly?

But I want to also make a comment while you're looking up that information, Mr. Minister. You indicated that Saskatchewan Housing Corporation was without a president and required leadership. But in Crown corporations you said that he was never acting president, he was never in any official status with the corporation, other than he was on contract as your little helper.

And I was wondering what a former defeated cabinet minister, the minister that was defeated as a result of his poor track record in his constituency, would be paid off at \$7,000 a month to be your little helper and not provide you with any advice. I'm wondering whether you could explain that for us, please?

Hon. Mr. Klein: — Mr. Chairman, I can tell you this. When Mr. Dutchak lost the election, the people of Prince Albert lost an excellent member. I can tell you that he had

a lot more than 200 people at his nomination as well. And yes, my little helper and I did run the Sask Housing Corporation, and I think that we've done a heck of a job with it.

And you're right, when I said that he provided leadership, he did. But I never did say that he was the president; I never did say that he was the acting president. I said he provided the leadership, and he did, so don't mix up the two. Clearly he was there to assist the minister in operating the corporation to provide the leadership to these talented people that are around me that were looking for leadership, and that took the corporation through a tenuous period of time when they did not have a president.

Mr. Little worked his way up through the ranks of the corporation, so you can't accuse that of being a political appointment. He is a professional civil servant that worked his way up through the ranks of the corporation to become appointed president of that corporation.

And as far as Mr. Dutchak's advice is concerned, we met regularly and we met daily. We didn't require massive amounts of paper and written report, because if you want to call it, and I'll use the phrase again, in our own little heads we were able to keep all this information together.

Mr. Solomon: — I was wondering if the minister has somebody else on staff defined as his little helper that's making \$7,000 a month, either being paid through Saskatchewan Housing Corporation or other facilities. Could you confirm that or deny that?

Hon. Mr. Klein: — Well you see, here's my little helper too, because the president is Mr. Larry Little, so I can call Little my little helper. And no, he's not getting \$7,000 a month, because through shrewd manipulation, and because he appreciated the fact of his promotion, he came cheap.

Mr. Solomon: — I'm wondering if you've been able to get the information regarding Ken Cheveldayoff. Can you confirm that, please?

Hon. Mr. Klein: — Yes, I'll . . . again, I don't mind telling you the truth about Mr. Cheveldayoff. Sure he worked for the government. And at the time that Mr. Dutchak was the minister, Mr. Cheveldayoff was his ministerial assistant. And he was employed from June of '85 to December of '85.

Mr. Solomon: — So we here we have finally somebody who will admit that Mr. Cheveldayoff was employed. And could you tell me, you indicated that he was a ministerial assistant, could you indicate what his duties were with the corporation, and what his salary was, please?

Hon. Mr. Klein: — Well, I suppose as far as his duties were concerned, I mean, you know, he would do the ordinary thing that a ministerial assistant would be required to do. For instance, when various people that use existing programs that the government have run into a problem, the ministerial . . . and come to the minister, the ministerial assistant will then take it through the

corporation and determine the problems and the like. And yes, during that employ, Mr. Cheveldayoff, his annual salary was \$28,236.

Mr. Solomon: — This is the same Ken Cheveldayoff, I'm informed, who was the president of the young PC party. I'm wondering if that is something the minister would acknowledge, or not. But before he does that, I'd like to ask him as well . . . I'd like to confirm actually whether JoAnn Emery is employed with the corporation, whether she was hired through a public competition, or whether she was appointed, and in what capacity and how much her salary is?

Hon. Mr. Klein: — Mr. Chairman, certainly Mr. Cheveldayoff had a connection with the PC youth party. And why should I be afraid to admit that. A minister, and an MLA, and you people, are elected representatives. You're supposed to be political. Surely you of all people understand that your ministerial assistants are hired, and a lot of times have political backgrounds. Why wouldn't they? And if they wouldn't, then I would challenge you, God help us if you ever got back into power 40 or 50 years, to retain the ministerial assistants that are on staff. I mean, you're asking nonsensical questions that even the people in the public understand, so we have nothing to fear by saying that.

But the other attack that you take on career civil servants such as JoAnn Emery, who is not in the employ of the corporation, who held a union job. And it's unfair that you attack a professional civil servant.

Mr. Solomon: — I apologize if the minister has received the wrong perception. I'm not attacking any civil servants.

I'm trying to make the point that some key positions in the housing corporation are appointed as a result of, not public competitions or not as a result of long lists of qualifications but in fact because they're members of the PC party. They're either president of women's association in the PC party, they're either president of the young PC operation, or in the case of JoAnn Emery, I'm informed she is related to an Emery that's employed by the Executive Council, who is the Premier's operation.

So jobs are obtained in your corporation, in some instances — not all — but in some instances, at an alarming rate, through their political connections and not through their qualifications, and I think the minister is aware of that.

And I'd like to know whether you can confirm whether Frank Loffler is employed in the corporation and in what capacity, and what are his qualifications?

Hon. Mr. Klein: — Mr. Chairman, the member is speaking about two or three or four people out of an employment factor of about 225 or 230 people. And I disagree that he's not attacking the civil service. He mentioned JoAnn Emery, who held a union job — unfair attack. We now have a new president who worked his way up through the system — obviously not a political appointment.

His colleagues, that I enjoy working with, that have been with the corporation for years, the top officials at the corporation — all true professional civil servants. Why do you continually take a run at these people? You're not being fair.

And then when you ask me to defend somebody that can't be here, that have absolutely . . . you've attacked two now that have had no connection with the innuendoes that you've been accusing them of unfairly. And they shouldn't be dragged about into this House, and I don't like talking about personnel.

Mr. Loffler, yes, he is employed by the Sask Housing Corporation, and he's a special assistant to the president.

Mr. Solomon: — And his qualifications?

Hon. Mr. Klein: — Mr. Loffler is well qualified for the position that he takes. He was in the private sector for 25 years, managing in a management position of a large national, perhaps international, corporation, and was involved directly with an internal budget in the millions and millions of dollars, as is the corporation. So when you get a gentleman like this that comes from the private sector with that kind of experience, I think that that stands well for itself.

Mr. Solomon: — Is this the same Frank Loffler that was employed on the staff on one Graham Taylor, who's a member of the Conservative Party and member of this legislature?

Hon. Mr. Klein: — And a minister as well, so let's do it all. Yes he is, and he provided a wealth of information to that minister. And with that background, when we needed him at the corporation with the wealth of experience and background and knowledge that he has, it only made eminent sense that he move over to this corporation to help fill in the holes that were over there and make that corporation work effectively.

