

EVENING SITTING

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure
Urban Affairs
Ordinary Expenditure - Vote 24

Item 1 (continued)

Mr. Van Mulligen: — Thank you, Mr. Chairman. The Local Government Finance Commission, Mr. Chairman, Mr. Minister, made a number of recommendations concerning a new provincial capital fund. This is putting aside the question of whether there would be a fund. Would you be inclined to agree that any new capital grant program should be ongoing, as opposed to the limited types of programs that we've seen in the past years, so as to facilitate financial planning by municipalities?

Hon. Mr. Klein: — Mr. Chairman, I suppose that part of our discussions that will be coming up shortly between myself, and my colleague, the Minister of Finance, and SUMA (Saskatchewan Urban Municipalities Association), will include capital requirements for municipalities and just how badly indeed they were hit, because so far we've heard the opposition's claim to how badly they're suffering. And indeed when we get with SUMA, we'll find that out.

But just to give you some idea, I suppose, I'll randomly give for you, Mr. Chairman, some reserves that Saskatchewan cities have set aside for future capital funding, and it will give you some idea of the relative healthiness of some of these municipalities. Indeed, the city of Regina has set aside over \$64 million in reserves; Saskatoon, over \$68 million; Moose Jaw has almost \$24 million; Prince Albert, 12 million; Lloydminster, almost 14 million; and the list goes on and on. So that certainly with these reserves that the larger municipalities have set aside, I don't believe that it's quite as dire as you indicate.

Certainly we're prepared to listen to SUMA and certainly if our revenues recover — as we hope that they will — and we're in a position to work with the municipalities with regard to capital, we would. And there's several ways to deliver that capital — they keep talking, and in discussions and deliberations. I'm certainly concerned with labour-intensive capital funding rather than simply the replacement of assets such as the typewriters and trucks and cars that I referred to earlier.

Mr. Van Mulligen: — I'm interested in the minister's comments. Can you advise me, sir, on those reserves that you mentioned — and specifically the city of Regina — what form of reserve that might be?

Hon. Mr. Klein: — Mr. Chairman, those are funded capital reserves and they've got them probably invested in some form of asset, whatever.

Mr. Van Mulligen: — What you're talking about then is debentures that they've issued to offset capital requirements?

Hon. Mr. Klein: — No, Mr. Chairman, they are actually funded reserves that they have set aside for their capital budgets.

Mr. Van Mulligen: — Well, Mr. Chairman, I spent a number of years on Regina city council and I don't remember there being any \$64 million reserve. I wonder if you could be more specific as to the title of these reserves. Just what it is that you're talking about?

Hon. Mr. Klein: — This information has been pulled from their regular financial statements available to the public. If you didn't have any reserves when you served on council, maybe the new council has done a better job. I really can't tell you, but that's what I get from the statements.

Mr. Van Mulligen: — Well I would suspect that the minister is interpreting certain financial data in a loose way. How do you react to the proposal that any new capital grant should have an escalator index as a means of ensuring that whatever capital fund is there will at least rise or fall, I suppose, in accordance with provincial government economic conditions?

Hon. Mr. Klein: — Mr. Chairman, I don't believe that capital funding connects any way with any form of an escalator index at all. One has nothing to do with the other. Certainly, and obviously after the year in the '70s and after this year where the funding was withdrawn completely, the municipalities obviously have done something different. So to say, why don't you spend X millions of dollars every year on capital funding and every year that sum will be increased, doesn't make any sense at all.

Mr. Van Mulligen: — I'd like to just . . . I asked the minister just a short while ago about whether in his opinion any new capital grant program should be ongoing to facilitate planning by municipalities. You mentioned that you would be holding discussions. Might I get your opinion, sir, might I get your view on just what view you will be bringing to these meetings. Or do you have no view at all?

Hon. Mr. Klein: — I think I almost gave away my view tonight. There is no question that I lean to labour-intensive forms of capital funding, and particularly in the North where unemployment in some areas is extremely high. One way to try to alleviate that condition is through local employment, and if we can come up with capital improvement schemes in areas that would employ a lot of people, I think that that would be the best way to go, and I make no bones about it. And I hope that SUMA in their deliberations can see it that way.

I don't know that the government should have to fund various municipalities throughout the province, and perhaps hopefully you would agree, to buy them and replace typewriters or things along that line. I think that they should be able to get well along without provincial help in that area. Maybe in some other major pieces of equipment that might not be the case, particularly in smaller communities when they might need to replace a huge piece of road equipment or something. So that

aside, I believe that if we can concentrate on capital expenditures that would relate to heavy, intensive employment would be the best way that we could get value for our dollars.

Mr. Van Mulligen: — My colleague from Regina Centre is going to ask for leave but I just might say that a rather peculiar vision of capital works and capital equipment. And to somehow suggest that 11 municipalities should get along without typewriters and they don't need typewriters, I suppose your idea of labour-intensive works is that they write out everything longhand.

At this point, I just turn it over to the member from Regina Centre.

Mr. Shillington: — Thank you very much, Mr. Chairman. I'd like to take a moment out to introduce to members of the Assembly a Scout troop from the city of Regina. They're here . . . they actually live in the riding of Regina North West; the member, however, is not able to be present this evening.

I say to the members of the troop, we're exercising one of parliament's most ancient rites, and that is control of the public purse. We're examining the estimates of the Department of Urban Affairs, so you're seeing a prerogative that has been exercised for many centuries.

I know all members will want to join with me in welcoming this group to the Assembly this evening.

Hon. Members: Hear, hear!

Hon. Mr. Klein: — Mr. Chairman, I too would welcome our young observers. I hope that you find these discussions interesting because one day you are going to be paying taxes, like your moms and dads do, and I know you're going to want to keep them as low as you can, and that's what we're trying to do in here for you.

But there you go, Mr. Member from Regina Victoria, putting words in my mouth again, and I wish you'd quit doing that. I didn't say that we were expecting the municipalities to do things in longhand or to do without equipment. I didn't expect them to wheel stuff in wheelbarrows either if they couldn't afford to buy a half-ton truck. I didn't say that at all.

But I simply said that I believe if the municipalities want to keep buying these half-ton trucks and want to keep buying these typewriters, and where we have no way of controlling their expenditures, the only way to place an onus on them to replace their equipment/property is to let them pay for it themselves.

Having said that, if we can create employment with labour-intensive capital projects, I believe that that's the way to go.

Mr. Hagel: — Mr. Chairman, just for the interest of the Assembly, I would also like to introduce another person who's seated in the Speaker's gallery this evening.

He is a young man who takes a great deal of interest in the goings-on in the constituency of Arm River, is active in

Arm River in a number of ways, and is a farmer and takes a great interest in the proceedings of the Assembly. I would ask all members of the Assembly to welcome Bob Robertson to the Assembly this evening.

Hon. Members: Hear, hear!

Mr. Van Mulligen: — A lot of your comments tonight and this afternoon, Mr. Minister, hint at a new capital fund for urban municipalities. Will you confirm tonight that you are planning a new provincial capital fund and that you are taking steps in that direction?

Hon. Mr. Klein: — Well I certainly can't confirm anything and I think that the member realizes that, but I'm glad that you recognize and appreciate that under today's difficult circumstances of revenue for the government, we recognize the needs of the municipalities, and as soon as the province finds its person a position to assist these municipalities, we certainly would like to do that.

Mr. Van Mulligen: — It certainly leaves a big hole in that purse, Mr. Minister.

I would like to turn to the question of infrastructure. The minister will be aware that the Federation of Canadian Municipalities has done extensive work with respect to the question of municipal infrastructure. The FCM (Federation of Canadian Municipalities) undertook a survey of urban municipalities in Canada and concluded that urban municipal infrastructure, particularly streets, roads, sidewalks, bridges, and sewer and water systems, were deteriorating in that an expenditure of \$6.3 billion would be required to bring that infrastructure up to standard. Now different figures have been tossed around. I think one figure that they had also was \$12 billion.

There is various estimates. If you take the FCM figures, it would be \$558 million. If you take a projection by the Local Government Finance Commission, it would be more like \$167 million per year over five years that would be required in Saskatchewan to provide for the kind of municipal infrastructure improvement program that FCM advocates. I wonder, sir, if you might tell us your position on this question of infrastructure improvement.

(1915)

Hon. Mr. Klein: — Mr. Chairman, I think that I have been very vocal on this issue, and I have spoken publicly on it. I'm extremely sympathetic to the view of FCM. Hopefully, all of the provinces were trying to convince our federal counterparts to share in this burden. You can understand the federal situation when they're looking at a national problem. The infrastructure of a lot of the communities in eastern Canada, where Canada was first settled, their infrastructure is extremely severe, certainly compared to the newer settlements as we have here in Saskatchewan. And even in Saskatchewan, we've got a big disparity of different kinds of infrastructure problems that relate to our earlier settlements against our newer ones.

So here again you've got a tremendous problem, and it's a matter of all of the players getting together as this great nation of ours grew, and indeed our province and our

cities, and all of the various services required to give our residents the quality of life that they have come to enjoy and desire need replacing.

Now, after all of these huge, great investment sums of dollars, indeed, over the centuries have occurred, the matter of replacing these facilities and improvements as they become worn out is a very big problem. I don't think it will be solved overnight, and I believe that the local governments recognize this. They're struggling, I guess is the best word to use, as best they can through their various incomes coupled with the grants that governments over the years have been able to provide and assist in that regard. And hopefully one day if we can get our federal counterparts to supply some funding to co-operate with that, we can start easing some of the problems that our communities presently have.

Mr. Van Mulligen: — Well, Mr. Minister, I'm trying to reconcile that position, and on a previous occasion in May, I believe it was May 2, you're quoted as essentially saying the same things. You said the government would consider participating in a repair program, and you are quoted as saying:

Certainly if there are agreements with two-thirds of the funding in place, that would be very attractive to us.

I can't reconcile this position of yours that somehow this kind of participation would be attractive to you. But by the same token, you decide to eliminate the capital fund for municipalities which was intended, in a large part, to help them with their infrastructure.

How do you reconcile these two positions that: on the one hand, you cut capital fundings to municipalities; on the other hand, you're trying to give the impression or leave the impression that you think it's great and that you want to participate and give money? How do you reconcile these rather divergent views of yours?

Hon. Mr. Klein: — Obviously if we could get co-operation between the municipalities and the federal government, why wouldn't we participate to some equal amount? I mean, that only makes immanent sense.

And so far, I would suspect that the majority of the capital dollars that all governments have been able to provide to their local governments with regard to capital spending have been rather for new infrastructure more so than replacement of the existing structures. And that existing infrastructure now is starting to become a separate big problem. And surely as time goes by, perhaps, and has gone by, some communities have found it necessary to use these new capital dollars for replacement.

But by and large, I think that they have taken advantage of the capital programs offered throughout the years, even when your government was in power, to put in new types of infrastructure. So that the replacement — and that's what I was referring to — of the infrastructure that FCM is talking about is indeed going to be a major problem as years go by and will require some recognition.

And yes, we would like to participate. And certainly if

FCM and the communities at the local level are able to convince the federal government of the day to participate in some type of a financial plan, obviously we would be interested in proceeding with that line of funding as well.

Mr. Van Mulligen: — But your concern doesn't extend to the immediate, and that is to provide necessary capital funding for municipalities now.

Hon. Mr. Klein: — Well I think we're back to square one. Which came first, the chick or the egg? Obviously if the municipalities and the provincial government got together in joint infrastructure funding, the federal government could then sit back and say, well you're doing it on your own, or Saskatchewan is doing it on your own, and as a result they wouldn't have to help Alberta or Ontario or whomever. And I think that in discussions with my provincial counterparts throughout the province, we know exactly the direction that we would like to take and hopefully put the federal government in a position to participate. But if we each go off on our own, I think that we'd be doomed for failure for a tri-party agreement.

Mr. Van Mulligen: — Do I then understand you to say that there will be no new provincial capital funding initiative until such time as the federal government commits itself?

Hon. Mr. Klein: — No, I didn't say that. There he goes again, Mr. Chairman, putting words in my mouth.

Mr. Rolfes: — Mr. Minister, just a few minutes ago I heard you mention something about capital reserve funds. Could you repeat the figure for me please, as the capital reserve funds that you said the city of Saskatoon seems to have set aside? And secondly, would you break out for me what those reserve funds are for, or where are they found in the balance statement for the city of Saskatoon?

