

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**  
**May 2, 1985**

**MR. CHAIRMAN:** — Okay, we'll call the meeting of the public accounts to order. Are there any motions before we begin dealing with Kelsey?

**MR. WEIMAN:** — Yes, Mr. Chairman. I would like to move a motion regarding the Potash Corporation of Saskatchewan. And I will read it into the record.

In that the auditor's report is available to the Crown Corporations Committee, questions posed by the auditor's report can be legitimately posed in that forum. I move:

That the auditor's concerns regarding Potash Corporation of Saskatchewan in his 1984 report be directed to said committee (that's Crown Corporation Committee) and deleted from the Public Accounts Committee agenda.

**MR. CHAIRMAN:** — Okay. I find the motion to be in order.

My position with respect to this motion is that the committees have a different mandate, and function differently. Public Accounts Committee deals with government business after the fact. In a sense, it seeks to be assured that public assets and public funds have been dealt with and handled and spent as efficiently and effectively as possible.

The Crown Corporations Committee has a much broader mandate. It deals as well with the policy of the Crown corporations, and tends to focus on that, as distinct from the administrative side of the government which is what we focus on.

I would therefore argue that it is inappropriate to be referring all matters relating to all Crown corporations to Crown corporations, and that items raised by the Provincial Auditor, in particular, should be dealt with by this committee, where I think they would be dealt with more effectively than they would in Crown corporations.

Any other comments?

**MR. WEIMAN:** — Yes. Seeing that I moved it, I would like to respond to that, Mr. Chairman. I tend to agree with the majority of your comments. However, my motion is specific. It is not a motion to deal with Crown corporations in general. It is specific.

As I indicated in my motion, I believe that at this particular instance that the three questions posed by the auditor, that those questions are legitimate, not only in this forum, but they are appropriately legitimate in the Crown Corporations Committee. And therefore I believe that the Crown Corps Committee, in their mandate to look, delve into the workings of Crown corps, whether it's before or after the fact, is a legitimate forum to bring up these questions. And it is very specific in nature to the one Crown office, not, as you're suggesting, a generalization of all Crowns?

**MR. CHAIRMAN:** — Any other comments before I call the vote?

**MR. YOUNG:** — Mr. Chairman, I'd like to add to the debate by saying that it's my opinion that the Crown Corporations Committee is the proper committee to deal with commercial and utility Crown corporations, and that according to the long-standing tradition, as I understand it, this committee of public accounts should deal only with treasury board Crowns and not be trying to duplicate the work already on the plate of the Crown Corps Committee.

**MR. CHAIRMAN:** — Any more comments?

**MR. WEIMAN:** — Only in that to allay the fears a bit, that perhaps this may not be taken up. If you read the motion correctly, I specifically identified that the auditor's report be directed to the

Crown corps, which means, at any rate, that this information will be communicated to them And I would think that responsibly they would take up the issue.

**MR. CHAIRMAN:** — Any other comments? All those in favour of the motion? Okay, I'm opposed. Carried.

AGREED

**MR. CHAIRMAN:** — Any other motions before we begin the discussion?

**MR. YOUNG:** — Well I'll put mine on the record, Mr. Chairman, and adjourn it to a later date.

**MR. CHAIRMAN:** — Okay. Moved by Mr. Young:

That this committee of public accounts continue with the long-standing tradition of leaving the review of commercial Crown corporations to the Crown Corporations Committee, and reviewing only treasury Crowns in this committee.

Moved, and we'll adjourn the debate on that until such time as we get a ruling from the Clerk.

Okay. If there's nothing else, we can call . . . Would you ask Kelsey to come in.

**MR. JAMES:** — We've got a problem.

**MR. CHAIRMAN:** — What's that?

**MR. JAMES:** — Kelsey got stranded in Saskatoon, so the folks from Advanced Education and Manpower — John Law, Ed Evancio, and Henry Kutarna and Wally Schneider will be available.

**MR. CHAIRMAN:** — Okay. Just before they come in, did we have anything else to discuss with Advanced Ed while they're here? Can we not talk both at once?

**MR. YOUNG:** — I take it that utilities . . . The computer outfit will be next.

#### **Public Hearing: Department of Advanced Education, and Kelsey Institute**

**MR. CHAIRMAN:** — I'm going to . . . I want to open by welcoming to the committee witnesses from the Department of Advanced Education and Manpower. I want to welcome deputy minister, John Law, and ask you to introduce the officials that are with you.

**MR. LAW:** — Thank you, Mr. Chairman. On my left is Ed Evancio, the assistant deputy minister for advanced education. On my immediate right is Henry Kutarna, the executive director of administration and financial services. On his right is Wally Schneider, the director of administration for the department.

The people from Kelsey couldn't make it this morning. Norcanair quit flying this morning for some reason, but I think we can handle it.

**MR. CHAIRMAN:** — Okay. Let me just say, before we begin, the comment we make to everyone with respect to the nature of the proceedings. What is said before the committee is privileged in the sense that it can't be used in criminal or civil proceedings outside the committee. On the other hand, it's taken down verbatim and is freely available for use elsewhere by the media and so on and so forth. Just that warning. Okay. I'll leave it then to Mr. Weiman to begin this.

**MR. WEIMAN:** — Well I think what we have here is two questions that we must ascertain. The

first concern, as I read it in the auditor's report, is whether the \$50,000 paid from the revolving fund at Kelsey Institute of Applied Arts and Sciences was an allowance or. I'm sorry, a training allowance or a subsidy.

The second question that poses out of his report is whether that, if indeed it is an allowance or a subsidy, whether it was appropriated properly for scientific and educational supplies, and what, in fact, are those scientific and educational supplies. I think if the appropriate answers come forward in the first question, it may answer the second question.

I noticed in reading these concerns in his reports that there was specific mention made to training activities for the cafeteria operations. Could you indicate to us whether the \$50,000 allocated was used in a training program — and there's one that I'm aware of in Kelsey; it's the food preparation course — or whether, in fact, it was used in the cafeteria operations? I think I'd like to do it that way first of all because I think that's what we've got to determine, whether it's a subsidy or an allowance.

**MR. LAW:** — Okay. Mr. Weiman, if I may, the answer to your first question, it was yes, used for training, and if I might, I'll ask Mr. Kutarna to explain the way things operate, and somewhat of a dilemma that we face in that particular area.

**MR. KUTARNA:** — Mr. Chairman, the situation with the cafeteria operations at Kelsey Institute is that there are at least five programs in the institute that use the common kitchen facilities. For example, there would be the first and second year hotel administration, first and second year food services admin, and the first year of commercial cooking. All of these courses make use of common supplies, food materials, flour vegetables, and so on, in the normal preparation of their work.

The situation that happens is that the material, the food that is prepared, is sold in the cafeteria. Now, in the course of training there is a certain amount of loss in the food supplies. For example, a simple example: someone might begin to be learning how to be a cook and will spoil some of the first products. And so there's a certain amount that is lost or wasted, and the cost of that cannot be recovered from the prices in the cafeteria because the cafeteria must operate at a price below the market. Otherwise it'll drive itself out of business.

And so we're caught in a dilemma of not being able to recover the cost of this loss through the pricing structure, but the response has been that we recognize that that loss is actually the training component, and so the department then provides funds from the appropriation, totalling \$50,000 a year, into the revolving fund to recognize this training component.

**MR. WEIMAN:** — Is there any way that there can be a separation of the food that is used in the training process that's in the class-room, which is later sold in the cafeteria? Is there any way of differentiating the amount of food that is sold in the cafeteria from the training courses, opposed to regular cafeteria preparation?

**MR. KUTARNA:** — In that situation, the department has looked at ways of doing that, and it's our opinion that there would be a large clerical component required in order to accurately record, among the five programs, what the cost was. And so the \$50,000 has been determined as an approximate 10 per cent of the cost, which would represent the training component.

But really the problem appears to be one of excessive clerical time. You'd need a couple of clerks, basically, to keep track on a day-to-day basis of all of these different small volumes that are used daily.