Mr. Solomon: — I refer to information which was provided, Mr. Chairman, to us in the Crown Corporations Committee regarding the advertising of the home program. And for the record, the information that's been provided by Sask Housing Corporation indicates that in 1985 the total advertising budget of the Saskatchewan Housing Corporation, through Dome and other areas, was about \$45,500. In 1986, which was the launching of the home program just three short weeks prior to the call of the general election in this province, there was an expenditure of not 45,000 in that fiscal year, or that calendar year, but \$275,000.

On the home program alone there is an expenditure of \$221,000, and that expenditure took place as a result of a three-week media campaign by this government, authorized by this cabinet minister, or at least this Premier that we have in this Assembly. And I want to know whether the minister believes it's a fair expenditure of taxpayers' dollars when you spend \$221,000 in a three-week period leading up to an election campaign, promoting the Conservative Party across this province. I wonder if you think it's a fair expenditure, and I wonder if you have any comments with regard to whether the

Conservative Party should be making up this amount of taxpayers' dollars that's been spent to get this government re-elected.

Hon. Mr. Klein: — Mr. Chairman, I don't have a calculator with me, so that I can't calculate it into terms of percentage, but the home program has now created in the area of 6 or \$700 million worth of economic activity in this province. So certainly the expenditure of advertising is a necessary part of that.

And I would dare say that anybody in the private sector, if they could spend \$200,000 in advertising to do 5 or 6 or \$700 million worth of activity, would just be delighted to do that. And when you're entering a new program, you know, you've got to tell the people what it's all about and what it does.

I've got a list in front of me, that I can't make public at this time, that indicates names of people in this Assembly that have taken advantage of that program. Now this will be Public Accounts knowledge in a year or so, and it'll be interesting to see the hypocrites that we have on that side opposite.

Mr. Solomon: — So the Minister does not deny that this almost quarter of a million dollars was spent as a result of a political decision, not as a result of providing a well-organized, efficient program, — as he always refers to his mannerisms in government as efficient.

Now I think the home program that's been undertaken is not an efficient program. The claims that you make with regard to economic activity are questionable, at best. You indicate there are all kinds of jobs that are being created as a result of the home program, yet there are individuals that I'm aware of, at least some companies that are from outside this province, actually located outside this province, that are involved with some of the work in the home program.

(1045)

The government of . . . the Premier that we have here continues to talk about efficiency and what a great job-creation program that the home program is, yet when you look at the job statistics, we see that there are 2,000 fewer people working in this province from August '86 to '87; we see that the province is last or second last or third last in housing starts, when in previous years, in the late '70s and early '80s, we were always in the top five or six in percentage increases.

Can the Minister explain the discrepancies in these statistics, and can he also explain why the program allows out-of-province companies to participate in this program which is costing the taxpayers a lot of millions of dollars?

Hon. Mr. Klein: — Mr. Chairman, let's get something straight here. We agreed on these figures yesterday. Since July of '86 there's been an increase of over 7,000 jobs in the service sector, with another 2,000 in construction — even the member agreed to that — manufacturing was up over 1,000. Clearly it's doing its job.

This program is a program of partnership between a

government, between its people, and between its businesses. When you own a home, you must maintain it. Clearly that is what this program does. This government is committed to protecting families, to protecting our seniors. The home is the largest single investment that a family will ever make, Mr. Chairman, and this program is designed to help them maintain that big investment.

I have letter after letter that I received from the home repair industry. The home renovation industry is the most labour-intensive industry in North America, and the connection therefore between jobs, well-being, quality of life, is extremely obvious.

And I don't know why the members opposite keep blindly flailing away at the home program. All they have to do is go out on the streets and see what's happening. Over 190,000 people have taken advantage of this program, Mr. Chairman, 190,000 families are protecting and maintaining their homes as a result of this program, and yet they, the members opposite, knock it.

Why don't you go and tell the people that you disagree with it? Why don't you go and tell the people that have taken advantage of this program. Why don't you go and talk to some of your colleagues that have taken advantage of this program and ask them what they think about it and how they have used their money? This list will be public in a couple of years. It will be interesting to see the members that have taken advantage of this program.

Mr. Solomon: — I'm sure the people who have taken advantage of the program according to the regulations and rules and guide-lines set out are people that are not taking advantage of the program. They're exercising their right in this province to be involved with the program.

I'm sure we could go over the list of people in this Assembly who lived here during the course of the property improvement grant and find out who took advantage of that program. And I'll tell you there are . . . almost everybody in this Assembly who had any kind of property had the property improvement grant. And now what's happening is that this government has taken away the property improvement grant, which was an automatic annual grant to home owners which they used for the purpose of their house, for tax abatement, or for improvements.

And in my view this is no big bonus program. This is a program that is provided to the home owners of this province because their other programs were slashed and cut and eliminated and gutted. And I would ask the minister to compare the list of those who took advantage of the property improvement grant prior to its cancellation, and I can tell you, Mr. Minister, that the percentages would not match up at all.

But that's not the point. The point is the program is there. The program is attempting to create some sort of need or fill some need and create some jobs, but the problem we've got with it, Minister, is that it is an inefficient program that is wide open to abuse. It's wide open to abuse, and I quote. Here's one application that I have here, it's a copy of one, and it's from a swimming pool company in Medicine Hat, the estimate, and this is for

somebody in Swift Current. So what kind of a job does that create in this province? I have another one here for the supplying and installation of Colorado blue spruce. How does that improve the permanent nature of one's home?

Why should taxpayers have to pay for Jacuzzis and pools to those people that have a lot of resources and assets when you have the gall to gut the prescription drug plan which affects those that are ill and affects those that can't afford the program.

And you know, as well as every other member in this House, that when an individual becomes ill in your family, and you know this personally, Mr. Minister, that the most important thing to you is the better health of that individual in your family. You don't worry about Colorado blue spruce. You don't worry about a Jacuzzi. You worry about providing the best medical care for that family member.

And what you have done with this program has spent 50, 60, \$100 million a year — who knows; you don't even know — on a program to provide Colorado blue spruce to certain people, Jacuzzis and swimming pools and aprons for swimming pools when we have people in this province that are suffering because they can't afford drugs which are prescribed by doctors for the maintaining of their health. Can you explain that? Can you justify that?

Hon. Mr. Klein: — Mr. Chairman, that's just a ridiculous accusation. What a goofy argument. If you're trying to tell me that the people of this province can't afford their health over maintaining the cost of their homes, that's a ridiculous argument. They're going to do both. Surely we recognize that.

And then what about the people that have to spend their money on health care, regardless of what is in place at the time, and they have to do home repairs? Don't you think for a moment that they appreciate the fact that they can improve and beautify their homes and take advantage of a program that's in effect? And the big difference, I guess, between us . the big difference between us is that the property improvement grant did nothing for the economy. And the NDP say, here's the money and do with it what you want. We don't know what they did with it.