Hon. Mr. Klein: — Okay. I'm advised that these are capital and all purpose reserves. The city of Saskatoon's was some \$68 million, and it's available from their financial statement. So you'd have to check with the city of Saskatoon.

Mr. Rolfes: — Mr. Minister, what I wanted you to do was to . . . You said there were \$68 million of reserves that the city . . . I think you indicated to the member opposite, let them dip into their reserve funds; maybe they should use some of their reserve funds if they are so hard pressed for finances. My understanding is, Mr. Minister, that some of those funds that you are referring to are in areas that simply cannot be used for other purposes than what they have been designated for — for example, the land realization fund. I think the city of Saskatoon has approximately \$20 million in it. But that money must be used for that purpose, and they can't use it for any other purpose. So if that is part of the fund that you are referring to, then I think your officials are misleading you or misleading the House as to the money that is available for the city of Saskatoon for capital projects.

Now I just want to know, is that part of the fund that you are referring to? Are you also referring to, for example, the capital reserve that they have in the transit fund for the replacement of buses that they would need? Are you referring to, for example, the funds that they have in

reserve for the replacement of cars and trucks in the engineering department? Are you referring to all — I mean, are you referring to the reserve fund that they had in the Centennial Auditorium? Are you including those?

If they use those funds for other purposes than what they are being designated, then, Mr. Minister, that is just . . . I mean you're just taking out of one pot and putting it in another one, and they simply haven't to the funds available for that specific purpose. So I think if that's what you're doing, I want to know. If they have \$68 million lying around in reserve funds, I'd like to know that too because that's not my understanding.

Hon. Mr. Klein: — No, the member from Saskatoon South is absolutely right. I indicated the relative good health by showing what they had in reserve funds. I never indicated that they should dip into it, or could dip into those. And, of course, they're set aside there for some of those situations that you just described for their capital needs and others. But that's not to say . . . That's not to say again that although that capital reserve might very well be there for whatever reason — the replacement of trucks or cars — that they can't change their plan, or something might happen that they might not require those reserves and that funding would or could be free.

But all I'm saying is, Mr. Chairman, that they are in a relatively good, healthy position if they have those kind of reserve funds, which are assets just sitting there waiting for the replacement to be used.

Mr. Rolfes: — Mr. Minister, I just want to make the point that I really do believe that you were not being totally honest with the House here in saying to the member opposite that the city of Saskatoon should simply dip into those funds. And I'll check the records tomorrow as to exactly what you said. But you left me with the implication — and if I'm wrong, fine, I'll apologize — you left me with an indication that, look it, if the city of Saskatoon is so pressed for funds, let them dip into that reserve fund that they've set aside. You know full well, for example in the land realization fund, they cannot use those funds unless they get special permission from the Local Government Board, I believe, in order to use those funds.

It would be very foolish of them, for example, to use all the funds in their transit reserve fund when they know that they have to replace the buses next year. My understanding is that there is no longer a capital fund available for the replacement of buses, or it will come to an end very shortly.

So what would you expect the city of Saskatoon to use? I mean that doesn't really make sense to do that. I think the city of Saskatoon and our officials have been very prudent in what they have been doing and setting money aside for their various projects. And for you to say in this House that, look, they've got \$68 million available, and they aren't that badly off, I think is not presenting the true picture, Mr. Minister. I just wanted to clarify that situation here.

Some Hon. Members: Hear, hear!

Hon. Mr. Klein: — Well I don't know. If it needed clarification it might have been for the member from Saskatoon South. I don't believe I said that they could dip into those funds, and you can check those records. Clearly, I don't believe that I said that, and if you misinterpreted my remarks, it's unfortunate. I simply said that those assets were sitting in a reserve fund, and indeed those communities should rightfully be proud of the fact that they were able to prudently manage their accounts to indeed set up those reserve accounts.

Mr. Van Mulligen: — Mr. Chairman, if I just might on this topic. Are you advocating tonight then, Mr. Minister, that you're prepared to give direction to the Local Government Board and prepared to bring in changes to legislation so as to enable those municipalities to dip into those reserves so that they can dip into building reserve funds which many of them have, so that they can use those funds to repair roads and that type of thing? Are you prepared to say tonight that that's what you're going to do?

Hon. Mr. Klein: — No, Mr. Chairman. All I was demonstrating was the fiscal good health of those communities.

Mr. Van Mulligen: — Mr. Minister, that doesn't demonstrate anything except that you seem intent on stringing a line of half-truths and quarter-truths, and you seem to have some real problem in coming out with the complete and full truth.

Mr. Minister, you know that the Local Government Board requires that, in terms of certain funding projects or undertakings that municipalities have, they have to set money aside to be able to make their first-year payment and those types of requirements. The figures that you throw out are not an indication of the financial health of those municipalities; it just simply indicates that they had the money to go. But they're not going to go any further, given cuts in capital funding. Mr. Minister, you do a disservice to the public of Saskatchewan; you do a disservice to urban municipalities when you continue to stand in your place in this Legislative Assembly and come out with things that are just simply not the full truth.

Mr. Minister, I want to turn again to infrastructure, and I want to ask you just what efforts your department has made with respect to the western diversification initiative, and when this House and the public and municipalities might see a submission on your part with respect to accessing the funds in that diversification initiative with the view to utilizing these funds to improve municipal infrastructure in Saskatchewan.

(1930)

Hon. Mr. Klein: — Mr. Chairman, I suppose we'll just have to let the citizens of this province and the local elected officials determine and judge just who points out realistic information and who does not. If I don't disclose the full truth about the relative health of these various communities and point out those that are healthy enough to put those reserves away, what about those communities that I didn't mention, that don't have that ability, that don't have the financial health? Are you then

going to tell me that those communities are as healthy as the other, when they were not able to put those reserves away? I mean, let's face it. As far as the diversification fund is concerned, we have identified potential capital projects as a possible use for those funds and we are implementing discussions to see if we can't get benefit of some of that funding.

Mr. Van Mulligen: — Can I just ask you to repeat that with respect to the western diversification? Have you made a submission or is it your intention to make a submission?

Hon. Mr. Klein: — Mr. Chairman, we have internal government discussions going on, trying to identify possible uses for the use of those funds, and as time goes on and those discussions mature and the diversification fund is in fact going to be used, hopefully some of the projects that we identify would be included in that array.

Mr. Van Mulligen: — Would it be your intention, sir, in consultation with SUMA, to identify a municipal infrastructure program with a view to improving the infrastructure in many of our communities so as to improve conditions for business, so as to improve the potential for diversifying the economy? Is this your intention? Will you or have you undertaken discussion with SUMA and other parties with a view to fleshing out that type of proposal to the western diversification initiative?

Hon. Mr. Klein: — I think, in the interests of the province of Saskatchewan, we're trying to identify as much as we can, to see if we can tap into those funds. There's a significant amount of dollars there. And certainly if we can use some of those dollars and if we can transfer some of those dollars into our municipalities and working co-operation and in agreement with the three-party system, we'll do whatever we can do to use those resources within the criteria of that western diversification fund.

Mr. Van Mulligen: — If, if, if . . . Mr. Minister, this program has been under way now for a number of months. You mean to tell me that you still haven't got it clarified as to what potential there is for access to those funds and how it concerns urban municipalities?

Hon. Mr. Klein: — Mr. Chairman, it's a federal program. It's not our program. So we're trying to put as much pressure as we can on that federal department to see if we can indeed capture some of that money for use in our department as well as in our province.

Mr. Van Mulligen: — I'd like to turn to the question of the Saskatchewan Assessment management Agency at this time. There is a sense that the major cities are under represented on that board. Are you taking any steps to redress that particular problem?

Hon. Mr. Klein: — Mr. Chairman, in spite of the fact the large cities — or the two large cities, Regina and Saskatoon — do their own assessment, their representative on the board was indeed selected by agreement between Regina and Saskatoon and they chose an alderman from the city of Regina to represent them on the SAMA (Saskatchewan Assessment

Management Agency) board. I introduced him earlier this afternoon, Alderman McKeown. There are seven on that board; three out of the seven are from urban municipalities, large cities. So I can hardly make any sense out of your question, Mr. Member, and so far I have had absolutely no official grievance form either city to that effect.

Mr. Van Mulligen: — Would it be your intention, sir, that in the future that the chairman of the board will be elected in some fashion or another as opposed to being appointed by yourself?

Hon. Mr. Klein: — Well the legislation presently dictates that the government selects the chairman. And I think that until and after SAMA has been in existence for some time, the government should retain that position, to cover off eventualities as you just brought up.

The member from Regina Victoria indicated that he felt that the cities weren't properly represented. Well certainly if the government was appointing the chairman, they could do that, and appoint someone from the city. If the business community felt they weren't represented, then the government could appoint a chairman from the business community, and on and on.

So being that it is, you know, an agency not controlled by a government but out on its own, I think that the control of the chairman . . . One of the two appointees by the provinces is the chairman, and I see nothing wrong with that at this time.

Mr. Van Mulligen: — Mr. Minister, I'd just like to ask you, with respect to northern municipalities, to what extent, if any, you're following up on the, I suppose, the conclusion of the Local Government Finance Commission that they were simply ill-equipped, not in a position to do justice to a thorough review of the requirements of urban municipalities and/or all of local government in northern Saskatchewan.

And I quote them. They say that they were:

. . . deeply impressed by the seriousness of economic and social conditions of the North and believes that processes and mechanisms other than this particular commission are required to address them.

I wonder, sir, what have you done in follow-up to this conclusion and that suggestion by the Local Government Finance Commission.

Hon. Mr. Klein: — Mr. Chairman, I think until we are able to see the success, indeed, of the local government finance report in itself that it would be unwise to begin another one dealing with the North. I think that it's fair to say that our government is deeply concerned with northern Saskatchewan. There have been more than several ministers that express this concern. I can tell you that I have had many discussions with the mayors and councils in the North. I will continue to do so. My officials just completed another round of discussions with them now. As I mentioned earlier, I will be visiting the North again immediately following the closure of this session,

whenever that may be.

And I'm trying to . . . (inaudible interjection). . . In view of the seriousness that I hold for the North, I don't appreciate the response or the member from Regina Rosemont chiding from his seat, and that was an uncalled remark. Mr. Chairman, I'm talking seriously here about the problems of the North that I fervently and deeply am concerned with — that I try to deal with in fairness — and I don't need that kind of junk coming from the members opposite.

Mr. Van Mulligen: — I was wondering, Mr. Minister, if you've gained your cool back. The Local Government Finance Commission basically did nothing in the North except to recognize that there are very serious problems — identified in respect to urban municipalities that they have some very serious and unique challenges, unlike municipalities in southern Saskatchewan. They believe very strongly that some mechanism must be found to address those problems and to basically determine for us all, for the people in northern Saskatchewan as a government, just how their problems might be addressed, at least in terms of initiatives, funding, and what have you, in local government.

Would it be your view, sir, that perhaps a thorough look at the problems in the North and urban municipalities in the North, the fact that those municipalities have far greater social and economic problems, and their councils are much more apt to be dedicating their time and energy and whatever limited resources they have to dealing with those kinds of problems, as opposed to southern municipalities, to look at and examine the fact that these municipalities have a very, very limited assessment base, not a base which really lends itself to very much in the way of local revenue, and that perhaps the answers are to look for ways for those municipalities to extend their boundaries, to take in land which might be suitable for resorts or other types of revenue-generating enterprises.

Are you prepared to dedicate your government to taking that kind of look at northern Saskatchewan so that there can be some satisfaction for all of us — the people in the North and the people in the government — that we're taking the steps in the right direction, and that finally there will be some resolve to the very serious challenges faced by northern municipalities?

Hon. Mr. Klein: — Mr. Chairman, you're absolutely right. The hon. member — I appreciate his concern for the North, and I'd be prepared to discuss this topic with him seriously at any length. I can tell you that we are concerned with the problems that exist up there. They are a part of Saskatchewan, and some settlements indeed are our very earliest settlements.

Our northern secretariat department is doing now what I consider to be an excellent job of starting to co-ordinate all of the various departments and agencies of government that work with the North. And perhaps governments in the past, in their wisdom, have gone about spending an awful lot of money in the North but not in a concentrated, co-ordinated fashion, perhaps, as we would like to see it. And I think that through a proper co-ordination and planning with all the players together

in one room, so that each one knows what each department is doing and how it might impact on another department as they set about to do it, will be the key to the success for the North.