**MR. WEIMAN:** — What I'm hearing is that we're dealing with a situation that's almost a hybrid. It's a little bit of each, and it's hard to come to a clear distinction of it, other than a mathematical guestimate.

**MR. LAW:** — That's right there, Mr. Weiman. And that's the reason the department and Kelsey Institute took the approach that it did. We're not suggesting there isn't another way, but the concern we have is the amount of clerical . . .

**MR. WEIMAN:** — I have no difficulty with the second part of the question because it's been brought up before here. Food that is used in training, in my mind, whether it's food or a tool, or as the example I gave previously, a cadaver for a medical student, is a scientific or educational supply.

The big problem is determining the amount that is an educational supply, and those things are for resale. You don't resell educational supplies.

Now I don't know if you have this figure available, but the volume in cost of food that goes through the cafeteria, in the cafeteria preparation side, do you have a ballpark figure on that?

**MR. KUTARNA:** — We don't have an exact figure, Mr. Chairman, but we have — the approximate figure that Kelsey Institute uses is roughly 10 per cent of the cost. That is how the \$50,000 was determined.

**MR. WEIMAN:** — So you're telling me then that there's about half a million dollars worth of cost associated with the running of the cafeteria, only for the food side, not the salaries of the waitresses, cooks, etc . . . But just the food side, they may go through about a half a million dollars of produce, vegetables, meat, etc.

**MR. KUTARNA:** — Yes. Now they may use some of the salary costs, and I'm not familiar with the full detail of that. But it's a rough approximation of the food services side. Yes.

**MR. WEIMAN:** — And you're saying then, okay, then 10 per cent you would consider a fair value or a fair percentage.

**MR. KUTARNA:** — Yes. Yes.

**MR. LAW:** — If you'd like those details, Mr. Chairman, I think we could probably come up with them for the committee.

**MR. WEIMAN:** — I'm not too worried about that. I think that the crux of the problem that the auditor has, and he states it very clearly at the bottom — his opinion is that, well, accordingly in my opinion, this payment of 50,000 was made without apparent authority — which I suspect he would say was apparent authority if he was satisfied that it was a training allowance, because he goes on further to state," as there was not a specific appropriation for this subsidy."

I have a feeling that the auditor believes that that \$50,000 was a subsidy, and this is what I'm trying to clear up here. Was it a subsidy or was it an allowance? I'm convinced that if it was determined that it was an allowance, there would be no difficulty with the auditor's perception of this funding.

**A MEMBER:** — I don't think . . .

**MR. WEIMAN:** — I don't want to read into it . . .

**A MEMBER:** — In the meantime, we could . . .

**MR. WEIMAN:** — . . . (inaudible) . . . auditor. And I stating that correctly, Mr. Auditor?

**MR. LUTZ:** — Mr. Chairman, perhaps I can let Mr. Hunt respond to this one.

**MR. HUNT:** — When we initially reported this, it was on the basis on a lack of evidence to indicate what a training allowance might be, and accordingly it appeared on the surface as though the treasury board regulation may not have been complied with. So we were pointing out a situation of potential non-compliance. And I might say, at the time we reviewed it with the officials at Kelsey, and prior to the release of our management letter, they indicated that they were satisfied with the accuracy of each item.

Now with respect to their response, they appear to have formed the opinion that the cost of any system would exceed any benefits of the information derived, so that they feel the 10 per cent is reasonable. And this may be a reasonable approach, but perhaps the documented concurrence of treasury board should be obtained so that the compliance or non-compliance with the treasury board regulation is mutually agreed upon and acknowledged as such.

**MR. LAW:** — Mr. Chairman, I have no problem with that, and I think we could reflect that in our allocation. And in fact, what you're suggesting is that we, in fact, have that approved by the treasury board just to be sure that we're in line with the regulations.

**MR. HUNT:** — That method is reasonable, and they wouldn't consider it a subsidy.

**MR. LAW:** — Sure. Okay.

**MR. WEIMAN:** — Therefore, if I'm hearing that there is agreement here, there is no further need to pose any further questions. And I thank you very kindly.

**MR. CHAIRMAN:** — Thank you. I have some questions on other issues under the year under review. With respect to the grant to the student aid fund, first of all there is an underexpenditure on . . . Well, not an underexpenditure. The estimates were \$10,285,550, but what was actually spent was 59,177,110. just a couple of preliminary questions. This includes both bursaries and loans, does it? This particular item?

**MR. LAW:** — Yes.

**MR. CHAIRMAN:** — What's the breakdown?

**MR. LAW:** — Not Canada student loans, though, Mr. Chairman.

**MR. CHAIRMAN:** — I'm sorry. I'm on page 2 of volume 2 of the *Public Accounts*.

**MR. LAW:** — Mr. Chairman, it includes Saskatchewan student loans and Saskatchewan bursaries, but not the federal student loans.

**MR. CHAIRMAN:** — What then is the breakdown between those two, between the Saskatchewan student loans and the Saskatchewan bursaries?

**MR. LAW:** — Mr. Chairman, we have on stand-by outside the director of student financial services that could probably relate those numbers more quickly than we can.

**MR. CHAIRMAN:** — Why don't you ask him to join in, or her, perhaps I should say her?

**MR. LAW:** — Mr. Chairman, this is Gloria Tillus, the director of student financial services.

Mr. Chairman, I gave you some wrong information. The 59 million did not include the Saskatchewan student loans because they're repayable. The 59 million is bursaries and scholarships.

**MR. CHAIRMAN:** — With respect to the bursary then, for the 59,177,110, what portion of that then was spent on bursaries, as distinct from scholarships?

**MR. LAW:** — Saskatchewan Student Bursary/Special Incentive Bursary Program — 55,626,181.

**MR. CHAIRMAN:** — Can you briefly describe for me, and perhaps you can't, the criteria for granting those bursaries? My particular interest at the moment is (and there may not be any difference) is rural students. But perhaps there's no particular criteria for rural students. Can you describe briefly the criteria for granting those?

**MR. LAW:** — There may be a problem with briefly, Mr. Chairman.

**MR. CHAIRMAN:** — Yes, it may be fairly complex.

**MS. TILLUS:** — The entire student aid program is a needs-based, assessment process, and for students who are independent of their parents we calculate the allowable program costs and deduct their required resources. If the student is independent, their resources are based on their own income and assets. But if the students are considered dependent on their parents, their resources are based on their income and assets as well as their parents' income and assets.

So then we determine a loan need and a bursary need. And we grant the first large portion of their need by way of loan, and then the bursary cuts in.

**MR. CHAIRMAN:** — With respect to rural students, is there any way of accounting for the inordinately large monetary value of the assets their parents might have if they're farmers? Specifically, they might have a lot in assets, little in income, and, I wonder, might therefore not qualify, notwithstanding the fact that their parents' income may well be lower than many urbanites whose parents have no assets at all.

**MS. TILLUS:** — Well in the loan assessment, the first \$400,000 of parents' net assets is exempt. And we use as a resource 5 per cent of the value of the parents' net assets in excess of \$400,000. In the bursary assessment, the first \$250,000 of the assets is exempt. And again, it's the net assets, and we use 5 per cent of the net asset value exceeding \$250,000.

Now with a salaried parent, we use their gross income less certain deductions that the federal government allows. And we base the parental contribution on gross income of salaried parents. Now with self-employed parents, which includes farmers, we use their net income. So they're able to write down a number of deductions from their income.

And so, to keep the contributions based on income from salaried parents and assets from self-employed parents at a harmonious level, we have tried to set the exemption on assets to be somewhat equivalent to the average value of a family farm in Saskatchewan.

**MR. CHAIRMAN:** — Okay.

**MR. YOUNG:** — If I might interject.

**MR. CHAIRMAN:** — Yes, please do.

**MR. YOUNG:** — I've always had a problem with your definition of assets. And I guess an example would be, I have a law degree hanging on the wall in my office, and my neighbour may have a section of farm land. You consider his an asset, i.e., his section of ground. But if he had his druthers would he want to trade me even up for my degree?

And yet I got a degree there, and I'm not using it, and you don't consider that an asset. And it's kind of hard on the farmer and good for the guy with the university degree, which a lot of folks

would consider to be an asset.

