

The Assembly met at 1:30 p.m.

Prayers

### ROUTINE PROCEEDINGS

#### NOTICES OF MOTIONS AND QUESTIONS

**Mr. D'Autremont:** -- Thank you, Mr. Speaker. I give notice that I shall on Wednesday next ask the government the following question:

Regarding Sask Water and the Alameda dam. Presently a heavy flow of water is coming from the headwaters passing through the dam structure because the gates are not closed: (1) are the gates going to be closed so Saskatchewan may benefit from this precious natural resource; (2) if the gates are not going to be closed, what is the reason; (3) this is an opportunity to retain water to which all Saskatchewan people have a right; will you guarantee that the gates will be closed if possible, therefore providing more opportunities for recreation and to provide water to meet our international commitments at a later date; (4) does it make sense to hold the position that the United States is not entitled to purchase water from Saskatchewan when presently the U.S. (United States) receives the water from the Souris system, to which we are entitled, for free?

**Mr. McPherson:** -- Thank you, Mr. Speaker. I give notice that I shall on Wednesday next ask the government the following question:

Regarding the department of Provincial Secretary: (1) was a recent poll conducted regarding the question of Provincial Court judges' salaries, and what are the details of that poll; who conducted the poll; what was the cost of the poll; how many people were called in the course of the poll; what were the results obtained from all respondents surveyed in the poll; who was responsible for writing the questions used in the poll; and what were the specific questions asked in the poll?

**Mr. Neudorf:** -- Thank you, Mr. Speaker. I give notice that I shall on Wednesday next ask the government the following question:

Regarding agriculture and Saskatchewan producers in the north-east, areas such Preeceville, Kelvington, Livingstone and others are in a crisis situation. Because of early frosts and wet seasons these producers have had failed crops for the past two years. (1) Has the minister responded to the requests brought to your attention by over 13 rural municipalities regarding making money available to these producers in order to put their seed into the ground this spring; (2) has the minister approached the federal government regarding a joint effort in assisting these between 500 to

700 desperate producers; (3) what options has the minister given the producers in the north-east who are facing this crisis?

Thank you.

**Mrs. Bergman:** -- Thank you, Mr. Speaker. I give notice that I shall on Wednesday next ask the government the following question:

Regarding the Saskatchewan Property Management Corporation: (1) what is the current policy regarding use of Executive Air Services by cabinet ministers and members of the Legislative Assembly; (2) how has that policy been communicated to all affected parties; (3) who is responsible for enforcing that policy; (4) what enforcement mechanism is in place to refuse use of Executive Air Services if the reason for travel does not comply with the government's policy?

**Mr. Martens:** -- Thank you, Mr. Speaker. I give notice that I shall on Wednesday ask the government the following question:

Regarding the Department of Agriculture: (1) given the fact that one-third of between 900,000 and 1 million acres in north-east Saskatchewan was unable to be harvested, what has the minister done to assist these producers; (2) why is it possible for the minister to say that he cannot favour one region over another when recently the north-east crop season was favourable while the south-west regions of our province were experiencing drought and assistance was provided; (3) is the minister aware that between 50 and 90 Farm Credit Corporation accounts are in arrears in these regions; (4) in addition, is the minister aware that 50 to 60 per cent of Agriculture Credit Corporation accounts are also in arrears and it is in the best interests of our province to assist these producers?

### STATEMENTS BY MEMBERS

#### Triwaste Reduction Services

**Mr. Koskie:** -- Mr. Speaker, one of the most pleasant small towns in Saskatchewan is Naicam, which borders my constituency and lies between Melfort and Watson. And people who travel through on Highway No. 6 will know it for its train station turned into a fine restaurant, but it's also a vibrant and progressive place in which to live and work.

A new facility has just opened up in Naicam, a facility which will give employment, provide necessary industrial materials, and contribute to the clean-up of our environment. Good news on all fronts.

Triwaste Reduction Services, a division of Trimac, is a facility set up to recycle metal and plastic pesticide containers. The plant removes the pesticide residues

and turns the plastic containers into chips which are then shipped to another facility which converts the material into fence posts and curb stones.

The Naicam plant employs six people at the moment and can process three to four tonnes of material a day. Mr. Speaker, every fence post made in this process is a tree not chopped down and every container recycled is a space in the landfill not taken up. And every pesticide residue removed here is not released into the environment.