I know that it has been a problem for the provincial government, the North, for many, many decades now, as they try to deal with the situations that exist up there. And every year we hope to make a little advancement, but we're at a point now where we certainly hope we can start making giant strides in that direction. And I know that I always look forward to my meetings with the northern mayors and their council members. There's a whole new roll of players emerging up there that really take their role as elected officials very, very seriously, that are deeply concerned with their communities, and quite frankly, are very easy to talk with and consult with, and have good ideas, living up there, that they convey to us. And hopefully with that kind of dialogue we can address some of those situations and make improvements in the North occur even more rapidly than I would like to see that happen.

Mr. Van Mulligen: — Mr. Minister, I'd like to turn to the question of summer student employment. If there is one little annoyance that many municipalities seem to share with respect to your government, it's the matter of the summer student employment programs. You will know that in the past governments have provided summer student employment programs that municipalities have been able to take advantage of. This arrangement seemed to make a lot of sense given the seasonal nature of some of the operations of municipalities — things such as playgrounds for children in the summertime and those types of things.

(1945)

This year, you know that the Opportunities '87 program was not available to municipalities. I wonder if you can assure municipalities that you will be making every effort to convince your colleagues in cabinet that they, in fact, made an unwise decision, and that next year there will be a summer student employment program that again municipalities can take advantage of?

Hon. Mr. Klein: — Mr. Chairman, the member does bring up a good point and because of the position and situation that we found ourselves in as we developed the summer employment program for students, it's true we concentrated our efforts again on the private sector with business communities and couldn't extend that program to municipalities.

They have, in no uncertain terms, indicated their displeasure with that to me and — as the member points out again now — I can say that, yes again, when and if that program should ever be put in place, I will surely make representation on behalf of the municipalities to see if they could participate in it.

Mr. Van Mulligen: — I thank you for that assurance, Mr. Minister. Mr. Minister, can you tell this House about one of your employees, and just what it is that he does for you? His name is Morley Leonard Evans.

Hon. Mr. Klein: — Mr. Chairman, I understand that Mr. Evans is currently employed in the Department of Urban Affairs as a temporary research officer. He is currently establishing and implementing a computerized demographic inventory, an analysis system to assist in the review and projection of population changes and trends in urban communities.

It might very well be, and hopefully in the future as he is able to improve his situation, that the very thing that we discussed earlier of population changes and the like that would assist us in our revenue sharing. Population change might have some useful information as a result of the research that he would do.

Mr. Van Mulligen: — It's not the only thing that Morley Leonard Evans seems to be doing, Mr. Minister. I have here a copy of a submission by Mr. Evans to Don Abel, the Mayor of Melville, in his capacity as president of the Saskatchewan Urban Municipalities Association, basically inviting Mr. Abel and SUMA to engage Mr. Evans with a view to setting up a conference, I believe, to deal with the privatization of municipal services.

Are you aware, Mr. Minister, that Mr. Evans seems to be doing this thing in his spare time?

Hon. Mr. Klein: — That was brought to my attention, and I suppose that it's fair to say that although I was perhaps not pleased, he was doing that in his role as a private citizen after hours, and I have no control over that part of it. I did, however, point out that I was not pleased.

Mr. Van Mulligen: — Is that not a potential for a conflict of interest in this case? Here you have a person who's employed by the Urban Affairs department and in his spare time — or so he says to you — he's making contacts with the president of the Saskatchewan Urban Municipalities Association with a view to arranging work for himself. Might he not have access to information at Urban Affairs that would assist him in the kind of moonlighting that he seems to be doing?

Hon. Mr. Klein: — Well I would certainly hope that in his judgement as a professional civil servant he would recognize the potential that exists for him to be in a conflict. And should that conflict ever come up — and I don't want to prejudge the young man or his initiative — but he is certainly aware of the potential danger that exists if he is not careful.

Mr. Van Mulligen: — So we have your assurance, then, that any and all the work that he seems to be doing on a private basis is not condoned or is not supported or encouraged by you and your departmental officials?

Hon. Mr. Klein: — No, Mr. Chairman, we haven't encouraged him or instructed him or anything to do that type of activity.

Mr. Van Mulligen: — Mr. Minister, I'm curious to know whether or not you still have a position of director of community planning?

Hon. Mr. Klein: — Mr. Chairman, no, that job is one of four that were removed from that particular department

as part of our budget exercise and as the budget progressed through its normal channels and we were looking at possible ways to implement reductions, in consultation with my department officials. In this particular area of the department, it was felt that we could abolish four positions in view of proposed changes. And that was one of them.

Mr. Van Mulligen: — Does The Planning and Development Act not state that there shall be a director of community planning?

Hon. Mr. Klein: — Yes, Mr. Chairman, I acknowledge that, as so we designated another official — as a matter of fact, his superior, the executive director of community planning, Mr. Henry McCutcheon, who is one of my officials this evening.

Mr. Van Mulligen: — Well now I just want to get this straight. You abolished the position, a position which is called for in legislation. Now you say that you've appointed someone. But how can you appoint someone to a position that you've abolished? As I understand it, the position of director — not a question of abolishing an incumbent, but the position of director of community planning was abolished. Are you saying that it was abolished and it's now been brought in, that's it in full force?

Hon. Mr. Klein: — Mr. Chairman, being that my senior officials, through the budget deliberations, found that this job was redundant, we abolished the position. But we did not abolish the statutory provision that was included in the legislation. And I suppose, you know, if we wanted to, we could have either chose to do it the way we did or we could have changed the legislation that the executive director of community planning would in all cases have the same name. So it gets back to what's in a name. The senior official is performing the same duty and fulfilling the statutory conditions of the legislation.

Mr. Van Mulligen: — Mr. Minister, is there any requirement that the person who acts or is the director of community planning be in fact a member of the association of professional planners or some such professional body in the province?

Hon. Mr. Klein: — No, that condition doesn't exist.

Mr. Lyons: — Thank you very much, Mr. Chairman. I've just got two or three short questions to the minister. Mr. Minister, your predecessor just prior to the last provincial election made a commitment to the city of Regina to provide them with funding for the renovation of Pioneer Village. Could you, sir, tell us if you intend to honour that commitment, and if you do, could you tell us when in fact that money will be made available to Regina to develop that fairly significant capital project.

Hon. Mr. Klein: — Mr. Chairman, that should have properly been asked this morning when my officials from Sask Housing were here. We had the whole series of events outlined. We were in fact anticipating that question to come from some member of the opposition, and it did not. And I'm not prepared to answer that because I don't have the proper officials here, that of Sask

Housing.

Mr. Lyons: — Well, Mr. Minister, was the former minister of Urban Affairs . . . When I asked this question of the Minister of Health, he said, ask it of the Minister of Urban Affairs. I take it that you're the Minister of Urban Affairs. I also know that you're the minister in charge of Sask Housing.

It's a very simple question; it requires a yes or no answer. Watch my lips. Will you live up to the commitment you made, your government made, to the people of Regina to provide funding for the renovation to Pioneer Village? Yes or no?

Hon. Mr. Klein: — Watch my lips. Ask in the proper light and you shall receive.

Mr. Lyons: — Oh, so now it comes, Mr. Minister. Am I to take that response that, if in fact the people in the city of Regina want to have capital projects from your government, that they must crawl up to your doorstep and ask in the proper light and kiss your boots?

It's a very simple question. We don't need your silly political games. Are you going to provide the money for Pioneer Village or aren't you going to provide the money for Pioneer Village? Or is this just another Tory promise broken?

Hon. Mr. Klein: — Mr. Chairman, although the member doesn't seem to have been here long enough to recognize what areas of concern should be addressed in the proper departments, I will go back to my prior estimates to respond to your question. And maybe next time you'll pay attention when the proper department is up.

The project was originally designed to proceed in 1986. Pioneer Village was unable to do so. It's jointly-sponsored, non-profit program between the federal government, Canada Mortgage and Housing Corporation. And our federal partner requires that when we agree to a budget in any given year, that the budget be committed or in fact we lose it, which is exactly what happened because Pioneer Village couldn't produce in 1986.

As a result, Canada Mortgage and Housing Corporation transferred the funds that they had earmarked for that, out of the budget into some other area. It can only be reasonably expected that when we offer financial assistance for a project to a sponsor in any given year, that it's the responsibility of that agency to indeed pick up that responsibility and make their commitment.

In 1987, in this year, we again contacted Pioneer Village to see if they would be ready to proceed in this year, so that we could include them into this program, and again we were told that their position was such that they could not proceed. Then we asked them to participate in the innovative housing program, and I believe — and I'm not sure, and that's the area that I'm grey on without my officials — that they may have submitted some form of participation in the 1987 innovative housing project. But it was such, and in such a form, that they didn't win out on the innovative housing process.

Mr. Lyons: — In other words, Mr. Minister, just to get you straight, you are saying that the money for Pioneer Village, promised by your level of government, the provincial government — the senior level of government — that you will not be providing the money for Pioneer. Is that a correct statement or not?

(2000)

Hon. Mr. Klein: — No, it isn't. What I said is that in conjunction with our federal partners, when a commitment of that nature is made, it must proceed in that budget year. And it did not. And our federal partners then had to reallocate their budget to some community that was prepared to go ahead with enriched housing; that was prepared indeed to put up housing for their seniors. And you can't expect them, when they are committed to housing right across the country, to hold back on projects while people are waiting to make up their mind.

Mr. Lyons: — Just one final question on this, Mr. Minister. If CMHC (Canada Mortgage and Housing corporation) makes its commitment good, will you as the Minister of Urban Affairs, will you guarantee that the province of Saskatchewan will make good on its commitment? Since the problem seems to be . . . As you're putting it now in the lap of CMHC and the federal government, if you're saying it's the federal government that's holding it up, if the federal government comes through, will you come through?

Hon. Mr. Klein: — Mr. Chairman, all I can commit to is my annual budget that's approved by this Assembly, and that we put together, with Canada Mortgage and Housing in the best way we can. That budget was approved earlier this morning. That budget did not include funding for Pioneer Village. Certainly Pioneer Village, once they're ready to go, if they want to put in another bid, and are prepared to do so, absolutely we would look at it.

Mr. Van Mulligen: — Thank you, Mr. Chairman. I have no more questions at this point but I want to make a few concluding remarks. I might say that I do that with a certain amount of sadness as I watched the minister, not only today, but I've watched him over the last year, and his performance in his portfolio. When he was appointed a year ago his appointment was met with a fair amount of praise. There was a newspaper article which was entitled — I bet the indulgence of the House — it said, "Klein said good choice."

Mr. Chairman: — You are not supposed to use members' names. Refer to them by their portfolio or their constituency.

Mr. Van Mulligen: — Mr. Chairman, I'm quoting from an article. Is that permissible?

Mr. Chairman: — No, that's not permitted.

Mr. Van Mulligen: — Well anyway I'll try to do the best I can but I may have to take some liberties. Anyway the article said that "(Blank) said good choice." And by "Blank" I mean the present Minister of Urban Affairs. And

it said that . . .

Some Hon. Members: Hear, hear!

Mr. Van Mulligen: — The article quotes Herb Taylor, who was then the president of the Saskatchewan Urban Municipalities Association, who said that he's pleased the new Minister of Urban Affairs has not been saddled with extra portfolios. "We are very, very happy," Taylor said in an interview. "We've worked with Mr. (Blank) before on some other projects so we know him."

The appointment of "Blank" as Urban Affairs minister was also described as being:

... extremely good news Wednesday by Regina Mayor Larry Schneider. (Blank) has always left me with the impression that when given a job he's going to do it.

Mr. Minister, those were the expectations. That was the praise that followed you subsequent to your appointment as Minister of Urban Affairs. I might say that it's been a big disappointment, a very big disappointment for urban municipalities to have viewed your performance in the last year.

I'd like to review that year. You authorized the single largest reduction in provincial revenues for urban municipalities that we have ever seen. never before in the history of the province have we seen a minister in a department take the attitude that it's appropriate to shift revenues in such a massive way.

Some Hon. Members: Hear, hear!

Mr. Van Mulligen: — In effect you authorized a potentially massive shift in taxation from the province to property taxpayers; from a wide variety of revenue sources to a single source of revenue that is generally conceded — even if you do not — generally conceded to be regressive and unfair.