**MS. TILLUS:** — Although, if you have a university degree, then you would likely be in an upper income bracket.

**MR. YOUNG:** — Not necessarily. I could just have it sitting there holding the wall down, and yet it's an asset. I just don't elect to make use of it. The farmer may elect to grow weeds on his farm and have no income on it, as well. And yet you still consider it an asset, even though he's not necessarily making any income out of it because of his own druthers. Or I might not necessarily be making money from my law degree because of my own druthers — I just don't think that farm land is necessarily the asset that you people chalk it up to be. That's my own thoughts on it.

**MR. CHAIRMAN:** — I've got a comment, but I'm going to recognize the member from The Battlefords first.

**MR. MORIN:** — Thank you. Gloria and I have had the same discussion before, and I just want to get in on this while we're here. Saskatchewan, I think, has a unique circumstance because, as both the member from Saskatoon Eastview and the chairman have pointed out, a million dollar farm in Saskatchewan doesn't go very far, but it sure prejudices your kids to get a bursary or a student loan to go to university. Whereas the income that that million dollars may earn, or that million dollars worth of assets, may earn considerably less than a guy who may be a carpenter or a plumber or a doctor or a lawyer.

I know we're not going to resolve this here today, but I would sure like to see some area where, down the road, farm kids are not prejudiced the way they are. I have a particular problem with this because I was one of those farm kids who were prejudiced. We have a reasonably large-sized farm and yet, when it came time for me to go to university, there was no way that that thing produced enough money for my family to make the kind of contribution that the Canada student loan people claimed that they should be able to make, based on the asset level.

This system doesn't recognize the fluctuations in agriculture that we go through, I don't think. And I know Gloria and I have yelled at each other on the phone, and I see her point, but, you know, you're saddled by your rules. But I would hope that your department would be trying to do something to recognize the unique circumstances to the agricultural community in our province.

**MR. CHAIRMAN:** — You may want to respond.

**MR. LAW:** — I'd just like to make one comment, Mr. Chairman. I'm not sure what the result will be, but in fact we are reviewing this, as a result of a number of approaches that have been made, like yours. I don't know what the result will be. We're meeting in June with the loan, bursary, and scholarship committee, with all kinds of representation on it, to try to resolve this, or certainly move in the right direction. The problem is recognized, but we don't know what the solution will be.

**MR. WEIMAN:** — I won't throw accolades at myself, but when I went to school I went through the old-fashioned way. I went to work. So I'm not very familiar with student loans and bursaries and everything else that you can get.

**MR. CHAIRMAN:** — Yes, happily those days are behind us.

**MR. WEIMAN:** — That's right, because those are memories that were . . . forget it. At any rate, I have a question. It's an interesting thing that Myles brought up. If a person owns a store, a business man, and his son or daughter is going to university, is that business considered an asset?

**MS. TILLUS:** — Yes.

**MR. WEIMAN:** — It is considered an asset, whether that person is doing a big volume business or a small volume business, you take the asset of the business itself?

**MS. TILLUS:** — Yes, and we take the net value of the business . . .

**MR. WEIMAN:** — The net value of the business and you take the net value of the farm?

**MS. TILLUS:** — Yes.

**MR. WEIMAN:** — So there is some equitability there?

**MS. TILLUS:** — Yes. And, as I said, the exemption on the net value of the parents' assets is \$400,000.

**MR. WEIMAN:** — So the same argument, then, that you brought up could be posed to the disadvantage of the child of the parent who is in business?

**MR. MORIN:** — Well it could, I suppose, Mr. Chairman, except that I would suggest that if you have a million dollar furniture store, or a million dollar clothing store — and I'm fairly familiar with the margin of those two industries — that you have got a considerably better income-producing asset than if you have a million dollar farm, and therefore your financial ability to educate your child is considerably better than the guy with a million dollar farm.

I don't know what — Kim, you may be familiar — what return on investment is running on farms these days, but I'd be surprised if it was 2 or 3 per cent . . . (inaudible interjection) . . . Yeah.

**A MEMBER:** — Last year it was a negative number.

**MR. MORIN:** — And that's certainly not the case with, for example, the furniture industry right now, which appears to be on an upswing, if the opening of new furniture stores in my riding is any indication.

They're looking at a margin of, I understand, 40 per cent growth, you know. Plus, you have the opportunity to do higher volume. You can get turns, which in agriculture the very best you're going to do is one turn a year, you know, in a conventional grain farm. So, you know, it's different. Agriculture is a totally different situation.

**MR. CHAIRMAN:** — I'll make a comment and let you respond. I have been subject to a barrage of these complaints. I believe the rule has existed in an unaltered form for some time, actually. Am I wrong? I don't think this has changed in the last two to three years.

**MS. TILLUS:** — The exemptions have increased annually.

**MR. CHAIRMAN:** — The exemptions have increased annually, but you have always included assets?

**MS. TILLUS:** — Yes.

**MR. CHAIRMAN:** — What has changed is not the rules, as people think, as many students think. What has changed is, the farm economy has changed. During the '70s, when farm income roughly matched the value of the assets, it wasn't a problem because those with large farms, the parents could afford to pay.

What changed was in the '80s when the farming industry got into difficulty. The assets have not really decreased in value, but the income has. So today these farm children have parents with



assets which have a market value — huge market value — but they don't produce any income.

But we haven't changed the rules. We're carrying on with the same rules, just as if a million dollar farm was still producing a net income of 50, \$60,000, and of course it isn't any more. It may well be producing nothing at all; it may well be a negative.

So your rules really need to be updated in light of the changing farm economy, and of course it's a couple of years overdue. I'm sorry, go ahead.

**MR. KUTARNA:** — Mr. Chairman, the only comment I would add is that I think the program finds itself in a situation of trying to balance exactly the point that you raise, but also the reverse point. When we have people approach the program managers on a salary, let's say on a salaried urban individual, who cannot for the life of them understand why someone who has assets, even though they may not be producing income, someone still has assets beyond just a salaried income . . . and sometimes the balance perspective then has to be applied. The program recognizes that there is no income, perhaps, with the farm. But nevertheless there is still wealth there, and somehow that must be introduced into the formula.

**MR. CHAIRMAN:** — I would argue with those people. I know you're quite right. You do get that conundrum. You do get the urban dweller who sees them sitting on a million dollars worth of assets and saying, what are you subsidizing those rich cats for?

The counter-argument is that when you take is . . . I assume the original justification for including assets was that if you wanted your children to go to school, those assets could be sold if you wanted to do that.

That makes sense with liquid assets. If you included liquid assets, what we would roughly call investments, bonds, debentures, stocks, that would make sense. When you include businesses and farms, which are not liquid, which you really can't sell piecemeal — you can't sell \$5,000 worth of a quarter section to pay for the child's education.

I think we made a mistake a long time ago in including assets which were not liquid because I think it's unrealistic to expect the farmer or this furniture dealer to sell \$5,000 worth of his business. He may not. The farmer, particularly, is the easiest example to work with. He's just not in a position to do that. But that's, I think, outside the purview of this committee. We're dealing now with policy as distinctive from . . .

With respect to the grants to community colleges, is this formula based on — the amount that's given to them, it is obviously not based, or is it based on . . . it's not strictly a per capita grant?

**MR. KUTARNA:** — Mr. Chairman, the formula takes into account, I believe it's three major factors: one is the population of the community college served; a second one is the population density, people per square mile; and the third one is the number of hours of instruction provided. And those are the three factors that determine the distribution in the formula. There is also a basic block grant that every college receives without regard for the formula.

**MR. CHAIRMAN:** — Okay. And then you get audited financial statements back, do you not, at the end of the year?

**MR. KUTARNA:** — Yes.

**MR. CHAIRMAN:** — And you've got all of those back this year, did you, in order and everything?

**MR. KUTARNA:** — Yes.

**MR. CHAIRMAN:** — In the year under review?

**A MEMBER:** — In the year under review.

**MR. CHAIRMAN:** — In the year under review. With respect to grants to educational agencies, organizations, associations, and institutions, I see nobody here who's unworthy. Don't get me wrong. I am just wondering — except the first one; I can't pronounce the first name. I don't know who they are, but I'll assume that it's a worthy organization and the sum of money isn't worth quarrelling about.