I want to congratulate, Mr. Speaker, the operators and the workers of this new facility at Naicam for their economic and environmental contribution to our province.

**Some Hon. Members:** Hear, hear!

### ORAL QUESTIONS

#### Corporation Taxes in Arrears

**Mr. Martens:** -- Thank you, Mr. Speaker. Our viewer mail first question today comes from Arthur Bird from Porcupine Plain, and it says this: Mr. Premier, I would like to know the dollar amount of provincial taxes owed to the Saskatchewan government by Canadian and multinational corporations combined, that is in arrears, and what measures are being taken to collect them.

**Some Hon. Members:** Hear, hear!

**Hon. Ms. MacKinnon:** -- Thank you, Mr. Speaker. I'll have to take notice of that question.

#### Gravelbourg Health Facility

**Mr. Martens:** -- Thank you, Mr. Speaker. We will wait with anticipation for that answer, Madam Minister.

The second question comes today from Mr. J. Grismer from Hodgeville. He says: Mr. Premier, I want to know why we are building another hospital in Gravelbourg after we have closed 52. The doctors can't do anything for you, but give you a pill or send you on. They can't even deliver a baby on account of regulations, Madam Minister. Whatever you do, don't move Jack Messer, or we will have to build another bathroom.

**Hon. Ms. Simard:** -- Thank you very much, Mr. Speaker. The government is not building a hospital in Gravelbourg. The long-term care facility, the Foyer, is going to be replaced because it is breaching fire regulations, as we've been advised, but there is not a hospital being built in Gravelbourg.

**Some Hon. Members:** Hear, hear!

#### SaskPower Office Closures

**Mr. Britton:** -- Thank you, Mr. Speaker. I too have a Mr. Premier question. I would like to direct this to the

Premier. This is from Frances King of Wilkie, and she's asking: Mr. Premier, I want to know why you are moving our Power and Energy employees out of our towns. You are helping kill our rural towns. The same is true when you close hospitals in towns of 1,500 people. You live in a city and have no concept of life in a rural town.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Anguish:** -- On behalf of the Premier, I'd like to answer that question to the member from Wilkie. It is true that some offices are under consideration for redistribution under SaskPower's management plan. And the situation in the Wilkie office is that there's consideration being given, although not finalized, to moving those positions to the town of Unity which is also in the member's constituency. And if the member opposes the move of those employees to the town of Unity, I'd be interested in hearing that from him.

**Some Hon. Members:** Hear, hear!

#### Gambling Expansion

**Mr. Muirhead:** -- Thank you, Mr. Speaker. My question too is put to the Premier. This question comes from Eldon and Mary McLaren from Davidson. It is a very serious question, Mr. Premier. How can you, with any sense of right and wrong, condone the closing of our rural hospitals and take funding for acute care beds, and then contemplate using that money to set up gambling casinos in Saskatoon and Regina which will cost thousands to rehabilitate addicts?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Lautermilch:** -- Thank you. Mr. Speaker, in answer to the member's question, let me say that there are no dollars from the health care budget that will be going to the establishment of the expanded casino operations, either in Saskatoon or in Regina. I want to say that the health care budget has remained whole. It's one of the priorities of this government, and it will continue to be a priority of the administration.

**Some Hon. Members:** Hear, hear!

#### Rental Rates for Cattle Ranchers

**Mr. Neudorf:** -- Thank you, Mr. Speaker. This question comes from David Sawkiw from Preeceville. Mr. Premier, my question is, when you raise the rental rates of Crown land to cattle producers of Saskatchewan and justify it by saying that cattle prices are high, will you give us your assurance in writing that if cattle prices drop in the future that the rental rates will drop accordingly?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Cunningham:** -- Thank Mr. Sawkiw for that question. As he knows, the rental rates are based on cattle prices, and the formula will create a reduction

in rates if cattle prices drop. And I can certainly give that assurance.

We are talking to the stock growers and others about possibly changing that formula, if they had some ideas about how it could be changed, and we're now working on that. But as the formula remains, if cattle prices drop, then rental rates will drop.

### Senior Bureaucrats' Salary Increases

**Mr. Toth:** -- Thank you, Mr. Speaker. Mr. Speaker, I have a question to the . . . well maybe I'll refer it to the Deputy Premier today.