The beauty of this program versus that one is, we're saying, here, this isn't a grant, it's a partnership — the government, the people, the business community.

Now let's create some economic activity. Has it been created? yes, it has. And it shows up in the unemployment records. This government's unemployment record has continually been the best in Canada for the last five years. So we're not ashamed of the fact that his program . . . we're very proud of the fact that this program sparks the economic activity in this province.

And as I mentioned earlier, go out into the communities, talk to the business people, talk to the folks that have taken advantage of the program. The economic benefits are astronomical. Health is one thing; the home program

is another. Because you can take any of that argument to the extreme and it's ridiculous.

You can say, let's not build any more highways and put it into health; let's not do anything, and let's put it into health. One-third of the budget goes into health. How much more do you want? all the revenue that comes from the sales tax, all the revenue that comes from the income tax, all the revenues that comes from the resource industry, still doesn't cover the health care budget. We have spent more on health care. We have increased our health care expenditures by 63 per cent. So your argument is totally frivolous.

The Colorado blue spruce that you mention all the time — go tell that to the landscape people throughout this province that happen to sell Colorado blue spruce and many other plants for a living. Are you denying them, are you denying all those people in the landscape business a job? Yes, you are, with that attitude.

Jacuzzis and pools, swimming pools — very labour intensive. Are you denying all those people that work in the swimming pool industry, jobs? Yes, you are. And I'll tell you what, Mr. Chairman, if a \$1,500 grant sparks somebody into spending \$30,000 on a swimming pool, what's wrong with that.

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

Hon. Mr. Hodgins: — Mr. Chairman, if I could ask leave of the Assembly to introduce some guests, please.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Hodgins: — Mr. Chairman, I would like to introduce to the Assembly, and to you, Mr. Chairman, some guests we have in the west gallery. We have some members of the executive of the Yellowhead Highway Association who are in Regina this morning visiting with some of the ministers.

These executive people on the executive of the Yellowhead Highway Association have worked long and hard. We have had a very good year with respect to the Yellowhead association because of some additional funding from the federal government. And it's just my pleased to introduce to the Assembly, Alderman Donna Birkmaier from Saskatoon; Cecil MacKay, alderman from Lloydminster; and Jack Smith — all three executive of the Yellowhead Highway Association. And we welcome you here today.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Saskatchewan Housing Corporation Ordinary Expenditure - Vote 51

Item 1 (continued)

Mr. Solomon: — Thank you, Mr. Chairman. The minister

makes accusations that he doesn't know what happened with the money that was spent under the property improvement grant debates.

Well if you knew anything about economics, and maybe you should consult with your officials, that the disposable income that was generated with that grant was disposable income; the money went into businesses such as those that you were involved with in the past; people spent that money — in almost every case they used that money. And for every dollar that the government spends or generates in this province and this country, through the economic multiplier and the multiplier effect, that generates \$3 more. So on an annual basis there was money going to everybody, whether they be renters or home owners, to use with respect to their homes and their apartments, whether it was to purchase some capital good or renovate or to spend on something which they felt was important to them and the economy.

And what you have done, Minister, is you have now forced people working at low wages, minimum wage, 4.50 an hour, 4.75 an hour, \$5 an hour, to contribute to this government's operation so they can spend money for people like yourself and others to buy a Jacuzzi — who you don't really need a subsidy from these low-income people — so after a game of golf you can come home and relax in your Jacuzzi while these people are out there trying to make a living so they can pay for their darned drugs that you have jacked up in terms of prices . . . (inaudible interjection). . . jacked up is right.

Now I say to the minister, whether or not he feels that this program is an efficient program — you've indicated you run your operation in an efficient manner — but what are you doing in terms of efficiency with respect to gouging of senior citizens? What are you doing with respect to inspections after the completion of this grant? We'd like to know what kind of efficient system that you have in place to do this. Can you tell us?

Hon. Mr. Klein: — Mr. Chairman, I too would like to welcome my friends from the Yellowhead Highway Association. In my past portfolio I had occasion to work with them, and it's nice to see them again in the gallery.

I can tell you that of the millions of dollars that were spent by the NDP on their give-away of the property improvement grant, in the millions of dollars in business that I did while I was in the private sector, I didn't have the opportunity to cash one cheque from . . . that anybody came in. And I can tell you that of the cheques that are going out to the business community now, those involved in the renovation industry, those that sell carpeting, those that indeed sell landscaping, as those cheques keep rolling through and they see the beautiful partnership that exists between government, government and its people, government, its people, and its business community, I mean, what could be better?

And it's not a give-away because of the fact of this partnership, Mr. Chairman. The people get matching dollars from the government, so they're frugal with it, and they spend it on the best way to improve their home. Everybody in this partnership is a taxpayer. And if there are the families out there that want Jacuzzis for whatever

reason . . . and indeed in some instances, Mr. Chairman, Jacuzzis are really appreciated by the elderly for reasons of therapeutic value.

Oh, the members opposite holler that. Now I suppose that if he's saying that Jacuzzis and seniors don't go together, then I say, why are they included then in the housing programs that come along, of the non-profit corporations that put Jacuzzis in place that are part of the enriched housing program? Because they, even they . . . Is it the Alliance Church that has the Jacuzzis in there? Even they recognize the value of therapeutic Jacuzzis and put them in there. So what's wrong with that?

And as far as the numbers are concerned, I can tell you that they're staggering. They are just absolutely staggering — 24 swimming pools. Twenty-four, Mr. Chairman. Out of 85,000 various jobs, 24 pools. Now are they going to deny those people that wanted to trigger that kind of activity, and then the ongoing expense that's good for the power corporation because of the electrical bill and the gas required to heat that. I mean, if they choose to spend their money that way and they're taxpayers, obviously they're entitled to that.

And as far as gouging the seniors are concerned, let me tell you, Mr. Chairman, of how we gouged them in one way — last year and again this year, the senior citizens' heritage program, which we provided over \$0 million, some 30, \$35 million to the seniors. That's how our government gouges them, by giving them help through the senior citizens' heritage program to the tune now of some \$70 million.

(1100)

Mr. Solomon: — Well, Mr. Chairman, people are laughing at you and this program and this government's program, on the home program. They're literally laughing at the way that you're running it.

Low income people, people that are unemployed — what benefit have they had from the program? Can the minister tell us that? And I'd like to know how many people in the upper income bracket that you've been supporting all along — and they've been supporting your party — are prepared to forego this grant in lieu of those that cannot afford it.