These grants, by and large, are simply traditional, are they? Are these grants we've always given, or is there some formula by which these are handed out? Or how do we determine that?

Now I picked this because it is a worthy institution, patently, and everyone would agree. How do we determine that CNIB got \$33,000, and the Canadian Bureau for International Education got \$2,000? Is it traditional? Is there a formula? Is it ministerial discretion, or what? It may well be the latter, and that may well be appropriate. I don't know. That's what they get elected for.

**MR. LAW:** — There's no formula, Mr. Chairman. In most cases it's an amount that they ask for for whatever reason. Some cases it's a conference that they're holding, that type of thing. It's been determined that it's a worthy cause. Are the affiliated colleges in there? Yes. The affiliated colleges, which are in there as well, they're enrolment driven.

**MR. CHAIRMAN:** — I see that the Canadian Theological Seminary, which I assume you would be describing as an affiliated college.

**MR. LAW:** — That's right, yes.

**MR. CHAIRMAN:** — When you give these grants, they're for, by and large, for a particular purpose, or would they in some cases just . . . Are they unconditional or conditional grants, or how . . .

**MR. LAW:** — In most cases, it's a block grant for operating. In some cases it could be for a special purpose, but it's an operating grant on a block basis.

**MR. CHAIRMAN:** — What follow-up is done afterwards to determine that the grants are spent for the purposes for which you're giving them and are used in an appropriate and, in fact, efficient way?

**MR. LAW:** — We have a program of monitoring it, but it's not a formal audit, Mr. Chairman.

**MR. CHAIRMAN:** — What is your program of monitoring?

**MR. LAW:** — We have people in our community colleges, and we have a number of field workers who, in fact, visit the various organizations. But as I say, to find out if there was a conference, for example, that we were helping support, did the conference take place, and did it meet its goal, that kind of thing. But it's not an audit per se. We don't check to see that they spent the dollar in a particular area.

In most cases, the funds that we provide are a very small proportion of the dollars that they would spend, and it would be particularly difficult to identify whether our dollar went to a particular area.

**MR. CHAIRMAN:** — I suppose that would be true. I suppose that would be true. All of these people, though, must have . . . I would think they would all do audited financial statements, anyway, of their operations.

**MR. LAW:** — That's correct. There are some of them like Gabriel Dumont, which is on the list as well, I believe; in fact we do have a formal evaluation with them, not only of the programs but of their financial statements. Some of the larger ones, we are involved in that.

**MR. CHAIRMAN:** — It's not something that's peculiar to your department. Almost 60 per cent of the tax money which the provincial government takes in, we simply put a stamp on the dollar and send it back out to someone else.

Again, the grants in total are very large sums of money, and I wonder if it would not be appropriate in areas like this to follow up, to make some effort to determine whether or not the grant is appropriate, whether or not it's being properly used and efficiently used. The sums are so large with respect to grants. I've raised this question with other departments. Should we not be doing some follow-up to determine whether or not this money's being wisely used?

**MR. LAW:** — In the area . . .

**MR. CHAIRMAN:** — If I can just interrupt, I don't think we can assume from the name on the gate that it's being properly used. I don't think we can assume, because we send it to Read Saskatchewan — I picked that one out of the air — they're probably the best run organization in the world, but I don't think we can assume because the goals are worthy, or that the institution is a well-recognized one, that it's an appropriate expenditure of money.

**MR. LAW:** — Although I can't define for you what the word "large" means, but for the large amounts of money — and I mentioned Gabriel Dumont, Saskatchewan community college teachers' association, some of these others, in fact, we do have . . . Again, it's not a formal audit, but we do have a process whereby we meet with them to find out exactly how the dollars were spent.

The Gabriel Dumont, I must admit, is an audit. The teachers' association, we are involved with them constantly, and we check those. The \$2,000, the \$1,000 grants, I must admit we do not. I have a process in the department whereby annually we address these for the past year and for the coming year. But it's nothing more formal than that, Mr. Chairman.

**MR. CHAIRMAN:** — I just pick a figure out of the air here because it seems to be some sort of a dividing mark. It strikes me that it wouldn't be . . . You could say for all grants over \$30,000. That would exclude a whole lot of small ones and pick up most of the big ones. But some more formal evaluation should be done.

There happens to be a number of grants at \$30,000 and some over. I'm not necessarily making that as a recommendation. I'm just again posing the question of whether or not it's appropriate to be handing out \$6 million and not ever following it and see what's happening to it.

Obviously when you give a \$400 grant to a Aiesec Canada Inc. or a \$600 grant to the Parkland Community College, for whatever reason, they're not going to ask for an audited financial statement for a \$400 grant. But for anything over \$30,000, it doesn't strike me as unreasonable to follow up on it.

**MR. LAW:** — We'll take your point, Mr. Chairman. Although I'm not sure that the \$30,000 is necessarily the number.

**MR. CHAIRMAN:** — It might not.

**MR. LAW:** — No, but we do have . . . All of these organizations are dealt with by somebody in the department, and in fact part of the role of that official is to monitor the expenditures.

Some cases the grants are based on . . . are provided after the expenditure is made. But I'm

certain we will look into what is a reasonable amount and tighten it up if that's . . . when that's appropriate.

**MR. CHAIRMAN:** — Okay, if you could respond in writing when you've had a look at it, whether or not such a thing could be effectively done, I would appreciate it.

**MR. LAW:** — All right, Mr. Chairman.

**MR. CHAIRMAN:** — Yes, 20 copies to the Clerk who'll distribute it to the members of the committee.

I would assume that for the Prince Albert vocational centre, the Meadow Lake . . . Now these are run as branches of the department, virtually. These are not . . . The employees and so on are all employees of the department and so on, are they?

I assumed that from the way you said it in *Public Accounts*, that this is run as a branch of the department.

**MR. LAW:** — Yes, the Meadow Lake is run out of the auspices of Kelsey, and in fact they are members of the department. Prince Albert run out of the community college and at this point are not members of the department.

**MR. CHAIRMAN:** — Oh yes, I see that they are. It says they be contractual services.

**MR. LAW:** — Yes. That will change with the opening of the institute at Prince Albert, however.

**MR. CHAIRMAN:** — Okay. With respect to the community colleges, is the enrolment going up, down, remaining static?

**MR. LAW:** — It's staying fairly static, Mr. Chairman. The type of course, however, that is being offered and being provided by the community college has changed rather significantly. There's much more skills training and adult basic education and that kind of thing than the human interest, if you will, courses that we had in the past. But the population is about the same.

**MR. CHAIRMAN:** — They've sort of reached a plateau, then.

**MR. LAW:** — It seems that way, yes.

**MR. CHAIRMAN:** — What about the Prince Albert, Meadow Lake, Wascana — I'm looking at these technical institutes — Kelsey, what might be roughly called technical institutes, Saskatoon, and so on? What is their enrolment? What's their enrolment been doing over the last few years?

**MR. LAW:** — I'll ask Mr. Evancio to respond.

**MR. EVANCIO:** — Mr. Chairman, the enrolment at the three technical institutes — four, very shortly — has been growing, based on the expansion plan that the government put in place two or three years ago. And the student demand is continually growing, as well.

We still note by our wait lists around the province, particularly in Saskatoon now and Regina, that the wait lists are still remaining long, and there are a tremendous amount of interest in the programs at those levels.

To give you specific numbers, we've increased in '83-84 by about 1,048 seats, and this next year nine hundred and about seventy-five seats. And that still seems to be falling short of the student demand.

**MR. CHAIRMAN:** — It's not making much of a dint in your waiting list, is it? Or is it?

**MR. EVANCIO:** — It's making a dint, but the waiting lists are still there. We're not down to small wait lists, by any means. And I don't have the specific numbers for all the wait lists, but . . .