At a time that municipalities were looking for federal government assistance to help them with major challenges in terms of improving their infrastructure, you moved in completely the opposite direction.

Some Hon. Members: Hear, hear!

Mr. Van Mulligen: — You cut all capital funding to municipalities.

When it comes to other provincial government actions which affect municipalities, it is clear that your word carries no weight whatsoever around the cabinet table.

How else, how else do you explain, Mr. Minister, cuts in grants under the municipal water assistance program? Where was your voice to say, that's wrong and it's not good for municipalities? How do you explain changes to the summer student employment program so that municipalities could no longer employ students under those types of programs? Where was your voice to say, that's wrong and it doesn't make any sense whatsoever?

Where was your voice, where was your voice when the Minister of Finance proposed and introduced an increase in the E&H tax, an increase in taxes which means that municipalities must pay more? It means higher costs for them. Where was your voice with respect to the gasoline tax — a gasoline tax which means that municipalities must pay more, they must pay higher costs? They must pay more to the provincial government for necessary municipal services, services such as urban transit. Where was your voice to say, that's wrong and that's going in completely the wrong direction?

Some Hon. Members: Hear, hear!

Mr. Van Mulligen: — You know, Mr. Minister, the other day when we were discussing Urban Affairs in this House, you said, I do my best. Well, frankly, Mr. Minister, that's what worries municipalities and that's what concerns us. Your best is simply not good enough. Certainly you have done nothing to really protect their interests, and you're going to have to do a whole lot better than you've done hitherto.

We've seen this last year, or at the beginning of your term, we saw the tabling of the Local Government Finance Commission report which was arguably the most comprehensive, thorough, and complete review of local government financing that we have seen in some decades.

Mr. Minister, you've had this report for a year. The only recommendation that you seem to support is the one that says that municipalities should borrow more. You have not followed up on any of the recommendations. You have done nothing to reduce the property tax burden, which the report outlines is the third highest in Canada — a property tax that is unfair, regressive, and should be far more limited than is now the case. And your absolutely goofy explanations about how some government-induced economic stimulus should make up for the fact that property taxes are high and therefore need not be of concern to people in Saskatchewan, I think completely misses the point.

You have shown no leadership whatsoever when it comes to the business tax. Instead, you prefer to attack . . . You attack me for my time on Regina city council; you attack governments of the '70s. Your government has been in office since 1982. The business tax has only become a problem for business since 1982. But your government has done nothing; your government blames everyone else but doesn't do anything itself.

Some Hon. Members: Hear, hear!

Mr. Van Mulligen: — This is an issue that cries out for strong leadership if it is to be resolved. It hasn't been resolved; you haven't provided the strong leadership.

Some Hon. Members: Hear, hear!

Mr. Van Mulligen: — Mr. Minister, you talk a lot about consultation, and I say that consultation is welcome. But, Mr. Minister, I wonder where was the consultation when it came to the cuts. Somehow in your own particular goofy way, you've tried to give the impression here that

municipalities were asking for cuts in capital funding, that they wanted cuts in revenue sharing, that they want to see their reserves, depleted. If that's consultation, Mr. Minister, I think I'm going to have to look in the dictionary to make sure on my own definition of that word.

Where was the consultation when it came to delaying the schedule of payment of urban revenue-sharing payments to municipalities, an issue that we've been addressing these last few days in the legislature? You mean to say that you went out to municipalities and asked them, can we delay your payments to you? Well that's not the message we got; that's not the message anybody got.

Some Hon. Members: Hear, hear!

Mr. Van Mulligen: — Again, we've gone through an extensive process of consultation when it comes to local government financing in this province. It took a number of years, it involved hundreds of thousands of dollars, it involved many hundreds of submissions — it was called the Local Government Finance Commission — and you say that we're still reviewing it, you say that we're still reviewing it.

And you say well now the Minister of Finance and I will meet with SUMA and others and we're going to study the issue some more. We're going to discuss the financial needs of urban municipalities. Mr. Minister, I predict that in another two years you'll still be studying, you'll still be consulting, and that you won't have come up with any answers. You still won't be providing any leadership. And municipalities will still be facing the kinds of financial problems they're having now. All I can say is that consultation to you seems to be a byword for delaying.

Again, I think that municipalities appreciate consultation when it results in positive and effective action, but that's not something that they've seen. You talk a good game, Mr. Minister, but you've really shown very little leadership. You've really shown very little good, positive, constructive action.

What we do see is a lot of hedging, evasion, and simply unbelievable comments, if not downright incompetence — and also, I would say, a lack of knowledge and understanding of the nuts and bolts of how local government works.

You must have spent 20 minutes today in consultation with your officials trying to get answers to simple questions about local government. This does not display someone who is in control of his department, someone who is knowledgeable and thorough when it comes to his department.

We see less than complete honesty. No one believes you any more when you talk about your reasons, which seem to change now every day, for the delay in urban revenue-sharing payments.

To justify your capital cuts, you paint some very incomplete picture of events in 1979 and '80. You say, well the NDP cut the capital grants, and there's a good reason for us to cut our capital grants. But you forget to mention that even as the NDP cut 10 million, they

increased it by another 23 million, for a net increase of 13 million. Again you try to give an incomplete picture of what's going on, as you just did now with the question of reserve funds for larger municipalities.

Mr. Minister, I have a sense that you shoot and you bluster and you go off in all directions, and that you don't make much sense, or really don't have much of a positive impact. In many ways you remind me of that cartoon character, and it's little wonder that they call you that — the Yosemite Sam of Saskatchewan politics.

Mr. Minister, you've been a very big disappointment. We shall expect very little from you in the coming years. Thank you.

(2015)

Hon. Mr. Klein: — Mr. Chairman, my mind has gone blank.

Some Hon. Members: Hear, hear!

Hon. Mr. Klein: — After that scathing personal attack, I'm glad he ended it off with not expecting much for the next couple of years because that will make my job easier — not that he expected that much anyhow.

I appreciate, at least, that he recognized a couple of things: that I started off right — hopefully, a year down the road now, other names have been added; we'll see. I think that my straightforwardness is well known not only in this Assembly but throughout the province. I'm probably the last one in the world to hedge or hide and be afraid, and as a result, unfortunately, you lost a great deal of impact with some of the verbiage that you spouted. But at least I must have some sympathy on their benches, Mr. Chairman, because there was no motion made to reduce my salary.

Item 1 agreed to.

Items 2 to 9 inclusive agreed to.

Item 10

Mr. Koenker: — Yes, thank you, Mr. Chairperson. Mr. Minister, I'm wondering about the Meewasin Valley Authority. I commend you for not cutting this past year, but I suspect that there may be cuts coming in the future. I'm wondering if you could confirm what your plans are for Meewasin Valley Authority, and whether we can expect cut-backs to the important work being done by the authority in Saskatoon?

Hon. Mr. Klein: — I appreciate the question from the member from Saskatoon Sutherland, and I'm not in a position to forecast what our new budgets will be.

But I'm glad that you recognize that we were able to hold the line on the funding for our urban parks not only Meewasin but Wascana and Wakamow, as well, and Chinook in Swift Current. And I can tell you that within the confines of our next budget, we will also attempt to do the best we can for those important urban parks.

Mr. Koenker: — Well I'd just like to commend it for your consideration, Mr. Minister, because it does create some substantial employment for people on low incomes or on welfare in Saskatoon. It also enhances the quality of life in Saskatoon. It has to do with such things as monitoring water quality in the city, cleaning up the city and providing recreational facilities for people. Those are all very positive measures which the people of Saskatoon continue to look for support from the provincial government.

I'd also like to ask if you can confirm that you will increase funding for Meewasin in order to provide provision for the Wanuskewin Heritage park. This park has been officially declared a national heritage site by Parks Canada, and it's been estimated that some 110,000 people will visit it annually once it's completed — 75,000 of those being from outside Saskatchewan, so there certainly is tremendous potential there.

But the point is that it needs a commitment from this level of government to ensure that those improvements go forward, and that the city, then, and that the federal government will kick money into the heritage project as well, so that in three or four years from now we have a project that is world class. You talk a lot about world class tourist facilities and here's an opportunity to do something. Can we expect to see a commitment to increased funding for this particular aspect of Meewasin's work?

Hon. Mr. Klein: — Mr. Chairman, I believe that the member has pointed out something that is recognized and accepted, and I think he fully understands that I am not in a position to indicate anything tonight. But there might be other areas, certainly as that park develops, that there might be some form of financial assistance wherever it may be. And we recognize the importance of it to that area, and as time goes by, we'll just have to see how we can improve the situation.

Item 10 agreed to.

Item 11

Mr. Calvert: — Mr. Minister, as I look at these estimates, it's clear to me that you have not listened or heeded the many representations that have come to you from people in the Wakamow Valley Authority and people in Moose Jaw concerning the funding for Wakamow.

My question, Mr. Minister, is this: why have you maintained the differential in funding that occurs for Wakamow as compared to the other like valley authorities around the province?

Hon. Mr. Klein: — Mr. Chairman, while I recognize that, I disagree with the member when again he says that I'm not concerned with Wakamow Valley and the people of Moose Jaw, and that I don't listen to them. I did. I represented them very well during the deliberations of our budget and was pleased when we could maintain the level of funding that we did.

They went through an unnecessary exercise, well orchestrated by the authority — probably at much time

certainly of volunteers that I recognize exists in Moose Jaw, and at some expense — to do something that was totally unnecessary. Because I am in touch with the board and I do talk to them and I do recognize the problems that exist, and as much as I would like to perhaps get them on an equal footing with the other parks that are in existence throughout the province, that opportunity was not available to us this year. And the only thing that I can say, and it relates back to the time of the original agreement, and that was negotiated with Moose Jaw at the time. And I believe that until such time as we are in a position to honestly be able to afford to catch up that situation, all we can do for the Wakamow Valley Authority is the same as we're trying to do for the other urban parks.

Mr. Calvert: — Well, Mr. Minister, I have little faith that things are going to change this year, so I guess what I'm doing tonight is lobbying for the next time you put a budget together. And I want to ask you tonight: will you give very serious consideration, indeed, would you make a commitment here in the House tonight that you would bring the Wakamow funding up to at least equal to the levels of funding provided to the other valley authorities in the province?

Hon. Mr. Klein: — Mr. Chairman, I'm not able to give that commitment tonight, obviously.

Item 11 agreed to.

Items 12 to 21 inclusive agreed to.

Vote 24 agreed to.

Consolidated Fund Loans, Advances and Investments Urban Affairs Ordinary Expenditure - Vote 162

Item 1 agreed to.

Vote 162 agreed to.

Supplementary Estimates 1988 Consolidated Fund Budgetary Expenditure Urban Affairs Ordinary Expenditure - Vote 24

Mr. Chairman: — Any questions on '88 supplements?

Supplementary Estimates 1987 Consolidated Fund Budgetary Expenditure Urban Affairs Ordinary Expenditure - Vote 24

Items 1 to 3 inclusive agreed to.

Vote 24 agreed to.

Supplementary Estimates 1987 Consolidated Fund Loans, Advances and Investments Urban Affairs Ordinary Expenditure - Vote 162

Item 1 agreed to.

Vote 162 agreed to.

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

Hon. Mr. Klein: — Mr. Chairman, while no one enjoys personal attacks, by and large some were in jest and enjoyable this evening.

I appreciated most of the questions that I received and certainly all of the debate. I do apologize for the few times that I displayed a loss of my temper, but I think that that's recognized. You can imagine the wrath that I occasionally deploy on my officials, but I do thank my officials for a job very well done. I do recognize and appreciate the work that these truly professional civil servants do on our behalf. Thank you.

Some Hon. Members: Hear, hear!

Mr. Van Mulligen: — Mr. Chairman, I want to join with the minister to thank his officials for attending here tonight. Some of these officials are known to me from my time in municipal government, and I would agree with the minister that these are high-calibre people and they are well-qualified for the positions that they serve. They're a credit to the civil service and they're a credit to the minister's government.

I also want to thank the minister for taking the time to answer the questions. Even if some of the questions were answered in a less than adequate way, I want to thank him for the time and for being available. Thank you.

Some Hon. Members: Hear, hear!

The committee reported progress.