Where are your priorities? Why do you as a government consistently and continually introduce programs which are wide open to abuse, which are full of red tape, which are inefficient and seem to punish those at the low income scale? Why do you do this?

Hon. Mr. Klein: — Mr. Chairman, the people are laughing at the stupidity of your questions and the stupidity of your innuendoes.

Are you telling me that — and I don't care if you want to use a \$250,000 home or a \$25,000 home — the people that enjoy their homes, the largest single investment that they're going to make, and want to improve it . . . The program of this is absolutely there for them to use.

They can use the maximum of \$1,500, as a lot of the

members opposite have used, or if they're not in the position to do that, they can apply for \$100. In any event, as their homes must be maintained, that program is there and so, effectively, they can maintain their homes for half the price.

Now what's wrong with that? Are you telling me that the low wage earners with modest incomes, with modest homes, are not entitled to improve their homes? Is that what you're telling me?

Mr. Solomon: — I wish you would answer some of my questions. But I'll tell the minister that I find it really incredible and unbelievable when you start talking about these grants being great for those that don't have the money to come up with the \$3,000 to spend to get the matching amount.

But I just want to sum up, and maybe finish here. I notice in the budget that you have cut the senior citizens' heritage program, that that is no longer out there helping senior citizens. The senior citizens' home repair program is gone.

You have, as the minister in charge of the Saskatchewan Housing Corporation, you have been the helmsman of the ship which is providing the lowest number, in a percentage terms increase, of housing starts in the country. You have eliminated programs for seniors. You have eliminated the renters' rebate program. People who are renting — and there are 30 per cent of our population live in apartments — they do not have any assistance from this government.

You've failed to provide adequate low income housing units; we have a waiting list of 2,000 in this city alone. You have transferred responsibility and a significant amount of funding to CMHC (Canada Mortgage and Housing Corporation) in the rural native and urban native housing program.

You have continued to use patronage to award advertising contracts to Dome Advertising to help you and your government get elected to the tune of a quarter of a million dollars.

You have, in many instances, hired in your corporation, individuals who have qualifications of being a member of the PC party, and we went through those names: Sid Dutchak and the Hammonds and the Consauls and Cheveldayoffs and the Emerys and the Lofflers, and who knows how many else. I'm just picking these out and asking questions, and you're confirming that that's the case.

And you have a home program which is wide open for abuse. You can't confirm some of the inspections that are going on, people who are using that grant for Jacuzzis and putting 8-foot and 23-foot Colorado blue spruce in their yards.

Minister, I contend that Saskatchewan Housing Corporation under your government is nothing but "patronage central," that's all it is. You're using that corporation to gain political ground by using the money of this province to advertise your political problems and

your political programs prior to the election.

And, Minister, I think that it's a very sad legacy that this government is leaving for the people of Saskatchewan because there are many people in that corporation, including these that are sitting here today, that are sincere civil servants, that want to do a job. They want to provide housing according to their mandate and their mission. And all you want to do is sell off the assets and pay off all of your friends through patronage and try to get re-elected on that basis. I think it's disgusting.

Hon. Mr. Klein: — Well, Mr. Chairman, it appears as though the member wants to wind up, and I could go into a big, long argument, but I won't. It really . . . it's really too late for the member to opt out of the vicious attack that he took on the civil service, and I'm just utterly amazed.

We've mentioned names of people that were employed in the union at Sask Housing. It's really unfortunate that he would choose to take an attack on these civil servants. But I am proud to tell you that I am the helmsman of a ship that is probably providing more economic activity than any program of any government in the history of this province.

It is creating employment by the . . . for thousands and thousands of people. It is providing economic activity throughout this province — through all of our constituencies, whether they are PC, whether they are NDP, or whether they are, indeed, Liberal. And I'm just amazed at the attack that you people blindly take when we have 190,000 families, so far, that have just been delighted with that program.

Mr. Goulet: — Yes, I would like to ask a couple of questions to the minister. Mr. Minister, what are your plans for the public housing, you know, particularly in La Ronge? What are your plans for the public housing, both the apartments and the single dwellings; well, the housing dwellings that you have in La Ronge? What are your plans for them in the future?

Hon. Mr. Klein: — Well, Mr. Chairman, I'd like to tell the member from the North that we are concerned with housing in the North, and I am having ongoing discussions with the mayors of the municipalities in the North. We're trying to address the situation. As the member knows, most of the programs have been transferred back to Canada Mortgage and Housing. That was done to avoid a duplication in process and to also eliminate the necessity of going through two governmental agencies and just go with the one.

We will be maintaining the houses in the North to the best of our ability. We're trying to work with the various mayors and aldermen to determine how we can best and most effectively do that. We're discussing with them all kinds of options. Some have asked us to consider if the municipalities would indeed be able to look after the portfolio. We're looking into that.

Clearly we want to do as good a job as possible up in the North. As soon as this Assembly is finished, I will be taking another tour to the northern communities in discussions, and certainly housing will be one of the

major items of discussion with them.

Mr. Goulet: — On the particular case in regards to the apartments in La Ronge which are utilized by NORTEP students, northern teacher education program students, there was concern raised on two levels: one, that those may be sold and therefore leave the students, you know, out of that public housing which has been very well used by a tremendous number of communities from the North, you know, sending their students there. I mean, there's about 80 students that stay in those buildings, and they're well utilized. I mean, one of the goals is for trading and development in the North.

The Minister of Education himself has mentioned that this is one of the outstanding programs in northern Saskatchewan. The students were highly concerned, and we want to know whether or not you're working with the Minister of Education to try and resolve this particular issue.

And also, not only is there one of the threat to the loss of a residence, but also in regards to the aspect of the \$100,000, you know, being charged as a new assessment this year which had not been previously budgeted in, into the North budget. I was wondering, are you also negotiating that item along with the Minister of Education. Could you update me on that?

Hon. Mr. Klein: — Yes, Mr. Chairman, the member is right, and I appreciate your bringing up that concern. I can tell you that it is a concern of ours, and I can tell you that we are considering those problems, and it will be no threat to those students. We are working with the Minister of Education on that; we do recognize that. And that whole apartment complex was originally designed, as you know, for staff housing, and it hasn't been used for that for quite some time.

So we believe that that is a particular part of the portfolio that the government should not have. But having said that, in the event that we are able to move that into the private sector, we will be making provision to protect those students that you talk about. We are concerned with that, and we will not do anything that will threaten that existence for them.

Mr. Goulet: — In that regard, I've been working in the adult education field in northern Saskatchewan for many, many years. We always recognize the need for residences for students, much as we see in the university, you know, with a certain amount of public funding that went into the development of residences in Saskatoon.