Mr. Premier, or Mr. Deputy Premier, we have received a copy of the document obtained under freedom of information regarding a salary raise given to your deputy minister of Justice, Brent Cotter -- and this is referring to the Minister of Justice. Mr. Deputy Premier, while the deputy minister was making recommendations to the independent panel that judges should receive no salary increase or at the most a 2.5 per cent increase, you recommended and approved a \$6,300 salary increase for Mr. Cotter from \$105,000 to \$111,300.

Mr. Premier, or Mr. Deputy Premier -- whoever wants to answer the question -- do you think it is just for you to recommend and approve a \$111,300 salary for your deputy minister of Justice when you find the salary of \$108,000 to be an outrageous sum to pay Saskatchewan judges?

**Hon. Mr. Tchorzewski:** -- Thank you, Mr. Speaker. I'd be pleased to answer on behalf of the Minister of Justice with respect to the question that the member opposite raises. He is incorrect in some of the suggestions that he makes on what the facts really are.

The increases that were provided in this particular case, I suspect, was not in excess of 5 per cent. And therefore that is far from what was provided or what was voted as to an increase, which is what the Conservative opposition and the Liberal opposition urged this House to do, and that is provide a 24 per cent increase to the judges, which is really quite unconscionable.

So I think, Mr. Speaker, clearly that there is no great difficulty here. It's in keeping with the guidelines that are in place, and certainly not the 24 per cent that the members opposite wanted for the judges.

**Mr. Toth:** -- Thank you, Mr. Speaker. Mr. Deputy Premier, as usual you are missing the point and refusing to answer the question as well. You broke the law, your minister broke the law, broke a legally binding contract, broke your word to make sure that judges received an increase of no more than 2.5 per cent. Yet while you were doing this, you signed a contract to give your deputy minister of Justice a 6 per cent to \$111,000 plus lots of perks, including car allowances.

You, sir, in your quote on Friday said, don't stand up

for those who've got \$90,000 a year and want 24 per cent in increase. Mr. Premier, you said, stand up for the farmer and the workers; stand up for the people.

Mr. Minister, or Mr. Deputy Premier, what about your own hand-picked bureaucrats who have \$105,000-a-year salaries increased to \$111,000 a year? There is a law and there is justice. Will you break this contract to bring it in line with the judges' increase?

**Hon. Mr. Tchorzewski:** -- Mr. Speaker, I think the member opposite is again reinforcing the kind of double standard which members in the opposition and the third party have applied on this issue. The issue being, is it correct or is it appropriate or in fact is it moral to provide any group in society with a 24 per cent increase, as was the case which the government is trying to correct with respect to the judges. I think the public has spoken loud and clear in support of that decision.

That is not different . . . the increase that is being provided in fact, the two and a half and the two and a half per cent, is in line with the kind of increase which the member opposite talks about with respect to the deputy minister of Justice.

So there is no double standard here; there is certainly consistency. And I think that is a pretty fair judgement as to the way the government has been applying these kinds of decisions.

**Some Hon. Members:** Hear, hear!

**Mr. Toth:** -- Well, Mr. Speaker, again to the deputy Premier, it would seem, Mr. Deputy Premier, it is politically correct to increase salaries to high-level bureaucrats but it's incorrect to follow your own legislation. Mr. Deputy Premier, it would appear that these two situations are a clear example of the hypocrisy of your government.

Here is another example of hypocrisy. Mr. Deputy Premier, can you confirm that recent orders in council have given Crown prosecutors in the Department of Justice pay increases as high as 25 per cent, and that some of these pay increases were made retroactive for periods up to two years. Can you confirm this, Mr. Deputy Premier, and give an explanation of why these raises were given in light of your new salary policy?

**Hon. Mr. Tchorzewski:** -- Mr. Speaker, I would be pleased to answer the member's question that he asks. I find it ironic that last week the members opposite were arguing for the judges to have an increase of 24 per cent; this year the members opposite are saying that 5 per cent is too much. So I think, Mr. Speaker, maybe the members opposite should have another weekend; maybe the long weekend of Easter will give them a chance to reconsider.