(2030)

COMMITTEE OF THE WHOLE

Bill No. 22 — An Act to amend The Municipal Revenues Sharing Act

Clause 1

Mr. Chairman: — I would ask the minister to please introduce his officials.

Hon. Mr. Klein: — Mr. Chairman, I have with me Dave Innes, my deputy minister, and I think that most of the argument will have been covered in the Committee of Finance that we just concluded. I really don't have anything to offer unless of the member from Regina Victoria would ask for some clarification in some manner, and I leave it up to him.

Mr. Van Mulligen: — Mr. Chairman, no, I agree with the minister. I think we've covered the ground when it comes to revenue sharing during estimates. I think that all of us would wish that we had more time to give to this very important subject. Be that as it may, we do not. I would simply indicate that this caucus stands fully opposed to the Bill. We believe that it's a step in the wrong direction. Thank you.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

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

The committee agreed to report the Bill.

Bill No. 15 — An Act to amend The Student Assistance and Student Aid Fund Act, 1985

Mr. Chairman: — This Bill has been before the committee previously and we have already agreed to clause 1 to 5. We're currently on clause 6, and an amendment was proposed by the member from Saskatoon University and seconded by the member from Regina Centre.

Clause 6 (continued)

Mr. Prebble: — Mr. Chairman, this amendment before the committee is to the effect that the Saskatchewan student bursary program established pursuant to this Act be continued in contrast to the policy of the government which has been to abolish the Saskatchewan student bursary program in this province, originally established by the New Democratic Party.

When we were last considering these estimates, I was asking the Minister of Education to verify the fact that students in this province, in effect, now have to borrow almost two and a half times as much money before they're eligible for any direct assistance and then it's only in the form of a forgivable loan. And the minister, last time these estimates were under consideration, was unable to tell me how many students — how many thousands of students in this province — will lose their bursaries as a result of his changes to the bursary program. And he was also unable to verify my statement, because his officials just didn't know. But my contention is that a student in a technical institute, taking a 38-week program, now has to borrow over \$6,800 from this government before being eligible for one penny of forgivable loan — an increase in borrowing of more than \$3,000 over what would have been required last year.

And I ask the minister now to answer two specific questions so we can get on with the vote on this Bill. One is: how many thousands of students in this province will lose their bursaries as a result of the policy that you've implemented? And secondly, will you now acknowledge that a student at a technical institute must borrow more than \$6,800 if they're in a 38-week program — the standard length of program in an institute — before they can receive one penny of forgivable loan from your government? And will you further acknowledge that that's an increase of more than \$3,500 in borrowing over what would have been required last year?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, the first question is the number of students who had a bursary last year but this year will receive their assistance in another form.

Point number one: approximately 50 per cent of university and technical institute students receive student

assistance. Approximately 40 per cent of the students who receive assistance received bursaries in '86-87, or in other words about 7,000 young people. Therefore 20 per cent of all Saskatchewan post-secondary students are projected to be affected by the change. Some students will receive forgivable loans — 4,200 is what we are projecting versus 7,000 who received bursaries in '86-87.

The second question . . . And what we had worked up was for a student in a 37-week program at an institute — \$6,600 repayable, 2,590 would be forgivable on the total eligible amount of \$9,250. And for your information, in '81-82, the maximum assistance available for the same student was \$112.50 per week, or \$4,160. Now you could make the case, certainly, in a 37 or 38-week course, that they have to borrow 6,600 or 6,600-plus, before they get some assistance.

But as well, there are a number of students who are not in 37 or 38-week course. I have numbers here for 21-week courses, 12-week courses. We're there. Of this amount, 75 of the first \$900 is repayable and the next 840 is forgivable. So there is all kinds of different combinations and permutations. I think as you can appreciate, depending on the length of the course, and of course that doesn't take into consideration our special needs category for northern students, disabled students, single parents, that kind of thing.

Mr. Prebble: — Mr. Chairman, thank you very much. The minister has just acknowledged that 2,800 students in this province are going to lose their bursaries as a result of your policies. And, Mr. Minister, the remaining 4,200 — it's clear from the changes you've made, that the large majority of those students will get lower amounts of direct assistance, less direct assistance, than they did in previous years.

Mr. Minister, I'll not belabour the point any more, because I've asked the question now six or seven times. You simply fail to acknowledge the fact that almost every student realizes now, and that is that last year a student only had to borrow \$80 a week in Canada and Saskatchewan student loans before they received a bursary. This year they have to borrow \$180 a week in Saskatchewan and Canada student loans before they receive a bursary. And for a university student, taking a standard eight-month program, that means they now have to borrow \$5,940 a year before they receive one penny of direct assistance from your government in the form of a forgivable loan. And a technical institute student, the large majority of which, Mr. Minister, are in 38-week programs, has to borrow \$6,840 before they receive one penny of assistance. There are thousands of students in this province, as a result of that, who will suffer cuts in bursary assistance. You've acknowledged yourself just now that 2,800 will get no assistance at all who got them last year.

I just want to ask you one more question before we conclude this debate, Mr. Minister, and that is with respect to the question of whether you have the legal authority to cancel the bursary program at all. I want to say that I've consulted with the Legislative Law Clerk of this Assembly. I've asked the clerk whether, in her view, you have the legal authority under The Department of

Advanced Education and Manpower Act to make regulations regarding student loans and bursaries.

She informs me, Mr. Minister, that in her legal opinion you do not have the authority. That's the Act under which you chose to pass regulations eliminating the bursary program. And I want to ask you tonight to table the legal opinion that indicates that you do have the authority to make regulations under the Act I just indicated, abolishing the bursary program, because I believe, Mr. Minister, you don't have that legal authority and that you in fact have abolished the student bursary program in this province without even having the legal authority to do so, Mr. Minister.

So will you table the justification for using The Department of Advanced Education and Manpower Act as the vehicle for passing regulations to do away with the bursary program?

(2045)

Hon. Mr. Hepworth: — Mr. Chairman, I would read into the record, and then I'll send it over to the hon. member, the opinion we have from the civil law division, Department of Justice, re The Student Assistance and Student Aid Fund Act, 1985.

Under subsection 7(1) of the above Act:

The minister (of Education) may (subject to that Act and any regulations under that Act) make awards in the form of scholarships, bursaries, loans or any combination thereof, to (students for the purposes set out in that subsection).

And I'll skip over a couple of sentences and I'll pick it up again where it says, the use of the word "may" in that subsection is permissive and empowering and does compel the minister to make any awards or to continue making any awards previously instituted by the minister on the criteria established by him.

There's nothing in the Act or the regulations made under that Act which delimits or impairs the minister's ability to discontinue making any or all awards pursuant to that subsection.

Under section 4 of the Act:

The Scholarship Bursary and Loan Committee is continued (with one of its functions to be to) . . . make recommendations to the minister concerning the development and administration of scholarships, bursaries, loans or other forms of assistance for students. . .

And finally, another sentence here that might be worth reading:

(In any event the duty of the committee is really to) make recommendations to the minister.

in these areas, and there's nothing in the Act or regulation which would compel the minister to follow such recommendation in establishing, administering, or

discontinuing any awards pursuant to the power given to the minister under subsection 7(1) of the Act.

Mr. Prebble: — Thanks, Mr. Chairman. I guess we have two conflicting legal opinions. I'm glad that at least the minister's got a legal opinion to reinforce his argument. We're not in a position as an opposition to pursue that argument any further. I'm quite prepared, Mr. Minister, to bring this subsection to a vote now.

I just want to point out in closing that this is an average student in my riding and this is how he's been impacted by the changes that you've made. In both summers, this student was able to save \$1,000, Mr. Minister, in summer earnings to apply to his education. His total allowable expenses, both last year and this year, were \$6,100 under the student loan program. His total allowable needs in both years were \$5,100. In both years he got a Canada student loan of \$3,465. That student, Mr. Minister, got a \$1,500 bursary from the provincial government last year and this year, as a result of the changes that you made, that student will get nothing in the form of a bursary, and I think, Mr. Minister, that that simply illustrates the great disservice that you've done to the thousands of young people in this province who, as a result of the policy change you've made, will go many thousands of dollars more into debt to get an education than they would have prior to you introducing those changes.

Let's bring this section to a vote, Mr. Minister.

Hon. Mr. Hepworth: — Well, Mr. Chairman, hon. member, I hear what the hon. member is saying and we're going to . . . we can vote this off and agree to disagree on it. But I would, too, want to read in the record again, because what we're really talking about is: why do we have student assistance? Why would he propose bursaries instead of changing to a program where we forgive the loans to those who are most needy. That's what we've done here is to try and target giving more money to those who most need it — the handicapped, natives, single parents, those kinds of things, Mr. Chairman.

But let there be no mistake about our commitment to student assistance and having our young people gain accessibility to our secondary institutions. So, once again, and just very briefly, Mr. Chairman: in '81-82, provincial assistance was \$4.25 million — 5,400 recipients; '86-87, \$34 million in provincial assistance - 17,000 recipients. We have eight times the dollars being put forward from the province, Mr. Chairman, over that time frame and three times as many recipients. It seems to me that's addressing in a very fundamental way the question of accessibility.

Mr. Shillington: — Yes, I just want to add my voice of complaint, Mr. Minister, to that of my colleague and other people who have complained about this legislation, and complained about what you are doing to students. Mr. Minister, there is no question but what you are cutting back on the expenditures which this province makes to students and to education. You're making it more difficult, and I can't believe any government would be so short-sighted, Mr. Minister.

Mr. Minister, we are not bequeathing young people a very pretty mess. And there is not perhaps very much we can do about that. We can, however, ensure that they get the best education, and that so far as it is possible they are trained to meet those problems. By cutting back on education here, as you are doing elsewhere, Mr. Minister, you are making it more difficult for young people to get an education, and you are discouraging them from getting it. We ought to be doing the opposite.

Mr. Minister, the sort of assistance that was available to you and I when we were that age was vastly better than it is now. And that's a real crime, Mr. Minister, if young people are not outraged with what you are doing in education, then they don't sit where I sit. I think they are outraged. I think the absence of the Conservative Party opposite to find anyone who would participate in a debate on campus in the last election is perhaps some indication that you're not altogether proud of what you're doing.

I say, Mr. Minister, this is short-sighted, it's unfair, and I just can't believe that you'd fail to make this kind of an investment in the young people of the province.

Amendment negated on division.

Clause 6 agreed to on division.

Clauses 7 and 8 agreed to.

Clause 9

Mr. Prebble: — Mr. Chairman, I just very briefly want to move a motion and bring it to a vote pretty well right away. I'd like to:

Amend section 10 of the Bill as being enacted by section 9 of the printed Bill:

(a) by striking out subsection 1;

(b) by striking out "minister" in the first line of subsection 2, and substituting "Lieutenant Governor in Council";

(c) by striking out clause 2 (j); and

(d) by renumbering subsection 10(2) as section 10.

Mr. Chairman, I move that, seconded by the member for Regina Centre.

I simply want to say in speaking to this motion — I'll give it to the page if I may, and I've given the minister a copy of this amendment earlier. I simply want to say, Mr. Chairman, with respect to this amendment that I do not think it is appropriate for the minister to be giving himself the authority under this Bill to make regulations himself and adopt them himself without taking those regulations to cabinet. I simply think that's not good policy. It's not standard practice in legislation. It's just another little example of the desire of this minister to grab power wherever he can get it, Mr. Chairman.

This is simply not a good section in the Bill. I ask the

minister to agree to this very simple amendment, and I hope he will, Mr. Chairman. And I'll conclude my remarks with that.

Amendment negatives on division.

Clause 9 agreed to.

Clause 10 agreed to on division.

The committee agreed to report the Bill.

Mr. Prebble: — Before the minister's officials leave, I'd like to express my thanks to them for being present. I know some of them will be leaving as we switch education Bills, so I want to thank them for their presence in the Assembly.

Hon. Mr. Hepworth: — Mr. Chairman, I join with the critic in thanking my officials as well for their assistance in this Bill.

Bill No. 46 — An Act respecting the Saskatchewan Institute of Applied Science and Technology

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

Hon. Mr. Hepworth: — Thank you, Mr. Chairman, members of the committee, to my right is Lawrie McFarlane, deputy minister in the department; behind him, Kevin Costante, executive director of training; beside him, Elizabeth Crosthwaite, assistant deputy minister, training; and to my left, Larry Anderson, Justice solicitor.