We well recognize that it was a greater problem for the North; that in fact when we brought in, when we got this concept of a Northlands Career College coming in, that there is a need for the funding. And people are worried that although you may be able to get a short-term deal in regards to the private sector, that indeed they want a more longer term commitment.

The degree of educational requirements in the North is not a one- or two-year problem, a one- or two-year issue; it's a long-term aspect and the issue of getting the government to provide support systems at that level is

indeed an important issue. So I would like to make that point.

The other thing that you haven't answered in regards to the \$100,000. Have you negotiated that . . . like in terms of budgeting, that was not in the budget for northern teacher education program, from their education grant. Now this new assessment has been brought in. What is being done in regards to that \$100,000? Is there going to be an increase in the grant from the minister? Has that been talked about in your discussions with the minister?

Hon. Mr. Klein: — Mr. Chairman, as I mentioned in my first response, we're discussing this with the Minister of Education. I don't believe that you have a concern. We're addressing those concerns. Certainly we have to follow the rules and regulations that exist and apply, and the terms of the Rentalsman, but you know, we're talking to a lot of people, members of the native community included, about the disposition of this building.

And they're all aware of what we're trying to do, what we're trying to protect, what we have to do. We just don't believe that the government should be in the private market-place in the town of La Ronge, which is what it is right now. And if we can move it out into the private sector, keeping in mind all of those things that you have brought up, we would like to do that, and we believe that we can.

Mr. Goulet: — Mr. Minister, you well know that the unemployment rate is upwards to 80 per cent in certain communities; that the basis for the students being able to pay a lot of the residential requirements which are subsidized at the present moment by the government, you know, is just not possible. How can you move from one clear system of a public subsidy program into a private sector program? How is that possible? Where are the students going to get their money? Is money simply being transferred?

(1115)

Is another capital facility being transferred to a private person in the town of La Ronge, and the same amount of money is going to be shifted through? I mean, the private sector person will be having the same maintenance costs, will be charging you rent on top of it. You're still going to have to help the students. It's going to cost you more money in the long run to do that. How is that going to be helpful for the student?

Hon. Mr. Klein: — Mr. Chairman, I'd like to tell the member: don't be afraid of change. We recognize . . . Don't laugh, this is serious, and I'm having a serious discussion; he's asking intelligent questions.

But don't be afraid of change. We recognize the concerns that you have for the native community, and we do as well. We don't have any impending sale or anything that should make you fear that these people will be moved out, because we have their concern in mind as well.

Having said that, yes, there will be some way, hopefully — and maybe with the native themselves, because they are part of the discussions, and they could very well end

up owning this building. And if they can, and if the deal goes together, I just think that this would be a good way to do it, and it would be good for everybody. And if it can't be worked out, then certainly we won't work one out. But we are in consultation with the Department of Education, and we are in consultation with the leaders of the North, including the native people and the native leaders, and hopefully something can be worked out. They know our side of the coin. We understand theirs. We're not going to do anything that's going to hurt them.

Mr. Goulet: — Just one more point. I think it's extremely important, as you said, to meet with the leadership. My understanding is that the leadership did not know anything about the situation up to about . . . even as far back as three weeks ago; that in fact the NORTEP council, which would be in charge of that, has just learned about the issue and had picked it up in the past couple of weeks.

So I am pointing out that it is extremely important that for the many years previous to this, the so-called private sector approach simply hadn't worked, that indeed it was only during the period of public moneys supporting adult education in northern Saskatchewan that tremendous advantages have taken place.

You are asking me not to be afraid of a system that has already failed in the past. You are asking me to believe in something that did not indeed provide specific benefits in regards to adult education.

I recognize the fact that indeed we have public facilities that are being helped in the South. It probably costs more to water the lawns, you know, of the universities in the South. I think it's very important to recognize that that's an important expenditure, but I think it should also be looked at in terms of the training of students in the North that we need to be able to provide that. Of any place in Saskatchewan that is the need. We have to put our money, we have to invest in our students. Those are the ones that will be taking care of the private sector and public sector jobs in northern development.

We have to invest in our students and be able to provide that proper investment today. What you're talking about is only investing towards and providing our public funding to a private person in La Ronge. I'm talking not only about one person, I'm talking about 80 people. A building like that would be helpful for thousands of students into the future. But here you're only worrying about privatizing another adult education . . . another public facility for the benefit of only a few people.

Mr. Goodale: — Thank you, Mr. Chairman. I just have a very few number of very short questions for the minister this morning, which I hope he will be able to respond to quickly. Mr. Minister, they relate to the home program and the \$1,500 grant portion of that program. I wonder specifically if you could indicate for me the precise legal authority and the statute of Saskatchewan that authorizes that expenditure of funds for that purpose.

Hon. Mr. Klein: — Mr. Chairman, I can't recall whether we discussed this in Crown corporations or not, but clearly when the home program was put into place, according to the opinion of our in-house lawyers at the

time, as well as an outside opinion, we had indeed every authority that we required to proceed with the program as far as the lawyers were concerned.

Mr. Goodale: — Mr. Minister, in the Crown Corporations Committee you indicated at one point that you had in fact sought and obtained three legal opinions on this matter. At least one of those was in-house, and at least one of those was from the private bar. What the third one might have been I don't know, but you indicated that you had three legal opinions. I wonder if you could tell me, from those legal opinions, again precisely just the section in The Saskatchewan Housing Corporation Act which provides the authority for the program.

Hon. Mr. Klein: — Mr. Chairman, being that we discussed this pretty thoroughly in Crown Corporations at the time that we had all of the information available with us, I really wasn't expecting, and my officials are not prepared with the documentation, being that we've done all that before. I don't know why you'd want to go through it all again. And I suppose then that I would just have to simply . . . my responses would have to be the same all the time.

We did have, in fact, as I mentioned, three legal opinions indicating that there was absolutely no question that we were within the powers granted to the corporation under the corporation Act. And if any citizen, yourself included, feel that there is a grievance, then you'll just have to challenge that through the courts of law, I guess. I don't have any other response for you.

Mr. Goodale: — Well, Mr. Minister, I asked the questions again because the answer that you have given me today is almost identical to the answer that you gave in the Crown Corporations Committee, and that is essentially that you didn't have the information with you, and you weren't prepared to discuss it.

If we had had a thorough discussion of it in the Crown Corporations Committee, I might not have to re-ask the questions, but we never quite got to the substance of the matter in the Crown Corporations Committee, and that's why I raise it again.

I take it from what you've said that the legal officers of the corporation are not present today to assist in this discussion, and that the necessary papers are not with you today to assist in the discussion, so could I ask you this question? You have indicated that you sought and obtained three separate legal opinions. If you were so absolutely confident of your legal position with respect to this program, why was it necessary to obtain not one, not two, but three separate legal opinions?