**MR. CHAIRMAN:** — Is that figure available?

**MR. EVANCIO:** — The wait lists . . .

**MR. CHAIRMAN:** — The waiting lists for the various institutions?

**MR. EVANCIO:** — Oh sure, yes. We will have wait lists, but it changes too.

**MR. CHAIRMAN:** — Well perhaps you can give it to us at some convenient time. I'd just be curious knowing what the wait lists are for the institutions. See, let me just expand that I'm overdue; I should have let the member from Mayfair in here earlier.

When we were doing . . . This spring the NDP caucus had a series of public discussions across the province. One of the things people often said to us is that we should not be putting emphasis on training because there aren't any jobs for them when they come out. Whatever the merits of that argument, it seems that it may be by the way if, in fact, there's long waiting lists of students wanting to get in. And I suppose it's the counter to the argument. So I'd be interested in knowing what your waiting lists are, as recently as you can give them to us. That may be the end of December or something.

**MR. EVANCIO:** — Do you just want the gross numbers, Mr. Chairman?

**MR. CHAIRMAN:** — I'd like them broken down, if you could, by institution.

**MR. EVANCIO:** — Okay. We'll do it as well as we can in that area because it does change by program.

**MR. CHAIRMAN:** — Yes, I'm sure it does. Have you got it broken down by program?

**MR. EVANCIO:** — Yes, we have it by program. But you'll understand, it'll be a snapshot.

**MR. CHAIRMAN:** — Yes, at a given point in time. Yes, at a given point in time. Yes, it'll be more useful actually if you could give it to me by program than by institution — or by both. Whatever form it's in now, give it to us in that form. Don't spend an endless amount of time on it.

The member from Saskatoon Mayfair wanted to get in some time ago.

**MR. GLAUSER:** — Yes, I just have an observation, perhaps, more than a question. And that has to do with, like you were saying, evaluating programs in the year past and then in the year coming up. With the new budget, and looking at a five-year, down-the-road, will this not change the way you approach these, and will answer, to some degree, the question that the chairman posed in so far as evaluating programs more on an ongoing basis than perhaps may have existed?

**MR. LAW:** — We're certainly hoping it will. It's rather difficult to predict the future at any time, but certainly this is the approach we've taken in the past, but it's, you know, with a change in approach obviously we're going to have to get better at it and . . .

**MR. GLAUSER:** — What I'm referring to is the long-term planning, as opposed to the crisis planning, which is almost what you're going through at the present time with the numbers game that you have to play with the wait list.

**MR. LAW:** — That is correct.

**MR. GLAUSER:** — This will perhaps — will it not? — cure that a little quicker, with the injection of perhaps a little more money, and be able to address it.

**MR. LAW:** — Yes, and in fact the department is putting together right now, if you will, a long-range plan that's going to try to go at five years. I'm not sure how confident I am we'll get to five, but certainly we'll get to three years. It's something that we can address periodically and adjust as necessary, rather than reacting only.

**MR. CHAIRMAN:** — I was going to ask that as well. To what extent do you research to try to predict the demographics and enrolments . . .

**MR. LAW:** — Yes, I have a particular branch. It's known as the labour market planning and information branch. Its sole mission is, in fact, to provide that information to us, by dealing with industry and with labour and with the general population, to find out as well as we can what the demands are going to be, before it happens, of course, so that we're ready when the demand is there.

**MR. ENGEL:** — Mr. Chairman, on that same note I'll maybe ask you, do you also take into account the amount of students that are in the high school stream and so on, so you'll have a projectionist to how many will be graduating, say? That will take into account how many kids are in grade 8 now, five years from now . . .

**MR. LAW:** — Yes. The demographics study is a very important part of this. Unfortunately, as you're well aware, the economy has some impact as to when these folks become our clients. And that's the kind of thing we struggle with all the time.

**MR. YOUNG:** — If I can just jump into this, as Allen did, I think that you and your department have been remiss for years and years and years on your labour market planning. I had yesterday, and I have one just about phone me every day, a lady in my constituency who has an education degree and she's on social services. And I have done no empirical studies on my own, but I just know that there's oodles of people out there with school teaching certificates or degrees that can't get jobs. You don't have to do a lot of research to find that. You just have to listen to the phone every now and then if you're an MLA, and you can find that out.

Yet I've never had any one with a medical degree phone me up and say, well, I'm on welfare. I've got this doctor's degree, and I can't get a job, and my welfare cheque is only X amount.

I think what's happened here is that the medical profession and other professional outfits, for their own ends, have somehow or another limited the enrolment in their colleges to keep the supply down and accordingly their price up, whereas education has never had that organization. And everybody and their dog, so to speak, if they want to, can go university and take education. There's no restriction. They just keep coming.

Whereas these other colleges . . . I know I went to law, and they only take 110, period, full stop. Medicine is about the same. And you folks are letting the professional groups lead you around by the nose. We eventually, in this province, end up having to import medical doctors from Asia and everywhere else because we aren't putting out enough here. And who's ever in control of the resources is not in control of them because we should be pumping out more — I would suggest just instantly — medical doctors, dentists, da da da, and less school teachers for quite some time to come, in order that the balance would take place. Because there's just too many teachers out there who can't get jobs, and I have yet to find a medical doctor.

I'm convinced that most university students have the capability of graduating and completing medical school and becoming very good medical doctors. The only reason that there's so few of

them is not because of their ability, but you can't get in because there's some guy up there with higher marks that gets in, and you can't.

And I think that you people have to make a fundamental change. I don't know if it's you, or the president of the university, or who does it, but I can see that the professional groups would fight it to the bitter end, because in their best interests they'd want to keep the supply down. And I think it's away out of whack in this province and in this country, and that somebody, and I guess maybe you're the guy who has to take the bull by the horns and don't be baffled by, oh, you have to have 99 per cent average before you can become a medical doctor, or a dentist, or lawyer, or whatever. I don't believe that's the case at all.

And I think that there's virtually no planning at all on your labour marketing planning committee that is addressing that aspect of it, because of the way it is when you go to university. I went there, and I could have taken education, I could have taken whatever I liked, but you had to have specially good marks to get into some of these other colleges, and thus the numbers were low. And to this day there's shortages of doctors in rural Saskatchewan. And it's still not being addressed. There's certainly no shortage of schoolteachers.

I don't know if it's your problem or whose, but somebody's got to address it.

**MR. LAW:** — Mr. Chairman, I'd like to make a few comments if I may.

First of all, one of the things, the initiatives that we've undertaken in the department and has born some fruit is expanding our career counselling activities in conjunction with the K to 12 people to help people make some informed choices. Our labour market statistics bear out exactly what you've said about people who graduate from education.

At the present time, the department does not direct entrance into universities. That, in fact, is the prerogative of the universities, and any time that we attempt to do anything, in the past at least, we were accused of abusing academic freedom.

However, the current negotiations and discussions are going on to address exactly some of the problem that you're talking about with the two universities, and if anybody's responsible in the government, it is I. And we are attempting to address that problem.

But I must say again that the control of university entrance is in the hands of the university administration. We can try to influence that, but we certainly can't direct it at this stage.

**MR. YOUNG:** — I think it's in the hands of the professional bodies, a lot more so than the universities. I think then they are being led by the nose. Somebody's being led by the nose, because the kids want into medicine, but they can't get in. That's the bottom line. I know lots of kids who wanted in, can't get in, and darned good kids. Nothing wrong with them at all. Just that the class was full.

**MR. LAW:** — That is correct. And it's not only, though, a function of a number of people that the professional association will let into the program. It's a function, as well, of the facilities and the capability of the institute to train and teach them.

I just want to say again that this is something that has been addressed over the last year, and it is something we're continuing to address. Hopefully, the university administrations will co-operate, and we'll be able to move towards solving the problem.

**MR. CHAIRMAN:** — So you attempt to do further sort of planning and research in that you attempt to determine where the need is, as well as . . .

**MR. LAW:** — As a matter of fact, just about all our research is based on what the need is in the

short and long term, and then to try to adjust our programs to meet that need.

**MR. CHAIRMAN:** — Do the waiting lists that you have balance the need at the other end? To what extent do people know . . . To what extent is that communicated to people? To what extent do you attempt to communicate to children and, just as important, their parents, where the openings are at the other end? To what extent do you attempt to educate the public, I guess?