Directly in response to what the member opposite is asking, there is -- and I would have to check the fact as I am not the Minister of Justice, and I am prepared to do that -- but there is no one in the Department of

Justice, no lawyer who received the kind of increase the member opposite . . . and is still in the same job. Now there may very well be some reclassifications or some promotions of people to different positions in the department which means a different salary scale. But if the member opposite is suggesting that some people who are lawyers in the Department of Justice in their existing positions receive 24 per cent increases, he is wrong.

**Some Hon. Members:** Hear, hear!

**Mr. Toth:** -- Mr. Speaker, another question to the Deputy Premier. Mr. Deputy Premier, you're just confirming what your Minister of Justice said the other day about law and justice. It's politically correct to give increases to MAs (ministerial assistants) or deputy ministers, but it's incorrect to recognize other officials across this province.

And, Mr. Deputy Premier, the orders in council that we received are dated February 15, 1994 and are signed by the Premier. In one instance a Crown solicitor 3, with no apparent increase in responsibility, was given two pay increases which amounted to 18 per cent increase made retroactive nearly two years. And there are many more examples in today's batch of orders in council.

Mr. Deputy Premier, we have asked for more information on these increases in written questions but so far the Premier has stalled in his answers.

Mr. Deputy Premier, why is it that some people in the Department of Justice can get enormous and perhaps arbitrary retroactive wage increases with a stroke of your pen, yet others go through an independent and legal binding process and they are rejected? Is that appropriate?

**Hon. Mr. Tchorzewski:** -- Mr. Speaker, I find it a mystery how the member opposite can refer to orders in councils which are public, and therefore that's why the member has access to them soon after they are processed, can be secret at the same time. I mean, I guess that comment from the member opposite in itself kind of indicates the dilemma that the members of the opposition in both political parties face here today.

Having taken the wrong position in a standing vote in this House on the question of 24 per cent increases for judges' salaries, having gone back to their constituencies and having their constituents telling them in no uncertain terms that they -- the Liberals and the Conservatives -- have taken a wrong position on that issue, they now try to twist and turn in order to try to extricate themselves from the kind of hole which they have dug themselves, not only politically, but I suspect morally, Mr. Speaker.

So I say to the member opposite, get your facts straight. There has been no increases for people unless there's been a reclassification or a promotion. It is not the same as the increases that were denied the judges, which is 24 per cent. Get your facts straight before you

get into this House, and find a better way to defend the wrong position which you took last week, which now finds you in such an embarrassing position here today.

**Some Hon. Members:** Hear, hear!

### Labour Standards Amendments

**Ms. Haverstock:** -- Thank you, Mr. Speaker. My question is for the Minister of Economic Development.

Mr. Minister, I believe that we must all be concerned by the . . . that the standards by which business operates in Saskatchewan are fair to people, particularly people who do not have the stability of a full-time job, and nobody wants to see people being taken advantage of.

At the same time, we must create a balance that will ensure not only people are treated fairly, but that they have a place to work. I ask the Minister of Economic Development if his department has thoroughly assessed what effect the labour standards amendments will have on the job creation potential of the Saskatchewan economy and how his department conducted that assessment.

**Hon. Mr. Shillington:** -- Thank you very much. I would say to the member from Saskatoon Greystone that we did do a cost analysis of this legislation, and it has been provided; it has been tabled.

The cost analysis indicates that the increased cost of The Labour Standards Act in the macro sense will be minimal. I would refer the member from Saskatoon Greystone to the report by Price Waterhouse. It may temper some of your ongoing opposition to The Labour Standards Act and the relief which we're trying to provide to part-time workers.

**Ms. Haverstock:** -- Thank you, Mr. Speaker. I shall refer later to the Price Waterhouse study and in fact what they have said. This is not a contest, Mr. Speaker, between the interests of workers and the interests of business. There's only one issue, and that is the creation of a climate which will produce jobs for people, and this is quality jobs.

Mr. Minister, the economic successes of our province is based on three things: quality jobs, the viability of businesses that issue the pay cheques, and the stable tax base to finance government programs that all of us, the people of Saskatchewan, rely upon.

What assurance can you give the working people of Saskatchewan and the unemployed who are looking for work that the amendments that your government proposes to labour standards will have an overall net impact that creates more jobs and puts more money into the pockets of workers in Saskatchewan?