Doesn't the fact that you pursued this issue on three different occasions raise some question in the minds of any impartial observers that you may just have harboured a little bit of doubt in the back of your mind as to the legal position of the government with respect to this program? Otherwise, why were three separate legal opinions required?

Hon. Mr. Klein: — Mr. Chairman, the member from Assiniboia-Gravelbourg . . . I mean, you amaze me to

indicate that we didn't discuss this in Crown Corporations. You were there; you asked the question. Here is my response. I hope you get off of this waste of time by asking the identical questions. And I will quote from Hansard for you one more time:

As far as the legal situation is concerned, certainly we got a legal opinion. We had two in-house and an external opinion that all indicated that we are well within the confines of the legal authority . . .

And if the other lawyers opposite would quit chiding in for a minute . . . That wasn't in the quote, Mr. Chairman. I'll continue with the quote:

. . . well within the confines of the legal authority of the Act.

And I'll just quote one section, 13 (b), "to improve the quality of housing." And that in itself gives us the authority. So that we had three legal opinions that dictated we had absolutely no problem.

Now surely I can't be any more clear than that. I can't be any more concise than that. If you are here as a member, please accept that and do your research and see if we're wrong.

If you're asking that as a lawyer or as a private citizen, then, I suppose, sue us. But I can't . . . Unless, if you want to stand here from now until Christmas, I'll give you the same response. Now surely you can understand that.

Mr. Goodale: — I wonder, Mr. Chairman, if the minister who seems to get more and more agitated on this subject, which in itself is revealing, I wonder if the minister could comment on the impact of section 16 of The Saskatchewan Housing Corporation Act, which I would suggest to the minister is highly relevant to this whole discussion.

And section 16 would indicate that in order for the housing corporation to make loans and grants of this nature, the housing corporation would have to conscientiously form the opinion that every resident of the province of Saskatchewan, no matter how poor or how wealthy, that every resident of the province of Saskatchewan would require, as a matter of practical economics, this kind of public financial support in terms of the \$1,500 grants to provide themselves with adequate housing.

Could I have the minister's confirmation that the Saskatchewan Housing Corporation has conscientiously come to the conclusion that every resident of the province of Saskatchewan needs and requires grants of this nature to provide themselves with adequate housing?

Hon. Mr. Klein: — Mr. Chairman, if I show any degree of agitation, you're absolutely right. I am totally annoyed with this line of questioning. I'm not a lawyer; you are. You want to challenge us under section 16; go ahead, challenge us under section 16. I'm telling you again, for I don't know how many times, I'm telling the members opposite who don't question us, I'm telling the people of the province of Saskatchewan, that according to the legal

opinions that we have, we are well within our jurisdiction. I'm not going to back off of that. I'll keep repeating that all the time. If you don't like it, then do something about it, but for heaven's sake, Mr. Chairman, don't allow this duplication of question, this unnecessary waste of taxpayers' dollar to continue with the same old rhetoric. Even the members opposite agree with that, surely.

Mr. Goodale: — Well, Mr. Chairman, the fact that the minister is so obviously disturbed about this subject simply confirms me in the view that there is, indeed, some weakness in the position which he attempts to advance.

I would like to ask the minister just one final question. In the month of August or September of this year, 1987 — either late August or early September I believe it was — certain regulations were published by the Government of Saskatchewan with respect to this program. I wonder if the minister could indicate why it was that the publication of those regulations came almost one full year to the day after the program was announced and implemented and money was expended. How is it that it took 11 or 12 months to get the regulations together, and was that effort to put some regulations on the books, a year after the fact, some effort on the part of the government to try to establish some legal authority for a program that they had some doubt about for the last 11 or 12 months?

(1130)

Hon. Mr. Klein: — Well let's give him credit. I suppose I knew that he wanted those regulations in place, so as we found time to develop the regulations and the program was in place, to satisfy his continual harangue, Mr. Chairman, we put in the regulations. We will continue to put in the regulations as they're developed, particularly as time goes by. If we need them in advance, we will. If we don't need them in advance, we will. If we don't need them in advance, it's part of the normal process to put them in later. So it's no big deal and I hope you've had a chance to study those regulations and that you're satisfied with them. If not, let me know. We can have a look at them again.

Mr. Goodale: — I think I just heard the minister say that the regulations were put into effect to satisfy my curiosity about the legality or the illegality of the manner of implementation of this program. That's an interesting and a novel legal principle, Mr. Minister, because of course regulations cannot create the law; they cannot change the law; they can only be the method by which the law is applied. The legal authority, the lawful authority cannot be found in the regulations; it must be found in the enabling statute which is the Saskatchewan Housing Corporation. So the publication of regulations does not solve the legal defect if, in fact, there is a legal defect.

One final specific question, Mr. Minister, about your legal opinions — the three of them that you've referred too. could you indicate to me, precisely, the dates upon which those opinions were sought and the dates upon which those opinions were received?

Hon. Mr. Klein: — Mr. Chairman, I can tell you that another part of the legal process and . . . you know, I have

to admit to everybody, if they don't already know it, I'm not a lawyer, I'm a politician. He's changing this into a court room scenario, Mr. Chairman.

But in any event, the legal opinion, to further cement the authority that we had, it was approved indeed by the Sask Housing Corporation board of directors, who again have the authority to do that. And it was during these discussions, at the board level, that it was decided that we should get some legal opinions just to ensure common-sense practicality, to ensure that it was within the authority of the corporation, and indeed it was.

Mr. Goodale: — Do I take it, Mr. Chairman, that the minister is then declining to give me the dates upon which the legal opinions were requested and the dates upon which they were received? I would like to ask for the tabling of those legal opinions, but I suspect the minister would decline to actually table the three opinions.

That being the case, I am simply asking: when did he ask, or when did the Saskatchewan Housing corporation ask for legal opinions, and when were they actually received?

Hon. Mr. Klein: — Obviously, Mr. Chairman, the internal ones were obtained from within-house immediately, and that would have been August of last year.

Item 1 agreed to.

Items 2 to 11 inclusive agreed to.

Vote 51 agreed to.

Mr. Solomon: — Thank you, Mr. Chairman. I just want to remind the officials that are here with the minister that the comments that have been made on this side of the House have been aimed at the policy of the conservative cabinet; that none of the comments made were directed at you. And I want you to understand that, because as we all know that the buck stops with the minister.

But I want to take this opportunity as well to thank the minister for his responses and to thank the officials for their advice and consultations. Thank you.