**MR. LAW:** — Well, I mentioned at the beginning of my last statement, the thing that we're working on very hard these days, and in fact have established through the community college network which is out all over the province, as well as working with the Department of Education to in fact provide that information, not only to the students, but to the families.

I would not pretend that we've done a particularly good job to this stage, because it's relatively new. But some benefits have already been derived in some of the changes that have taken place in demand. But we have an awful lot more to do in that area.

**MR. ENGEL:** — Mr. Chairman, thank you. Can you be a little more specific? You're addressing it . . . in what specific ways are you indicating . . . Kim said that you encourage people to go from one class to the other. Are you providing more classroom spaces in some of the other fields like science and technology, rather than education? Or what specific adjustments are you making to try and attempt to funnel our young people into careers where there's a better possibility or better opportunity for an opening, other than just through the counselling, before they have a problem?

**MR. LAW:** — If I could keep the universities out of the discussion because of the problem that I mentioned before, Mr. Engel . . . There are two parts to the analysis that we try to do. One is the demand that we perceive, determine by talking to folks, if you will — the industry and whomever — as well as some economic projections, as good as they might be today.

And all we can do is give the people the odds, you know: if you go into this program, this is what has happened in that particular occupation in the last five years, for example, and here are some trends.

In looking at that demand that I talked about a little bit earlier, we try to adjust our programs at the institutes as necessary, so that we have more seats. We've also done some other things. We've adjusted the type of training that we offer. For example, we now have something you've undoubtedly heard about called competency-based education. We do not any longer operate under traditional school year. As soon as there's a seat available we can fill it because people work at their own speed in modules.

People can work and go to school, because they can work on this basis. We provide extension programs to rural Saskatchewan in these areas, where there's a demand determined. But as Mr. Glauser mentioned a little bit earlier, we're still playing catch-up, and I have to admit that. It's getting a little better.

On the other hand, in the counselling area, once we inform a potential candidate of what the odds are, he or she still has the choice of what's applied for, and we can't always control that. So we have to strike a balance between that demand and the odds of getting a job, and that demand that is there.

And we are looking very hard at the present time at every program that we offer in our institutes, for example. With all of those factors in mind, and we'll be making some determination, the results of which we will see this fall as to what programs are offered or how many seats are offered, and that kind of thing. It's not a very precise science though, at this stage.



**MR. YOUNG:** — I have another question with respect to students that have to leave the province, like, because I understand that Saskatchewan buys X amount of seats in Waterloo to take optometry, and so many in Toronto to take chiropractory and so on, because we don't offer those courses in the province.

There's also another college, it's called Gallaudet and it's in Washington, D.C., that deals with deaf students trying to get a university degree, which again is not offered in Saskatchewan. And I've become aware of the fact that your department's funding for these kids to go, the deaf children to go to Washington, D.C., has not been adjusted for the difference that has become very real in the last couple of years between the American dollar and our dollar.

And I would hope that your department would immediately address the funding of these deaf students in light of the difference in the value between our dollar and their dollar. They have to go to the United States of America to get a university degree. They have no choice. And they're getting hurt real bad with that American dollar for all of the ancillary things in life that take place when you live in that country.

To my understanding, it hasn't been properly addressed now and we only have, to my understanding, six kids from Saskatchewan that attend there. And accordingly, it's not a big monetary item in your budget, but it's certainly big stuff to those six kids. I think three of them come from Saskatoon, and the other three are from other areas of Saskatchewan.

**MR. LAW:** — In the bursaries and special incentives that we offer, in fact, we do take into account the exchange rate. One of the problems we have is it was set as a particular percentage. It was 25 per cent when we did it, and we know the exchange rates fluctuated around. But in fact we do. But we review this annually and in fact the special cases, say, the June meeting of the loan, bursary and scholarship committee will, in fact, be addressing this particularly.

There's also the VRDP (Vocational Rehabilitation for Disabled Persons) Program for the disabled people, where they can get special allowances. I'm not saying it's adequate, but at least things are certainly considered.

**MR. ENGEL:** — Well, following up a bit, this June meeting — when you're talking about bursaries and that. I've got a bone to pick with it personally. Do you feel that the assessment that is made when a farmer and a banker or a farmer and a lawyer are compared, and any one of the three wants to send a young person off to university, and a farmer's assets are looked at and the value of the land is taken into account and it doesn't really relate to the income at all . . . I get a lot of farmers very upset when they say that they can't get any assistance — and they haven't paid income tax in the last five years or something like this, but because of their asset disqualifications. Have you given some consideration to that or have you got somebody here that can take me through that and give me a pat answer so that I can get these guys off my back?

**MR. LAW:** — I'm not sure there's a pat answer, Mr. Engel. We discussed that a little bit earlier before you arrived.

**MR. ENGEL:** — I'm sorry.

**MR. LAW:** — And, in fact, we are looking at it.

**MR. ENGEL:** — You went through that?

**MR. LAW:** — Yes, we did.

**MR. ENGEL:** — And did you come up with . . . I don't see any farmers here. Was my end of the argument held up?

**MR. LAW:** — Yes, it was — very well, Mr. Engel.

**MR. ENGEL:** — It was, eh?

**MR. LAW:** — Yes.

**MR. ENGEL:** — I can count on some help from these city slickers?

**MR. GLAUSER:** — . . . (inaudible) . . . but a farmer with the potential . . .

**MR. ENGEL:** — It doesn't really feel quite the same. We're agreeing on a lot more today than I thought we would, Mr. Young. This is very exciting.

**MR. CHAIRMAN:** — With respect to the grant under the Opportunities '83 program, as I recall it, we . . . This was a program for which we budgeted funds, and the . . . Describe again the criteria for making grants under this program. I was going to try and state it, but I'm not sure I can do it. So I'll let you do it.

**MR. GLAUSER:** — If we're not going to get to that group.

**MR. CHAIRMAN:** — They're not here.

**MR. GLAUSER:** — They're not here?

**MR. CHAIRMAN:** — No. They've been on stand-by.

**MR. GLAUSER:** — Just . . . (inaudible) . . .

**MR. CHAIRMAN:** — Yes. There's nobody outside except the commissionaires.

**MR. LAW:** — Your question was: how does one qualify?

**MR. CHAIRMAN:** — Yes.

**MR. LAW:** — To be honest with you, Mr. Chairman, I'm not sure of all the criteria, but the . . . An employer applies to the program for authority to hire a certain number of people for the summer, and as I said before, I'm not sure what the criteria are, to be honest. But an assessment is made of the application, and an approval is given to that employer to hire somebody. And it can be any corporation, partnership, or proprietorship registered to do business in Saskatchewan; any bona fide farming operation or any municipality or Saskatchewan-based board, institution, or non-profit organization established under The Non-profit Corporations Act. Those are the ones that can do it.

**MR. CHAIRMAN:** — Presumably this was supposed to be something other than what they would ordinarily have done?

**MR. LAW:** — That is correct.

**MR. CHAIRMAN:** — I notice in this list the names of a number of large law firms. I really wonder . . . And I assume what they're doing is articling students for the summer or hiring students for the summer. I suspect that most of those law firms have done that anyway. I wonder about the appropriateness of subsidizing law firms to hire students for the summer to go do the land titles office work for them while they golf.

I'm not being tough on them. I'll mention the law firms if you like, although I think it's unnecessary. But there's some of the province's larger law firms are in here as recipients of grants.

I suspect those firms have always hired students.

**MR. LAW:** — The only audit we do is to do with whether or not there was somebody displaced because of the job. And we don't judge whether or not they would have done it anyway.

**MR. CHAIRMAN:** — Don't you think that's appropriate?

**MR. LAW:** — It might be. I just don't know where it would stop. What we found, incidentally, is that, although we provided subsidies for three months — and I can't recall what the number was in '83-84, but this year, for example, it's \$400 a month — most of the people kept the students on for the additional month. And we know of instances where somebody was displaced.