**Hon. Mr. Shillington:** -- It was precisely to allay the kind of fears being fanned by the member from Saskatoon Greystone that we did have the study done by Price Waterhouse. This was done by one of

Saskatchewan's more eminent chartered accountants, and I think his work stands for itself and speaks for itself. And he indicated the effect on the economy and the cost would be minimal.

So I suggest to the member from Saskatoon Greystone that you may want to rethink your continuing ongoing opposition to this government's attempt to provide some relief to the part-time workers.

**Some Hon. Members:** Hear, hear!

**Ms. Haverstock:** -- This, Mr. Speaker, is for the Minister of Economic Development. Mr. Minister, we do not live on an island, and job creators outside of Saskatchewan borders see this legislation as problematic. The Premier, however, considers it to be, and I quote him, as trail-blazing.

What I want to know from you, the minister responsible for the development of our economy, is what this legislation will mean in terms of keeping Saskatchewan competitive in world markets, and in terms of protecting the very jobs that people already have in the province of Saskatchewan. What has your department done, the Department of Economic Development, to evaluate the costs of legislation such as workers' compensation and labour standards on the capacity of our economy to create jobs?

**Hon. Mr. Lingenfelter:** -- Mr. Speaker, to the member from Greystone, I want to say that in many meetings that we have had with the chamber of commerce both here in Regina and Saskatoon at the provincial level, along with Mr. Botting, the Minister of Labour and myself had met jointly many, many times with them to work on this piece of legislation. And I must say that the cooperation we've had with business has been stellar, to say the least, both from the chamber here in Regina, in Saskatoon, and at the provincial level.

What I find, I think, curious and even irritating is that the member opposite from Greystone would come here in a political manner and try to raise the political level to see if she can't get some folks to protest against the legislation that will indeed help working women, in particular, to have a better standard of living. And try in a political way to pit the working people of this province against business people.

I find that sad today to see the Leader of the Liberal Party taking a very, very political stand, old-style politics of trying to pit working people against business to elevate herself politically.

**Some Hon. Members:** Hear, hear!

**Ms. Haverstock:** -- Thank you, Mr. Speaker. Mr. Minister, you have not done your homework. The very people this is going to hurt are women who are trying to get back into the work force, the disabled.

Now, Mr. Minister, Price Waterhouse, to which the Minister of Labour has referred, has admitted and has admitted as of Friday night in front of me, Mr. Minister, they have admitted that they could not calculate the

costs of the amendments to labour standards accurately because the draft they worked from is different from the final legislation.

The Labour department has been meeting with business behind closed doors to change the legislation because if the truth be known, Mr. Minister, it is considered to be poorly drafted and filled with technical errors.

Mr. Minister, workers deserve to know the long-term impact of the labour standards amendments. And as well, the job creators, the business community, and the investors that can deliver economic success, they deserve time to figure out how this will affect their bottom lines. In the best interest of Saskatchewan's economy, Mr. Minister, will you promise that this legislation will be refined and not reintroduced until the next session so that all of the groups affected will have a few months to analyse the impact of these amendments to the labour standards legislation?

**Hon. Mr. Lingenfelter:** -- Mr. Speaker, in response to the Leader of the Liberal Party, I can tell you I can guarantee you exactly the opposite, that the legislation is here. We are going to be working on it very, very carefully with business. We have spent months working with labour groups as well as with business groups.

I want to say as well that the cost of this proposal is less than one-tenth of 1 per cent. We believe very firmly that it will make a better working circumstance for business people as well as working people. I say again it surprises me, the old-style Liberal politics which we see here, not unlike Ross Thatcher in the 1960s and his attack on labour. One should not be surprised that they would . . . shoulder to shoulder with the former premier from Estevan, the now Leader of the Liberal Party tried to work her magic of pitting workers against business people. I find it shocking and disturbing.

**Some Hon. Members:** Hear, hear!

### Fair Wage Policy

**Mr. Goohsen:** -- Thank you, Mr. Speaker. My question is to the Minister of Labour as well. Mr. Minister, on Friday your Premier announced that your government will soon be introducing a so-called fair wage policy which of course means a government-regulated wage policy, for all the contractors who wish to bid on government work.