**Supplementary Estimates 1987
Consolidated Fund Budgetary Expenditure
Saskatchewan Housing Corporation
Ordinary Expenditure - Vote 51**

Items 1 and 2 agreed to.

Vote 51 agreed to.

**Supplementary Estimates 1988
Consolidated Fund Budgetary Expenditure
Saskatchewan Housing Corporation
Ordinary Expenditure - Vote 51**

Mr. Chairman: — Are there any questions?

That concludes the items of business on Saskatchewan Housing Corporation. I would like to thank the minister and his officials.

Hon. Mr. Klein: — Thank you, Mr. Chairman. I would certainly like to thank the member from Regina North West — pretty good questions. We had a good time doing it. The member from Cumberland, thank you for your questions. I hope that I gave you some degree of comfort. We are concerned with the people of the North. Even the member of Assiniboia-Gravelbourg, as much as he gets under my skin with that repetitive questioning, I hope that, for once and for all, we resolved his issue.

My officials, I agree, are top-notch civil servants. I couldn't do my job as well as I do without their help and assistance. I enjoy very much working with them, and I thank them for their loyalty and for the often long hours that they put in on all of our behalf to supply us with the information that they have to.

**Consolidated Fund Budgetary Expenditure
The Local Government Board
Ordinary Expenditure - Vote 22**

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

Hon. Mr. Klein: — Thank you, Mr. Chairman. I have to my right Wanda Eifler, the vice-chairman of the Local Government Board. And behind Wanda is Jo-Anne Baker who is the assistant secretary to the Local Government Board.

Item 1

Mr. Van Mulligen: — Thank you, Mr. Chairman. Mr. Minister, the Local Government Finance Commission made a number of recommendations with respect to the matter of municipal financing and in particular, recommendations with respect to the Local Government Board.

Among those recommendations were that local governments should be permitted to issue debentures with semi-annual or annual payments of interest. It is their view that this would improve accessibility of Saskatchewan local government debentures in some markets. I wonder if you have any reaction to that recommendation?

Hon. Mr. Klein: — Mr. Chairman, debentures are issued semi-annually. The matter of the whole local government finance report is still being reviewed. It was, as everybody acknowledges, a massive report — a huge in-depth study that had all kinds of experts in the field contributing to it. We are still analysing the total impacts. None of that report, to my knowledge at least, has been thoroughly implemented in any section of government yet.

Mr. Van Mulligen: — Can the minister advise me then when that change was made?

Hon. Mr. Klein: — Mr. Chairman, I've been informed that the change was implemented earlier in the year, and it doesn't apply universally, but rather the large cities had asked for this implementation to occur and to pay on a semi-annual basis, to which we agreed.

Mr. Van Mulligen: — Mr. Minister, the recommendation

from the Local Government Finance Commission did not specify large cities. It was indicated this should be applied to all municipalities that were in a position of having to borrow. Would it be your intention to also provide for that adjustment for all municipalities?

Hon. Mr. Klein: — Mr. Chairman, it appears to be kind of a concern to the larger centres, but the smaller municipalities, it's much more convenient for them to stay the way they are. I suppose it's fair to say that if they requested a change we would certainly accommodate that. We're not hung up on it. And it appears though that at the small local level, for a matter of convenience, they'd just like to leave it the way it is, on the annual basis.

Mr. Van Mulligen: — Mr. Minister, another recommendation was that local governments should be permitted to issue debentures of longer than 10 years, and in certain circumstances, as a means of spreading the capital cost of a project, over the lifetime of that project.

Can the minister advise as to whether or not changes have been made, or will be made, to the Local Government Board's perusal of financial projects to in fact allow that to happen?

Hon. Mr. Klein: — Mr. Chairman, for the information of the member, they are looked at on a project by project basis now, and if a municipality were to ask for a longer term, certainly they would have a look at it and analyse it and do it that way. There is no written law within the board to limit it to 10 years.

Mr. Van Mulligen: — This is clear then that municipalities can have longer than 10 years over which to amortize their debts. That is clear?

Hon. Mr. Klein: — Yes, it's clearly . . . I'd like to inform the member that if they ask for it, clearly it could be provided for.

Mr. Van Mulligen: — It was also recommended that local governments should be allowed to award contracts before debentures are actually sold. There's a feeling that it unnecessarily limits flexibility of local governments saying that you have to get your debentures out there before you can start the project or before you award contracts. What is your position on that?

(1145)

Hon. Mr. Klein: — Mr. Chairman, that doesn't appear to be an issue with the municipalities. And again, I suppose that certainly we'd be prepared to have a look at it if it surfaced. But right now, it just doesn't appear that anybody is looking for that kind of a situation. Probably they've got a great deal of comfort with the existing situation where, I suppose, particularly in the small towns or the smaller places, that they'd certainly like to have their money in place before they spent it in the off chance that something could go wrong. I really don't know what the thinking is. But again, if it became an issue, I believe that we would try to respond to the municipalities if we could.

Mr. Van Mulligen: — I don't expect that there will be a

ground swell of concern out there on this particular matter, but it is an issue which was studied and was reported on by the Local Government Finance Commission, and they recommend, as one means of enhancing the fiscal capabilities of local government, that you in fact adopt this recommendation.

And I'm wondering, recognizing that there is no major ground swell on this matter, are you prepared to look at it, are you prepared to enable this additional flexibility?

Hon. Mr. Klein: — Yes, as I mentioned, Mr. Chairman, I think that we're prepared to look at anything. And what's the use of saying that you'd want to adopt it if in fact there would be nobody to use it because it was adopted? If it's there and we're willing to look at it anyhow, I suppose it's fair to say that it's already in existence.

Relative to this line of questioning, I should inform the member that, as the budget indicates, we are proposing an amalgamation of these boards into the Saskatchewan municipal board. And I would suspect that after that amalgamation occurs that certainly all the recommendations of the Local Government Finance Commission report would be looked into in some depth by the new board. And in consultation with the municipalities, any changes that anybody would like to see organized or included or whatever, would probably be discussed with at some length with the players.

I don't believe that the LGB is an area of contention. I don't think that there's too much of a problem with it, and as such, it can be pretty flexible, keeping in mind the basic concept of the work that they must do.

Mr. Van Mulligen: — I appreciate what the minister is saying, but I just want to emphasize that the government and local government have gone through a very extensive consultative process through the Local government Finance Commission. That commission has seen fit to make a number of recommendations to the government, and if you're now saying that you're prepared to look at these types of things, my question would be: are you not prepared to implement these recommendations?

What problems do you perceive with the recommendations, and why are you unprepared to implement them?

Hon. Mr. Klein: — Well, Mr. Chairman, I don't believe that we are unprepared to implement them. In a lot of instances there is no written law, and so effectively those changes are there.