I'm not sure we're the ones to judge whether or not they would have done it anyway. I understand what you're saying, Mr. Shillington, but I don't know how we would address that. I don't think we would want to discount law firms.

**MR. CHAIRMAN:** — Well but would it not have been appropriate in the form, at least, to ask whether or not this type of summer employment had been hired in the past?

The particular firm I saw, I think they always hire university students — because I applied for the job. I hate to say it, but it's almost 20 years ago. When I was in university I applied for that job, didn't get it. But I know what they did: they hired a university student to help out there in the summer-time.

And I wonder if it wouldn't have been appropriate in the application form to ask: has this type of casual help been hired in the past?

**MR. LAW:** — It might have been. But I suggest that we're now in the third year of a program, that firms in fact would say yes because they've taken advantage of Ops '83 and '84. And I'm just not sure . . .

**MR. CHAIRMAN:** — If you had done it initially, you might have (a) saved the taxpayer some money without the loss of any jobs, in the sense that these people would have done it anyway.

**MR. LAW:** — I guess that's a possibility.

**MR. CHAIRMAN:** — I think it's more than a . . . When I see some of the names in here, Mr. Law, I think it's more than a possibility. I don't think they would have lied. I don't think these people would have lied on the application form. But I think they just saw a chance to pick up an extra 1,000 bucks, just a free 1,000 bucks for them.

**MR. LAW:** — To be honest, Mr. Chairman, I don't know if that consideration, if that was taken into account when they set up the program, because I wasn't around at the time. But I'm not sure if I could find that out, either. But right now I can tell you we don't ask that question.

**MR. CHAIRMAN:** — I think you should be. I suspect that some of this summer employment, they've always hired them.

I see some parks . . . I see some recreational people in here, people whose work is by its very nature summer work. I didn't see the AV golf racing bit, this little go-cart racing things. I didn't see any of that.

But is that type of summer activity in here? Because they always have hired their employees during the summer. If no effort was made to ensure that this was an expansion of their ordinary activity, then you're giving away 1,000 and 2,000 bucks for nothing.

**MR. LAW:** — Well we tend to think that there were enough jobs laboured, or more jobs laboured, in the other areas that it was still the way to go. As I say, it's a . . . Unfortunately I can't tell you whether that consideration was taken into account two years ago.

**MR. CHAIRMAN:** — Nor is it fair for me to get into an argument with you, actually. You're not here to defend policy, but to simply tell us what you did.

I, for one, think it's inappropriate to be subsidizing some of these law firms for something they have done for 20 years. I know that because I applied for the jobs 20 years ago.

**MR. YOUNG:** — Mr. Chairman, I have a question or concern that relates back to Kelsey initially. It's a very particular one and you may not be aware of it, but I think that you might be well advised to look into it.

The department of heavy duty mechanics at Kelsey, and diesel mechanics there — they're next door to one another — typically, as I understand it, tear down the same big diesel piece of earth-moving machine time after time after time. And they go about pretending to fix it. It doesn't need fixing. It's just there as a cadaver. Mr. Weiman used the words.

But as I understand it, in talking to some of the instructors and some of the students, as a matter of fact, from Kelsey, that there exists in Moose jaw the big, big trucking college where they learn . . . where you learn how to run a big mack truck with a flat bed and so on and so on.

So these guys are motoring up and down the highway, pulling these big trucks and practising backing them up and all the things that you have to learn to run a great big tractor trailer on the highway.

On the other hand, the same government — and you're both line departments, virtually — is the Department of Highways that has giant repair depots in, like Swift Current, Rosetown, Saskatoon, so on and so on.

These guys have these big diesel earth-moving machines. So they pull them into their shop and do some actual necessary work on these machines. And most times they're absolutely able to diagnose what's wrong with the machine. They'll say, that machine needs a valve job. It's burning oil. Period. And they know that.

Now that machine could be picked up . . . Or a ring job — burning oil is the right thing to say . . . could be picked up by the guys in Moose jaw, from Maple Creek, whipped into Kelsey These guys could put rings on the pistons, put it together, and the guys from Moose jaw could drive it back to wherever it came from.

And the efficiency to the province would be a lot more than it would be in continually tearing down the same old piece of machinery that they use in Kelsey. And I think that somehow or other, yourself and the people from Highways and the people with the big trucks in Moose Jaw could get together and at least do a few of these.

Maybe you still have to keep tearing down the same old piece of machinery in Saskatoon most often. But every once in a while, with proper diagnosis, you could actually do a Department of Highways piece of equipment. And with the proper diagnosis, what was wrong with it, there'd be no surprises at all. And if it needed rings, you guys could do it up there in Kelsey.

Right now, as I understand that, there's no co-ordination. They're sitting in the Saskatoon warehouse for Highways doing a motor job on a piece of earth-moving equipment, a caterpillar or something like that. And the guys up at Kelsey are doing one for the nth time, the same maybe even model of caterpillar. It's a real waste, and it would be really nice if you three outfits could co-ordinate yourselves and just do a few of those at least. The taxpayer would be better off if

you did that.

**MR. LAW:** — Your point's taken, Mr. Young. And, in fact, we've had some discussions. We're doing some of the things with Supply and Services on the construction side, but we haven't expanded it to the vehicles yet. It's a good point, and I'll talk to the Highways department.

**MR. ENGEL:** — Do the body shops, in fact, not do that, where they're training body men?

**MR. LAW:** — Yes. They do.

**MR. ENGEL:** — Do they not do custom work? They do what your hairdresser does. Like, six people off the street that you would do custom work for clients.

**MR. LAW:** — Yes, in the body shops, we do that. But we haven't done it in the heavy equipment area.

**MR. ENGEL:** — I see. That could be expanded. I agree with this.

**MR. LAW:** — Yes. You know, it's a matter of scheduling and those kinds of things. But that's administrative, and I think we could work that out.

**MR. ENGEL:** — Especially in the winter months. I know a lot of road builders, if they know that your supervision is there and all that, if there was any kind of a monetary guarantee, would gladly get it done for paying the parts even.

**MR. LAW:** — That's right. And any place that the work would be done by a government employee anyway, I think it's valid. If it would be done in the private sector, I'd have a little bit of concern about competing, of course.

**MR. ENGEL:** — Well, why not? I'm just wondering why you do the private sector body work, and hairdressing, and so on, why not fix my cat?

**MR. LAW:** — Well I was just saying that's a consideration that we would take into account as well.

**MR. ENGEL:** — I think it should be done.

**MR. LAW:** — And we'll certainly look into it.

**MR. ENGEL:** — Highways . . . (inaudible) . . . It's kind of tough, you know.

**MR. CHAIRMAN:** — You're going to look into it and respond to the committee, or just look into it? What's the resolution of this thing? Do you want to respond to the committee on this?

**MR. LAW:** — Well obviously I'll have to deal with the Department of Highways to see what kind of a response I get from them. And I can do that and report the response, if you wish.

**MR. YOUNG:** — I can assure you, Mr. Law, that some of the instructors in Kelsey (I won't name any names) would very much like to see that. And they appreciate the inefficiency in continually working on the same old piece of machinery that doesn't need any work done on it, just for a demo.

**MR. ENGEL:** — Plus, if I'm going to hire a mechanic that only fixes something that didn't need fixing, it's kind of bad news. You know, it would be kind of nice to know that he's got some diagnostic abilities as well.

**MR. CHAIRMAN:** — This is something that he's going to respond to you. I want to go back to these grants. I would like you to respond on this thing. I'd also like to know whether or not any effort was made to ensure that people weren't hiring their own children — something they'd always done. There's quite a number . . .

**MR. LAW:** — There's nothing that precludes that.

**MR. CHAIRMAN:** — Well there's some obvious areas for abuse here. Some of these people have always hired summer people. I just happened to see the name of Thatcher. Thatcher Hereford Ranches is one of the recipients. That raises a separate issue whether or not a member of the Legislative Assembly should be getting a grant at all. But it also raises the issue of whether or not a rancher, who would always have hired extra people during the summer to handle the cattle, should be getting grants.

**MR. LAW:** — Before I go on — I may stand corrected on this — on dependants. And I'll have to check that. That's been a dispute, and I can't recall the resolution, but I'll get you a response on that for sure.