Clause 1

Mr. Prebble: — Thank you, Mr. Chairman. I'd like to welcome the minister's officials to the Assembly.

I'd like to say, Mr. Minister, that I can't think of an educational Bill or a labour Bill that's been initiated in this Assembly in the current year that has led to as much opposition and dissatisfaction across the province as Bill 46, Mr. Chairman.

(2100)

Mr. Minister, you are really doing a great disservice to the people of this province, and particularly to the students and instructors in our technical institute and community college system in this province, with the introduction of Bill 46. You have tried to pretend, Mr. Minister, that this Bill which amalgamates Saskatchewan's four technical institutes and four community colleges into one super institute is going to usher in a new era in post-secondary education in this province.

I want to say to you, Mr. Minister, that all this Bill does is, first of all, continue the attack on the rights of employees who work in post-secondary education in this province that you began this spring when you fired 142 instructors in our technical institutes and our community colleges. All this Bill does, Mr. Minister, is put in law what you have been unsuccessful in negotiating as minister responsible

for the Public Service Commission with employees who work in the technical institute and community college system.

What you have failed to negotiate by way of a collective agreement with those employees, you are now trying to force through using Bill 46. And we, Mr. Minister, say that that is simply a disgrace and that you are breaking with all the traditions of collective bargaining in this province.

Mr. Minister, I want to summarize briefly our three major objections to this Bill and then provide an opportunity for my colleagues to ask some specific questions of you.

Our first objection, Mr. Minister, is that you are simply trying to re-write the labour laws of this land as they apply to technical institute and community college staff. You, Mr. Minister, are very consciously singling out those professional educators and those staff persons who work in our institutes and colleges and you are trying to make an example of them, Mr. Minister, with respect to the kind of labour law that we no doubt will see from you in the future applying to a much larger group of employees.

But specifically with respect to this group of employees you are, first of all, taking away their seniority rights. You are denying them, Mr. Minister, the right to belong to the trade union of their choice. You are abolishing the certification orders that led to all the urban college instructors and all the urban technical institute staff being members of Saskatchewan Government Employees' Union, and you, Mr. Minister, are consciously abolishing their collective agreements. And, Mr. Minister, you know full well what you're doing because you as minister of the Public Service Commission have a good deal of experience with trade union legislation, and particularly as it applies to the public sector.

And, Mr. Minister, this is nothing short of union bashing and a denial of the rights of employees in our technical institute and community college system. And, Mr. Minister, I say that in denying their rights, you are directly resulting in a demoralization of staff in our institutes and, as a result of that, a decline in the quality of education that is available at our institutes.

I've never seen a time in the history of the province, Mr. Chairman, when institute staff and college staff have been so demoralized. And this minister has compounded the firings of this spring with now this Bill that denies their basic rights to a collective agreement and membership in a trade union.

There are two other issues, Mr. Chairman, that I want to briefly touch on. One is the issue of the failure of this government to agree to local autonomy for boards and instead to go with the notion of one central board, which in reality under this Bill, has very little power. The Minister of Education retains the right to, in effect, implement any policy in the institute and college system that he wishes. He has given this board so little autonomy that it bears absolutely no resemblance to the University of Regina or the University of Saskatchewan, contrary to his claim. Contrary to his claim that this is an autonomous board, this is merely a puppet board which is a front for this Minister of Education to continue exercising his

power over the direction that the college and institute system in this province will take.

And, Mr. Chairman, we, in the New Democratic Party, have met with instructors and with staff and students in the institutes and colleges across this province, and time and again, they have expressed to us their disappointment with this Bill, their expectation that when the Minister of Education talked about autonomy, he meant local autonomy that would give faculty and students and staff in the technical institutes and community college some real say in the programs that were to be offered, in the way the budget was to be allocated, and in the priorities that would be set by a local institute or college.

Instead we have one central board with no elected members, all appointed by the Minister of Education. He's free to appoint his own political hacks to set up and run this super institute. And those appointees have a free reign to fire or delete positions and attack employees in the institute and college system that they don't want to see around any more because those employees have lost their seniority and their collective agreement.

Mr. Chairman, we on this side of the House, stand for elected boards, locally elected boards that have authority and responsibility with respect to the setting of programs at the local level, the allocation of the budget at the local level, the hiring of staff at the local level. And we say, Mr. Chairman, that some things in the institute and college system should still be done on a central basis, and those should include the negotiation of a collective agreement with the employees in the institute who should continue to be represented by the Saskatchewan Government Employees' Union, who is their legally recognized union — the union that they voted to be members of, in some cases many years ago, and in some cases recently.

That's the kind of structure, Mr. Chairman, we want to see. We want to see either the Department of Education or some central body continue to ensure that credits are transferable between institutes, something that's long overdue in this province, and to set a global budget for each institute. And beyond that, Mr. Chairman, we want to see other decisions made at the local level with input from students, faculty, staff, local employers, and interested community organizations. I'll stop at that, Mr. Chairman.

I want to ask the Minister one question before turning this over to my colleagues, and that is simply this: I want to ask the Minister why it is that he is making an exception to the labour laws of the land for technical institute and community college employees? Why it is that he is saying to those employees that their collective agreement is to be abolished, that their seniority rights are not to be recognized, and that their right to transfer SGEU (Saskatchewan Government Employees' Union) membership to the new institute is being violated contrary to section 37 of The Trade Union Act? Why are you singling out, Mr. Minister, technical institute and community college staff and trying to exempt them from the labour laws of this land?

Hon. Mr. Hepworth: — I think some of this ... The issues

the hon. member raises in his last question, Mr. Chairman, we have dealt with on previous occasions to some degree through question period. But I will reiterate why we're doing what we're doing here, briefly.

The first point I would make is, this is a Bill relative to education and post-secondary education in this province. It's not a labour Bill. And I think as the hon. member, when we had second reading ... I mean, this view that it's somehow labour legislation is a new view because that wasn't his view when we had second reading of this Bill, Mr. Chairman.

It also is well-known, because the hon. members opposite themselves conducted a survey relative to the form of governance that we had for the institutes prior to this Bill coming in — in fact, it's still in force this very day — and that was that the institute faculty and staff were members of the department of advanced education. They did not like that. The whole concept didn't have the flexibility and the responsiveness that it should have. It was their view that everything was run out of government and it was totally apart from what was happening in the universities where we had boards operating each university, as well as community colleges which had their own boards. So we had this anomaly where we had institutes that were an arm of the department of advanced education. Everybody agreed, including them, that we had to change that. Now we've changed it and they still don't like it.

What we have here now, and why we have done what we've done, is now we have an exclusively educational institution. It's got a new mandate, with new goals, and new objectives. And we're not violating any rights of those people because we want to do right by our people.

As I've said in this House before, there were rumours going around that when this Bill passed, they'd lose their jobs and their pay would go down and all those kinds of things. We want to do right by these people. We want to have them have more opportunities to do research and to have time and money for research, Mr. Chairman. We want to do right. Those are the people that are going to make this thing click.

It's a new institute. It's strictly an educational institute. And the thing that the hon. members can't get through their heads yet, it seems to me, is that these people will no longer work for government, they'll work for the Saskatchewan Institute of Applied Science and Technology — much as people today work for the University of Regina or the University of Saskatchewan.

There's no sense clinging to that notion that somehow everything should be run by government. They didn't want that. Those members opposite agreed with that. But we have not violated their rights. We have left it to them to choose if and how they shall be represented and by whom they shall be represented. We've left those choices to them. But this is a new institute, new goals, new mandate.

Mr. Prebble: — Mr. Minister, you are really misleading this House and the people of this province in the remarks that you make. Because you know, Mr. Minister, full well

that it is standard practice that when employees are transferred from one institution to another, their union rights go with them, their certification order goes with them, their collective agreement goes with them, their seniority rights go with them, and in every one of those cases, Mr. Minister, as a result of the legislation that you are passing in this House today, all those rights are being denied to technical institute and community college employees. Do you deny that, Mr. Minister? Do you deny that?

This is, in effect, rewriting the labour laws of Saskatchewan under the auspices of an education Bill. And I ask you, sir, to at least have the courtesy to acknowledge that, and better still, if you think that you're not doing that, then delete all the sections of this Bill that say notwithstanding section 37 of The Trade Union Act.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Well, Mr. Chairman, I don't deny anything of what is in the Bill relative to collective bargaining agreement. I mean the hon. member somehow — never mind those very fundamental arguments I put forward about (a) they no longer will work for government. And is it not right . . . It seems to me it would only be fair to employees, in fact, it would only be fair, right, and proper to employees to give them the choice now that they are working for a brand-new educational institute.

They should have the choice as to how and whom shall represent them. I think we ought not impose that. That should be their choice. And that's what we're doing here, Mr. Chairman — no rights violated. They will have the choice to choose, as always people have had in this province, Mr. Chairman. And I think this is a point that the hon. member and I are going to disagree on, and maybe all we can do is agree to disagree.

Mr. Prebble: — Well, Mr. Chairman, the minister is making me more and more angry, as I'm sure many people who are involved in the trade union movement tonight are feeling as they watch on television.

Because I say to the Minister of Education, many people in the community college system made the decision to join Saskatchewan Government Employees' Union just a short matter of three or four years ago. Are you telling those people who just voted a mere three or four years ago to join SGEU that they've got to vote all over again? That's exactly what you're saying in this Bill. In fact in the counterpart to this Bill, you are telling the community . . . Under Bill 47, you are telling the community college employees of Beauval, who only decided in July to join SGEU, that they have to vote all over again.

Now you explain to me, Mr. Minister, what the logic of that is.

Hon. Mr. Hepworth: — Well I gave you the very fundamental arguments as far as why we're doing what we're doing. There are some technical arguments that, some would argue, that would add additional credence for what we're doing.

(2115)

For example, the hon. member is somehow suggesting that we should leave well enough alone, change nothing. Well where that takes you, is really you're arguing: do not change the form of governance . . . (inaudible interjection). . . And the hon. member says, never claimed that. Well then somehow he says that when you bring all this together, then if you do change the form of governance, that somehow these 10 or 11 bargaining units that you would be bringing together, that any discrepancies that might exist in them, that that's okay. I mean, how . . . Even technically it wouldn't work, if you look at it in that light — 10 or 11 bargaining units, some get paid twice a month, some get paid once a month, different job classifications, different hours of work in some instances.

Technically there's lots of good reasons for doing what we're doing. Those arguments, really, in my mind, aren't the compelling ones because one could argue you can always deal with the technical problems. The fundamental ones are the ones that seem to me are the compelling ones. And if this is an educational institution, they no longer work for government. They're no longer part of a structure that has parks workers, and oilfield workers, and highway workers, and forestry workers, and so on and so on. These people now are part of an educational institution, and it seems to me it is only right, fair, and proper that we should give them the choice to decide how and by whom.

Mr. Prebble: — Well, Mr. Chairman, to the minister. Mr. Minister, the way to work out any differences — and many of them are pretty modest differences that may exist between the various collective agreements that are coming together here — is at the bargaining table with the legitimate trade union organization that represents all these employees, which is SGEU. That's the way to work out those differences in the collective agreement, through the collective bargaining process, not by abolishing the trade union and the collective agreement and giving those employees no one to represent them, Mr. Minister.

And you know, Mr. Minister, full well, that it is standard practice that when employees are transferred from government to another institution, whether it be a public or private one, that their trade union rights and their collective agreement go with them. You are making a special exception for technical institute and community college employee staff. And I ask you now, Mr. Minister, will you agree to sit down and allow the new super institute board to work out, through the collective bargaining process, with Saskatchewan Government Employees' Union what the new collective agreement for technical institute and community college staff will be? In the interim, will you recognize the existing collective agreements that are in place? Will you agree to that?

Hon. Mr. Hepworth: — I'll sit down with whomever the employees choose, Mr. Chairman.

Mr. Kowalsky: — Mr. Minister, in your remarks earlier you mentioned that this Bill will do something for education. Now we've looked through the Bill, and I have looked through the Bill, and I tell you it does nothing for

education that you couldn't have done without this Bill.

To me, this Bill looks completely like a power grab, a power grab on the part of your department, because what it does is instead of giving to a board, a locally elected board — the power over managing the curriculum — it gives you an overriding power. It gives you an overriding power over the board, over the budget. Instead of appointing the board . . . Instead of having elected boards, it gives you the power to elect them. It gives you the power to set fees, over and above, or just the fees that the board might suggest. It gives you the power to set the standards. You say that you're going to appoint a . . . that there's going to be a review committee. You have the power of appointing the review committee. If there's going to be any kind of a meaningful review committee, it should at least be independent and not appointed by you to review your powers.