Having said that, at the outset I pointed out that the whole commission report is under review. It was put in place, as we all know, through the Minister of Finance. Certainly I think that the Minister of Finance, rather than implement piecemeal things, would probably like to accumulate several changes that they might be prepared to do with and do it in a systematic manner.

I think that as time goes by and as this new board is formed, then certainly if they see need for change, which doesn't appear to exist right now but which have been suggested, that the new board in their wisdom will look at

these various consultations and the process and the recommendations. And in consultation with the people involved, if there would be some need to make and effect some of these changes, hopefully they would put these proposals forth to the Minister of Finance and be proceeded with.

Mr. Van Mulligen: — Just with respect to the new municipal board which is proposed to consolidate the Local Government Board, the Provincial Planning appeals Board, and Saskatchewan Assessment Appeal Board — you announced earlier this fall on a number of occasions that legislation establishing this new Saskatchewan municipal board is now being prepared and will be introduced in the legislature later this fall. We are now at what sitting day, Mr. Minister? Is it 105, or whereabouts? Might I ask you, might I ask you . . . might I ask you where this legislation is?

Hon. Mr. Klein: — Mr. Chairman, the member brings up a very good point. It was a complicated piece of legislation to draw, and I suppose that I'm here to offer some excuses as to why we haven't been able to advance it yet. The member does know, through his background and experience, that this same type of board exists in a couple of other provinces.

We took the opportunity of having a look at their legislation which has been in place for some time — certainly before human rights got to the area that it did. And as we were drawing up our proposed municipal board, it became fairly complicated in legal terms and the logistics of it, particularly as it relates to the code of human rights. And as a result it has delayed the proper drawing.

It seems that every time we're ready to proceed with it, another legal opinion is obtained that gives us a problem. Hopefully, when those areas are addressed, we'll be able to introduce it. And I don't believe that it will be a controversial piece of legislation, but it is a very complicated piece of legislation to draft, in view of those remarks, Mr. Member.

Mr. Van Mulligen: — So am I to understand then, Mr. Minister, that your previous announcements about legislation this fall were wholly premature?

Hon. Mr. Klein: — I don't believe they were premature because we were already, at the time I made those announcements, we were already . . . the Bill was already in progress — we were already putting it together. And I think, as our justice officials started looking at this, as well as other pieces of legislation, it just got bogged down and it went back and forth.

So I suppose that rather than a premature announcement, I think that it's fair to say that the announcement was there. The announcement anticipated that we wouldn't have any problem. We ran into those problems, and I offer that as an apology to the member and as an excuse to the member, I suppose.

Mr. Van Mulligen: — Thank you, Mr. Minister. One of the realities of being involved in local government, and I suppose even to some extent as a member of the

legislature, is that many people in Saskatchewan are affected by local improvement works, yet most people in Saskatchewan are remarkably unaware of the process of local improvements.

This is not a small matter. Local improvements are costly items for participating property owners. It can mean many thousands of dollars that property owners must provide, either up front as a single payment, or they must be prepared to make that payment, with interest, over a number of years.

Both in my time in local government and now, I find that there are people who are confused about that process. I'm just wondering has there been any increase in the number of disputes that the local government board has become involved in over the years. Is there any trend one way or another in this matter?

Hon. Mr. Klein: — Mr. Chairman, it doesn't appear that . . . I agree with the member about, you know, unfortunately the system is such that the taxpayers, in a lot of instances, aren't really totally aware of some of the problems that exist at the local government level, and the avenues available to them in the event that a problem does occur. It's a . . . you know, it's a big job running any government, whether it's provincial or at the local level, regardless of the size. And to some degree what you say, with the taxpayer who bears the brunt of the burden, unfortunately is unfamiliar with a lot of the process.

But it doesn't appear that in spite of that there's any massive problems that exist. And I can tell you that last year we approved 162 projects, while three were turned down. And I've only had one matter brought to my attention in the last six or seven months, and that ended up being resolved. So it doesn't appear that in spite of the lack of recognition, I suppose, that's available to the taxpayer, that there's any major degree of problem out there.

Mr. Van Mulligen: — Mr. Minister, The Local Improvements Act is fairly succinct and specific as to the type of process that a local municipality must undergo in terms of advertising the project to property owners who stand to be affected by a local improvement — outlines the process that people have to petition against local improvements.

Recognizing that limited prescribed procedure as outlined in the Act, some municipalities — and I know the city of Regina, for one — goes beyond that as a matter of courtesy to their taxpayers. They say that it's simply not enough to put an advertisement in the paper and hope that this will somehow alert all of the citizens. They go to a further extent of sending letters to people; they may well do additional types of advertising through local community groups and the like. The net effect of this is to increase the understanding that local people have of this process.

One of the effects of this, too, is that local people are far more apt to examine the petition process and to see whether or not they really want to work. I think that's desirable, and I think that's legitimate. We should not be trying to put one over on people, as it were.

I wonder if the Local Government Board has given any consideration to the specific procedures outlined in the Act as to whether or not there might be some need to improve on that procedure as a means of alerting citizens to the local improvement process; and in addition to that, whether outside of any legislative changes, whether the Local Government Board has developed any manual or any suggestions which local governments might pick up on, purely as a courtesy type of item, but generally intended to increase the amount of awareness that local property taxpayers have about the local improvement process.

Hon. Mr. Klein: — Mr. Chairman, again I suppose that if there was any ground swell of need we would do what the municipalities require. We're willing to work with them and do what we have to do. The provision for petitions do exist in the legislation, and it seems that that over the years has been satisfactory.

I recognize what you say about the city of Regina going well above the prescribed thing, and I'm sure that others do as well, and I commend them for that, because it's good.

Certainly in a smaller municipality, I think it's fair to say that as a local improvement goes through, by nature of the make-up of the community, everybody is aware of what that improvement is going to be, automatically. And as a result, you know, advertising wouldn't even be needed because they certainly know what's going on in their small towns.

(1200)

So having said that, I think that the existing provisions seem adequate. Certainly if there was any time that municipalities would have a problem with it and would make suggestions to that regard, we'd be willing to look at it and implement those.

I think, Mr. Chairman, that because of the member's extensive knowledge of this and other Acts, because of your background, you bring up a lot of concerns that are legitimate that you have experienced in your background. And I commend you for that, but I also say that as a result of that experience sometimes, perhaps, we try to maybe become a little overprotective at working on one side. It might lead you to believe that you've got a problem area, and I don't believe that there are. But certainly if any develop we'd be willing to proceed with whatever way they wanted us to go.

The committee reported progress.

The Assembly recessed until 2 p.m.