**MR. CHAIRMAN:** — You've made notes of all these things you're to respond on, have you? If you have not, the Clerk has.

**MR. LAW:** — We'll get the verbatim, will we not, Mr. Chairman? Can we respond to the verbatim?

**MR. CHAIRMAN:** — Yes, indeed . . .

**MR. LAW:** — Just to be sure that we get the question properly.

**MR. CHAIRMAN:** — All right. The Clerk then will send you a copy of the verbatim, and perhaps highlight with a yellow marker the particular items that you're to respond to.

I'd better check to make sure Shillington isn't down here, that one of my staff didn't actually cotton to this little dodge. No, I'm safe, so we're okay.

With respect to the grants, I notice that with respect to other expenses, some relatively large sums of money here. I'm on page 36. I'm sorry, I should have told you that.

With respect to page 36, some relatively large sums of money spent on . . . The first thing that came to my eye was computers, both software and hardware. What was that expenditure for? Top of page 36, Computer Aided Design Systems Ltd. — I assume that's software — for \$120,295.

**MR. ENGEL:** — Computerland's here for 345,000.

**MR. CHAIRMAN:** — Yes, Computerland is in for a bigger sum. I'm going to get that in a minute. Computerland is in for a third of a million dollars. What was that for?

**MR. LAW:** — I don't know specifically, Mr. Chairman, but I will get you that information.

**MR. CHAIRMAN:** — All right. By and large . . .

**MR. LAW:** — But I'm sure it's educational material. But I'll get you the specific answer, rather than guess.

**MR. CHAIRMAN:** — The second question I also would like answered is: was the request tendered? I'm not putting the hammer on Computerland. I don't know if they're any particular

friends or enemies of the government, or anything else. But they do sell; it is a retail computer store that sells hardware; and was it tendered?

**MR. LAW:** — Well, I'll give you a specific answer on these, but normally it is tendered through Supply and Services to the purchasing agency.

**MR. CHAIRMAN:** — I see. Even though it were tendered to the purchasing agency, it would appear as a grant in this?

**MR. LAW:** — Yes. Because it's our money that's spent, and it comes out of our appropriation.

**MR. CHAIRMAN:** — All right. Okay. That allays some of my concern. I thought in some fashion this was something you'd purchased directly rather than through the purchasing agency.

If it's purchased through the purchasing agency, that's all I need to know.

**MR. LAW:** — The only thing that might be done directly is if we're upgrading some software on equipment that we have already, like a digital piece of equipment.

**MR. CHAIRMAN:** — Something you can't buy off the shelf.

**MR. LAW:** — We can't buy off . . . We have to go through the company.

**MR. CHAIRMAN:** — Okay. Well, perhaps you can respond to that. That may answer the question with respect to Computerland, but it won't necessarily with respect to Computer Aided Designs Systems, which sounds like a software program company.

**MR. LAW:** — No, we don't have the details, Mr. Chairman. We'll give it to you. There was quite a bit of expansion in the computer business in two of the schools, and I don't have the details of what went where. But that's easily done.

**MR. CHAIRMAN:** — It's quite possibly something you can't tender. It may be that you had to get the people back in who sold you the software in the first place. But I would like a response on it.

I could foreshorten this, I think, by asking you to provide me with a list of all expenses in the year under review in excess of (I'm trying to think of a figure that'll include most of this garbage) in excess of \$10,000, which weren't tendered. Can you provide me with a list of that?

**A MEMBER:** — Ten? What was the figure, Mr. Chairman?

**MR. CHAIRMAN:** — Provide me with a list of all goods or services purchased in excess of \$10,000, which were not tendered.

**MR. LAW:** — Oh, were not tendered?

**MR. CHAIRMAN:** — Not tendered.

**MR. LAW:** — Okay.

**MR. CHAIRMAN:** — And that will foreshorten a lot of this.

**MR. LAW:** — This is goods and services, Mr. Chairman ?

**MR. CHAIRMAN:** — Goods and services, that's right.

**MR. LAW:** — We can provide that, Mr. Chairman. We have that information in the office.

**MR. CHAIRMAN:** — You have it in the office. All right. Well I'm coming to the end of all this, believe it or not.

The grant to the Saskatchewan universities' construction was underexpended by \$595,000. That was simply unable to get sufficient construction in gear and going, to take it all up?

**MR. LAW:** — That's correct, Mr. Chairman.

**MR. CHAIRMAN:** — Okay. Those are, I think, the questions I have of you.

**MR. WEIMAN:** — This is the part when we say, thank you for coming.

**MR. CHAIRMAN:** — Thank you for spending a few brief moments with us to discuss the affairs of Kelsey Institute.

**MR. LAW:** — I wonder, should I just sit here, Mr. Chairman? I think we're meeting in a few minutes on non-controversial Bills, aren't we?

**MR. CHAIRMAN:** — Yes, I guess you are; I guess you are. We have to deal with next week's agenda. That's right. Yes, you're more than welcome to stay. It's not done in any sense in camera. So if you want to just stay here until quarter after, or if you want to go for a cup of coffee . . . I don't think non-con is going to start before quarter after.

We should, however, discuss the agenda. We have on for next Wednesday . . . If I could get everybody's attention here. And I'm not getting anybody's attention . . . (inaudible interjection) . . . I've got yours? God bless you. But I'm having a little difficulty with everybody else here.

Okay. We've got SaskCOMP, Teacher's Superannuation. We should pick a list for next week. Do we want to tie in . . .

**A MEMBER:** — Should we go in camera?

**MR. CHAIRMAN:** — I think SaskCOMP we should adjourn and probably deal with your motion. May I suggest the following list for next Wednesday? I have to tell you I'll be absent at about quarter after 10, from quarter after 10 to 11 o'clock. But that's fine; I don't need to be here.

May I suggest we deal with SaskCOMP, and Teacher's Superannuation and . . .

**A MEMBER:** — This is for Wednesday?

**MR. CHAIRMAN:** — Yes. Do you want to start on Finance? We've got more than, I think, one day there. We've got to bite that bullet sooner or later, Duane.

**MR. WEIMAN:** — No, my point on that is I think that we're probably going to be on Finance for a little while. I would like to get those guys boom-boom, back to back, on Wednesday and Thursday.

**MR. CHAIRMAN:** — Why don't we deal with it Wednesday and the rest on Thursday?

**A MEMBER:** — If SaskCOMP is here . . .

**MR. CHAIRMAN:** — No, they're not, no.

**A MEMBER:** — Were they supposed to be here?



**MR. YOUNG:** — No, 15-minute stand-by.

**MR. CHAIRMAN:** — We keep them on a 15-minute stand-by. Otherwise they waste a whole day. What we do here is we call the first group and then everybody else is on a 15-minute stand-by. I try to gauge it and give them some warning.

**MR. WEIMAN:** — If you want to bite that bullet, Ned, why don't we, you know . . .

**MR. CHAIRMAN:** — Start with Finance on Wednesday.

**MR. WEIMAN:** — Right away Wednesday, Thursday, boom-boom.

**MR. CHAIRMAN:** — All right. Fine with me.

**MR. WEIMAN:** — And then go down the line. SaskCOMP on stand-by.

**MR. CHAIRMAN:** — All right. SaskCOMP and Teacher's Superannuation on stand-by.

**MR. ENGEL:** — Is Teacher's Superannuation in Regina?

**MR. CHAIRMAN:** — Yes.

**A MEMBER:** — Who is dealing with Finance?

**MR. CHAIRMAN:** — Who is dealing with Finance? I don't think it matters much. We're all certainly going to get into that.

**MR. WEIMAN:** — Yes, but I think the lead-off on that one, I think Cal showed a preference to that.

**MR. CHAIRMAN:** — That's right. We did say that, that Cal would be the lead-off for that.

**MR. WEIMAN:** — And the lead-off for SaskCOMP after that would be Kim; and Teacher's Superannuation, Katzman, the way it was before.

**MR. CHAIRMAN:** — That will be an 8:45 meeting.

The committee adjourned at 10:57 a.m.