So I'm asking you, Mr. Minister, to answer the question: why is it that you need this particular power? What is your reason? What is your reason for this particular power grab? Don't you trust the people in the communities to elect their own boards and run the institute? Don't you trust the people in the local communities to adjust the programs and to keep budgets going? Don't you recognize that municipal governments and local school boards have been far more efficient than any provincial or federal government levels have been? What is your reason for this power grab?

Hon. Mr. Hepworth: — Mr. Chairman, I have some difficulty with the hon. member's logic. What I hear him saying is that somehow with this change in the form of autonomy and the form of governance, that this is somehow a power grab by myself. But if I examine it, what do I find? I find the situation today is that these people work for the department of advanced education — or today the Education department who I am the minister of — and so one could argue, I suppose, and in a very direct way, this very day, I have all the power. I can hire and fire, if you like. What we are going to do now is that they shall work for an institute board, and I will have no authority to hire and fire; I won't even see the applications. I will have no part of that.

The second point I would make . . . And so I would argue, Mr. Chairman, that rightly so, that puts the power in the hands of the institute which is what they wanted. Secondly, Mr. Chairman, he is saying that anything in this Bill we could have done without having legislation. I don't know whether that's right or not. Quite frankly, to do . . . To make this kind of major restructuring without bringing it before the people, and without bringing it before this legislature, in my mind, would be irresponsible and probably in contempt of this legislature.

I am proud of what we're doing in the post-secondary education. I want the people to have the chance to debate it. The opposition are to be the . . . (inaudible) . . . of democracy, to examine and make commentary where necessary. It seems to me if we hadn't brought it to the legislature what would the opposition have said, Mr. Chairman. They would have said, ah, ha! There it is again. Those Tories in the dead of night, in the dark of night, cloistered away in the cabinet room. What are they

doing? Oh, yes, changing things again — hidden away. And then when we bring it here, they say, oh, you could have done that without bringing it here. And I don't think you can have it both ways, Mr. Chairman.

Mr. Kowalsky: — Well, Mr. Chairman, if he would have given the board true autonomy like the university has, then there would have been a point to the legislation. But if all you're doing is setting up a puppet board over which you as minister have all the powers, the budget powers and the program powers, there just doesn't seem any point to it.

The way the previous institutes were organized, the previous community colleges, they at least had full autonomous powers. They had all the powers granted to them under The Interpretation Act, and that means that they had the power to sue and to be sued.

Now in this particular case, this new institute is going to be making transactions and business dealings with numerous individuals and numerous businesses, and they should have the powers of a full corporation. Why is it that you did not give them powers of a full corporation? Why did you use the name "institute" in so many places instead of using the name "board" as is traditionally done? Why are you doing that? What is the significance of using "institute" if you don't intend to use your power to override the board? Because the board obviously doesn't even have the power to give you or give the government any kind of directives, or to even write a criticizing letter to the government.

Hon. Mr. Hepworth: — Well I think your interpretation, relative to the corporate nature of the institute, your interpretation of section 3 and mine must be different. As I understand section 3, it means the institute established as a corporation separate from the government.

Mr. Kowalsky: — Now could you answer the question of why you used, in section 4 for example, why you used the word "institute" where ordinarily I would have expected the use of the word "board", the board may provide. Or on page 4 in section 7(2), again you did the same thing; and again in section 9(9), the "institute" instead of the "board." Does that board not have corporate powers? Why did you use the word "institute?" What is the significance of it?

Hon. Mr. Hepworth: — Well the institute is the body corporate, and the board is the management structure. I don't know if I can really say much more than that.

Mr. Kowalsky: — I just want to clarify. Are you saying that this institute board will have the same corporate powers as . . . in terms of legal authority as say, a library, an elected library board has, or as an appointed library board has or as a school board has?

I would just add to that question: would this institute board have the power to sue the government?

Hon. Mr. Hepworth: — Relative to whether they can sue the government or not sue the government, I guess the best analogy I could use is that they would have — and you used some examples of library boards and etc., etc.

— the best example I could use is it would be to unlike what the university could do. They have a board of governors; this has a board of governors.

The powers is so far as . . . is what this Bill is all about, at least some several sections of it. That's what's outlined in here, and delineated in the various sections. The institute, it's a body corporate, it has a management structure, a board of governors, board of directors, whatever you want to call it.

Mr. Prebble: — You know, the minister's answer, Mr. Chairman, is just unbelievable. This board, Mr. Minister, bears absolutely no resemblance to the University of Regina Board of Governors or the University of Saskatchewan Board of Governors whatsoever.

But let me just give you two or three examples, Mr. Minister, that ought to make that obvious. First of all, in section 20 of this Bill, you give yourself the power not only to:

approve the budget (but to) require the board to revise all or any part of the budget (right down to the final dollar spent) in any manner that he considers (to be) appropriate.

And I'm quoting now from section 20(2).

Mr. Chairman, the minister doesn't even give the board the power to decide who their chairman or vice-chairman will be. The minister appoints them.

And in section 7 of this Act, Mr. Minister, not only do you very clearly give yourself the power to set directions for all courses, all programs, and all activities of the institute, you even go so far, Mr. Minister, to actually give yourself the ability to set directions on what the accounting systems of the new super institute will be.

Now are you trying to tell me that any of those provisions are in the University of Regina; the Act that constitutes the University of Regina and establishes the power of that board of governors? Can you show me one example of where the items that I have mentioned fall within your powers as they relate to the University of Regina, because I suggest to you that you will not be able to find a single example of that happening.

Hon. Mr. Hepworth: — Well, the question that the member poses here, really when you get down to the nub of it, is the whole question of accountability in that the public purse must . . . and the expectation that the public might expect, given the sums that are coming from the public purse of the institute. On the other hand, it's to provide the institute with its autonomy.

Now I have no doubt, to flip this argument around, the operation of this will go something like this: on an annual basis, 50 to 60 millions of dollars will be taken from the public treasury and given to the institute to run. Now are you saying that we ought not have some accountability relative to that sum? Because sure as I stand here — and I stood in this very spot, and you questioned me for 42 hours in Education estimates — and I'll tell you what, it didn't matter whether it was the university, the technical

institute, or community college that had a board in place, you wanted to know lots of stuff on behalf of Her Majesty's loyal opposition.

(2130)

Now you can't have it both ways; you can't have it both ways. You can't say, send them a blank cheque. I would argue that if we didn't have that section in there, you would say this: are you trying to tell us, Mr. Minister, that you're going to send them a blank cheque and have no expectation of how that's spent? Is this what you're really telling the people? You send them a blank cheque and have no understanding of where it might be spent, or how it might be spent. I mean, what this is is common sense and reason. We're moving it out of the department, giving them that flexibility and autonomy, but certainly the public purse has to have some accountability, and that's what it's all about. It's not onerous. You can argue that we don't have the same lines and words as the University of Regina, whoever; I accept that. Maybe my example was a bad one. I'm trying to tell you what we're fundamentally looking for here.

Mr. Prebble: — Well, Mr. Minister, obviously we are not arguing that the educational system shouldn't be accountable to government with respect to how it spends money and whether or not that money is wisely spent, but the minister knows full well that there is provision for accountability with respect to how the board of governors at the University of Saskatchewan spends their money. There was provision with respect to accountability of how the former community college boards in Saskatchewan spent their money. This board, Mr. Minister, has even less authority and less autonomy than the community college boards that were established during the time when the New Democratic Party was in government. You are providing, under this Bill, even less autonomy than is available under the old Community Colleges Act. And you know that to be the case.

This board, Mr. Minister, allows you essentially to interfere in academic freedom. That's essentially what a large part of this issue is. This board is simply going to be a front for you continuing to exercise your authority — and I might add, your tyranny — over the educational system in this province.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Well I think, Mr. Chairman, the only answer I can give to that is that, relative to his last statement, history will prove him wrong.

Mr. Mitchell: — Thank you, Mr. Chairman. Mr. Minister, I'd like to talk about some of the labour provisions of this so-called education Bill of yours. You seem to be saying in an earlier answer that this was an education Bill and not a labour Bill. And I shouldn't be surprised if you didn't believe that. I shouldn't be surprised if you didn't believe that was true. But I want to tell you, Mr. Minister, that you're doing some of the most radical, some of the most radical things with respect to labour law in this Bill that we have seen.

I think that you'd have to go a long way in this country to

tomorrow on the street. At first it was, when we brought the Bill in, oh, 20 per cent of us are going to lose our jobs. The next day it was, when we put that one to rest, oh, oh, we're going to take a 20 per cent cut in pay.

I'll tell you what; we are going to do right by these people. We are going to give them something that they haven't had, in my mind, or at least — let's entertain the notion. We're going to let them . . . we're going to look at notions like this: sabbatical leaves, provision for research. This is an educational institution that's going to serve our citizens well into the 21st century. We want to do right by our people, and how do you square that with the term "radical"?

I have no trouble with the opposition, I have no trouble with the opposition being the deterrents of democracy, but let's get this thing in perspective. And I don't think there's anything radical in making sure that people have their jobs, and their pay is secure, and all those other things that I read into the record.

Mr. Mitchell: — Mr. Chairman, and Mr. Minister, that's a bunch of ill-informed and hypocritical nonsense, and you should know that. You're not looking after the rights of employees when you're tearing up their collective agreement by legislation. If you were concerned about their rights, you would maintain the protection of their collective agreements. In so doing you would maintain their seniority, you would be maintaining benefits that they and their colleagues have bargained for, fought for, went on strike for, over years and years and years of bargaining.

If you were concerned about the employees, that's what you'd be doing. You wouldn't be ripping up their collective agreements. You wouldn't be throwing them in the ash can.

It's hypocritical of you to talk about freedom of choice. Employees in this province have always had freedom of choice. The basis for that has been set out in our legislation in this province for years and years since the inception of the Act, since the inception of The Trade Union Act. And it's not dissimilar in Saskatchewan than it is in any other province in any other jurisdiction in Canada. You're not giving these people any freedom of choice with this Act. You're stripping them of their collective agreement; you're stripping them of their right to be certified by the trade union which has been representing them, some for months, some for years. You're stripping that right away. You're saying to them: start over again. And that's in no possible sense a protection or a concern for the rights of employees. It's quite the opposite.

You say that they no longer work for government; they are now going to be working for an institute. But, Minister, surely even you understand that these people will be doing the same thing. They'll be instructing students; they'll be administering programs; they'll be doing whatever jobs are there in the institute.

You're not taking a bunch of Cat operators and making them into instructors. You're not taking a bunch of forest fire-fighters and making them into institute

administrators. You're taking a bunch of people who have been employed in these institutes for varying lengths of time, and all you're doing is changing the legal arrangement so that now they work for an institute rather than for the government. But they're doing the same work, the same job, same problems, same working situation, same environment, but not with the seniority that they've built up over years and years, and not with a guarantee that the same benefits and the same provisions that were contained in their collective agreement will continue to apply. They're going to have to start all over again and negotiate those collective agreements from the ground up.

(2145)

Now I can understand that you . . . some of your people may not be entirely happy with the restrictions put upon their actions by the collective agreement. And I can understand that they'd like to work some changes in that collective agreement. But the way that that's done in this province and everywhere else in Canada is to go to the bargaining table and negotiate the things that you want done, not to come into the legislature and pass laws throwing that entire collective agreement into the waste basket, not by using all of your muscle and might of the sovereign power to come down on the necks of a number of teachers and people employed in our educational institutions and use your might to strip them of rights that they've built up over years and years. I mean, that's not fair. And it's not just.

And all across this country, over years and years of study and debate, the best minds in the labour relations business on both sides of the table and in academia have concluded that governments ought not to do the precise thing that you're doing. It is not a proper exercise of the sovereign power. It is an abuse of your right to pass laws.

And what you're doing is conferring on yourself advantages as an employer as a result of your role as the lawmaker. That's not fair. Ipsco can't do that; Intercon can't do that; the CNR (Canadian National Railway) can't do that, but you can, and you're doing it. And it's not fair, and everybody knows it's not fair, Minister; everybody knows. I mean, all of the people concerned with labour relations and collective bargaining across this country would answer it in exactly the same way that I'm doing it, that I'm answering it. It is not fair, and it is an abuse of your power as a government.

You, as an employer, if you want some changes made in the working conditions in the institute, should go to the bargaining table and bargain those provisions. If you want sabbatical leave written into the collective agreement, you should have no trouble getting that. Take it to the table, take it to the table just like every other employer has to, and work out the details. Don't come in here and pass a law that rips up the collective agreement and then you can start all over again from scratch and force the union to argue over every little thing to try somehow to get themselves back into a comparable position to what they are now. That's not fair. That's not right, and you shouldn't be doing it.

Let's just take some examples now. Let's just zero in and

find precedents for this kind of treatment of a bargaining unit and for this kind of a treatment of a collective bargaining agreement. This is very, very radical stuff indeed.

It raises a fundamental question that I had assumed you were aware of but which you may not be aware of. It's a fundamental question of the role of a government in a situation like this, the role of a government where, on the one hand, you are the employer of the employees in question, and at the same time, as a government, you represent the sovereign. You are the sovereign power. You are the legislators. And that's a very old question in Canadian labour law, a very old question indeed, a much debated question and a question which has been the subject of a good deal of study and a good deal of writing over the years. I assume that you and your advisors have looked at that literature and have considered very carefully the implications of what you are doing because — Minister, I'm not sure I have your attention — but what I'm trying to say to you is that you are abusing your role as the legislator, as the exerciser of the sovereign power in respect of your role as the employer of employees.

Now I can understand how frustrating it may be for some of your management people to have to deal with the collective bargaining agreement respecting these employees, and I can quite understand that some of them would like to get rid of the SGEU as the bargaining unit. Some of them would like to operate without a trade union at all, or with a different trade union. In any event they hope, I think, out of all this, to be able to start over again as far as the collective agreement is concerned.

And that, I think, is the effect of your Bill. I think that the current collective agreement which covers these employees falls, and that in the result, if they are certified by the Labour Relations Board, in the future they will have to start building a collective agreement again from the ground up. And that's a very radical thing for any government to do.

Now if this were a collection of . . . If this were something that was happening entirely in the private sector, Mr. Minister, if you had eight separate employers who were merging their businesses into one business, then the labour laws of this province — as in the case of every other jurisdiction in Canada — would provide a result that is much different than the one that you've fashioned for yourself in this Bill.

If this were in the private sector the legislation of this province and every other province, and the Parliament of Canada would safeguard the bargaining rights with respect to those employees, that legislation would safeguard the collective agreement that applies. So if these were employers in the private sector who were merging their businesses into one big company, there would be no question that the trade union certifications would continue to apply, and there would be no question that the collective agreements would continue to apply. Now that's The Trade Union Act, and it is also the law in every other jurisdiction in Canada.

Most jurisdictions also cover situations where the transfer is between the public and the private sector and vice

versa from the private to the public sector. Your Bill gives a treatment which is radically different. What you're doing in your Bill is wiping out all of the orders of the Labour Relations Board, granting bargaining rights to the trade union, and you're wiping out the collective agreement.

Now on what possible basis, Minister, can you justify the government using its power to legislate in order to produce a result that would be different in the private sector in this province and every other province in Canada?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, I think the rationale that I would give you is the same that I gave your hon. colleague for why we've made the provisions in this Bill that we have. Yes, it's true that the collective bargaining agreements no longer apply.

But it seems to me the fundamental question here is, you know, do we want to do right by our employees? They're going into . . . I mean, I think the essential concept, and I think the NDP cannot get their heads around here, is that these employees are no longer going to work for government — no longer going to work for government. They're no longer going to be part of a structure that includes parks' workers and forestry workers and oilfield workers and electrical inspectors, and the list goes on and on. They're going to be employees of a brand-new educational institute.

And you can talk all you like about labour legislation and what you read into this and use words like "radical" which, quite frankly, I think have no place in there. This is a brand-new institute with new goals, new objectives, and new mandates. What this Bill is about is making sure we have the right adult education system for the 21st century.

And you can scoff at that if you wish. We were just, along with your colleague from Saskatoon University, at a conference, a forum, a national forum. What I heard and saw there tells me more than ever that we are right on the money with what we're doing here.

And how can you stand and say that somehow what we're doing as a government here is radical? How can you say that? What we're saying to the employees is that every right that you have relative to freedom of choice is intact; you can pick by whom and how.

The acid test is to me: how do you back up that term "radical"? Are the employees going to lose their job as a result of institute formulation? No. Are they going to have a cut in pay? Somehow is their pay going to be slashed with this new educational institute? No. Are the current 200-day year going to be gone somehow? No. Vacation leave? — no; sick leave? — no. Those on re-employment lists, are they going to be honoured whether it's the Department of Education or community colleges? yes, those lists are going to be honoured.

So you can try and use fear tactics if you like. I do not think that faculties and support staff are well-served by that kind of thing. I have fought rumours for the last two months on this. And I don't know what the rumour will be

the collective agreement, Minister. Now people working in the institutes and community colleges have been working under collective agreements for some years now — some of them for a long time, some of them for only a short time.

If this were an employer in the private sector, a group of employers who were merging their business into one super business, those collective agreements would all apply, and the new employer would sit down with the trade unions and would hammer out the little differences that seem to be giving you so much problem, like: when are they going to receive their pay cheques, and what will be the classifications, and that sort of thing.

These are questions that in the labour relations community are resolved routinely whenever mergers occur. Rarely do they have problems. Very often the Labour Relations Board has got the authority to help them and sort out how these things will work, but no big problems arise from it. Now why, in your case, when you have employees who have been working in institutes and community colleges and are now going to be working for the super-institute doing approximately the same kind of work, why was it necessary in their case to scrap the collective agreement, when in the case of any private sector employment that collective agreement would remain binding?

Hon. Mr. Hepworth: — The hon. member, Mr. Chairman, has suggested that somehow we're stripping rights away. And I went through what is indeed intact — I mean, so that everyone is clear — because we want everyone . . . because we wanted all of our 12 or 13,000 dedicated employees to be clear, because we expected that there might be some who would try and create a picture other than what was the real facts, Mr. Speaker. We made sure that when this Bill went out that they had an update on each and every one of their desks relative to employee relations issues, so that they would be assured that they had jobs and there was no pay cuts and those kinds of things.

And while he would . . . And I find the logic lacking when I go through that list of what we say is there, Mr. Speaker, down in print, Mr. Chairman. It's not as though we're trying to hide behind some rhetoric; it's in print before each and every one of them. It seems to me that flies right in the face of his term "stripping"; it flies in the face of the term "radical"; it flies in the face of "everybody knows it's not fair what we're doing."

I've gone and met with 300 or so in each one of those institutes, and I've answered their questions. And sure, there are issues that have to be resolved. But it seems to me what we're talking about here is not stripping anybody's rights but giving them the choice, as they've always had in this province, to choose, now that they are by themselves an educational institute. I mean, that's the point that you overlook constantly. They are not going to be part of government. They are no longer going to be government. They are a new institute, an educational institute. They may have — I don't know — they may have, some of them may have an idea that somehow being part of an organization that's got parks workers and highway and everything else, that that might not be the

kind of structure they want. I don't know, that's up to them to decide — how and by whom.

What we want to do is even go further in terms of making sure that we have the best working conditions that we can provide for our staff. And that's why we've talked to them and made it available to them what our thinking is in areas like committing for staff development a portion of the government grant and a portion of the funds generated through entrepreneurial activities. Does that sound like you're somehow trying to abuse the employees you value? We want to keep them on the leading edge of their profession.

We'll work together with these employees to formulate professional development policies, priorities, and initiatives, seeking and facilitating return to industry opportunities. Does that sound like we're stripping them of something? We want to explore a positive notion there, providing a measure of pay protection for employees who do take those opportunities with industry.

Encouraging sabbatical professional exchange leaves: how do you organize that across government, if you like, as you somehow would suggest that that's the way we ought to continue to go? Pursuing an implementation of a deferred-income leave plan: now how do you rationalize your rhetoric with what we are telling, in black and white, our employees? Because we value them, they're going to make this thing run tickety-boo. They're going to make this the best technical institute, the best institute of applied science and technology, across this . . . across North America. That's what you're going to see.

Mr. Goulet: — Mr. Speaker, I'd like to comment on a couple of points in regards to the minister's statement. I would like to comment in the area of a short statement on governance, and then also a comment in regards to the employees and the affect of their union agreement. I state so in recognition that I was part of a bargaining process in regards to the establishment of the community college system when the employees organized under SGEU.

First the area of governance: I think it's extremely important to recognize that the institutes and the community college were part of a general development of adult education in our province during the late '60s and the early '70s. And it was a point of debate then that we should be moving towards elected autonomy that we have seen in the elementary school and high school systems, and also in the universities and so on, that a more autonomous system was simply the historical way to go; that governments had to have faith in people to govern themselves in a more autonomous fashion than in the past.

And when I see the Bill, it shows very clearly that there is greater control to the minister. There is an assumption made that if greater power shifts to the minister and less power to the community level, that automatically everything improves, that if there is more power to the central government controlling agent, the minister, then it automatically assumes that it's going to be better than the community power that existed.

And so when I see those questions being raised

approximately 15 years later with a new Bill, and the fact that we did raise it again this spring, I thought that the minister would take the important step of paying respects to the community of Saskatchewan people and their long history of a strong educational tradition and come out with an elected board system. I thought that he would do that.

I think that it shows that the minister does not have faith and trust in Saskatchewan elected control systems. But a lot has been said on that, and I think that the minister should already understand that point. I think it has been made very clear by many of the adult education institutions that the way to do it was through an elected autonomy system.

But let's get to the issue of the importance of the relationship, of the establishing of a relationship on an educational institution between the managerial system and the employee system. It's extremely important to recognize that the relationship that is developed there is one that impacts on the student and also the programming.

As a former principal in an adult education institution in Saskatchewan, and one who has come through bargaining, it's extremely difficult to go through collective bargaining agreements. I thought when I went through one that it would be a lot easier than what it really was. It takes a lot of energy from both levels — from the managerial level and also the staff level — to deal with an issue, to go through every single item that is required in the collective agreement.

But this is precisely what the minister has done. He has displaced completely the old agreement, and now we have to go through the process again. It created instability. It creates a situation where a lot of the people are affected. The morale goes down. Students are affected. It's as if the minister does not care what happens in the classroom level in our adult education institutions.

If the minister knew the impact of changing contractual agreements between the management system and the staff, he would not have done what he had done. It wasn't from forestry to education that we went. It was from educational institutions that existed before to educational institutions now. That is what is clear. The agreement was in the past. It was not one of forestry, it was educational institutional agreements. That is very clear. The minister seems to imply that it wasn't.

(2200)

So when I look, and having had the experience of going through a collective agreement, I know then that the minister must have had other ideas in mind other than the quality of education, the quality of adult education at the class-room level.

So this is the main point. When you completely have disrespect for the people who put the practice of education on a daily basis with students and you threw away the basis of their livelihood — that they have to stand back and worry about it while they're teaching — it puts everything in turmoil. And that's what the minister

has done. There is very little caring when it comes down to how the legalities of contracts impacts on the class-room. And unless you have gone through that as a teacher and as a person who has been involved, then you will not really know what has taken place.

So with these comments, those were the two major things that I saw form the minister's statements today. I think it's extremely important that, in some of the statements that he has made, he has made some commitments in regards to the collective agreement tonight in some of the statements that he has made. I hope that we indeed see something important into the future.

But the way that he has treated people in the past few months is a sad state of affairs in Saskatchewan adult educational history.

Some Hon. Members: Hear, hear!

The committee reported progress.

THIRD READINGS

Bill No. 22 — An Act to amend The Municipal Revenue Sharing Act

Hon. Mr. Klein: — Mr. Speaker, I move that the Bill now be read a third time and passed under its title.

Motion agreed to, Bill read a third time and passed under its title on division.

Bill No. 15 — An Act to amend The Student Assistance and Student Aid Fund Act, 1985.

Hon. Mr. Hepworth: — Mr. Speaker, I move that this Bill be now read a third time and passed under its title.

Motion agreed to on division, the Bill read a third time and passed under its title.

The committee reported progress.

The Assembly adjourned at 10:07 p.m.