Now could you please tell us exactly what your government-regulated wage policy will look like, and why wasn't the industry consulted on this major change before the Premier announced it at a union meeting?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Shillington:** -- It is interesting how Liberals and Conservatives both, in tandem, seek to pit workers against management. I just say generally that is not our policy. Our policy is to try to get them

working together. And that philosophy underlies the work we have done on the fair wage policy. Mr. Speaker, we have been working on a fair wage policy. We have received some degree of encouragement to so do from both businesses and labour, and that's the way we're going to continue to proceed, to work with both sides to provide policies which are mutually beneficial.

**Some Hon. Members:** Hear, hear!

**Mr. Goohsen:** -- Thank you, Mr. Speaker. Supplementary to the Minister of Labour. Minister, it doesn't surprise me that the people of this province are uniting to save this province in spite of you.

Mr. Minister, could you please tell us how much additional taxpayers' money would be spent on the government contracts if a government-regulated trade policy were introduced? What studies have you done to cost out such a policy, and what studies have you looked at that analyse the cost to taxpayers of the province, where government regulations will be brought in and implemented?

**Hon. Mr. Shillington:** -- Mr. Speaker, the most prominent union in this Assembly today is the unity of purpose between the Liberals and Conservatives, in trying to pit management against labour.

I would just say to the member from Maple Creek that we have discussed with the business community and with the trade unions whether or not they might be interested in considering some policy of the sort mentioned by the Premier. Both have encouraged us to proceed to consider it and we're doing it. It hasn't got beyond that. But I want to assure the member from Maple Creek that as soon as government policy has been formulated and finalized we'll let you know.

**Some Hon. Members:** Hear, hear!

**Mr. Goohsen:** -- Well thank you, Mr. Speaker. Well, Minister, you're not willing to answer my question so I'll have to supply the answer to you. Now, Minister, I have here such a study as the one I just asked you about. It is an analysis of your government-regulated wage policy enforced by the NDP (New Democratic Party) government in B.C. (British Columbia).

Now this study has been prepared by three economics and business professors from the Simon Fraser University of the UBC (University of British Columbia). They estimate that the government-regulated wage policy in B.C. cost that province's taxpayers about \$100 million -- \$100 million, Mr. Minister. At this time of fiscal restraint in this province, can we afford a policy that is going to cost taxpayers millions of dollars every year just to make sure your Premier gets a round of applause at a union meeting over the weekend?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Shillington:** -- I note the comments made by Mr. Chase in the newspaper article responding to

these comments. All I can say is I will look forward to receiving those comments directly from Mr. Chase, rather than being translated by the member from Maple Creek.

It is not that we don't trust you to deal with figures. It's not that we don't implicitly believe that you can handle large sums like a million dollars. The deficits which you had when you were in office show that you are not to be trusted with sums of any amount.

So I'll look forward to receiving the information directly from Mr. Chase and I suspect I'll get it in a reasonably accurate fashion in contradistinction to the nature of these questions.

**Some Hon. Members:** Hear, hear!

### INTRODUCTION OF BILLS

#### **Bill No. 49 -- An Act to amend The Traffic Safety Court of Saskatchewan Act, 1988/Une Loi modifiant la Loi de 1988 sur le Tribunal de la sécurité routière de la Saskatchewan**

**Hon. Ms. Simard:** -- Mr. Speaker, I move that a Bill to amend The Traffic Safety Court of Saskatchewan Act, 1988 be now introduced and read a first time.

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

#### **Bill No. 50 -- A Bill to amend The Summary Offences Procedure Act, 1990**

**Hon. Ms. Simard:** -- Mr. Speaker, I move that a Bill to amend The Summary Offences Procedure Act be now introduced and read a first time.

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

### ROYAL ASSENT

At 2:06 p.m. Her Honour the Lieutenant Governor entered the Chamber, took her seat upon the throne, and gave Royal Assent to the following Bills:

- Bill No. 19 -- An Act to amend The Wascana Centre Act
- Bill No. 18 - An Act to amend The Meewasin Valley Authority Act
- Bill No. 23 -- An Act to amend The Land Titles Act
- Bill No. 24 -- An Act respecting the Convention on the Law Applicable to Trusts
- Bill No. 25- - An Act to amend The Trustee Act
- Bill No. 26- - An Act respecting Frustrated Contracts
- Bill No. 12- - An Act to amend The Ombudsman Act
- Bill No. 13- - An Act to amend The Saskatchewan Assistance Act
- Bill No. 01- - An Act Respecting The Saskatoon Foundation
- Bill No. 02- - An Act to amend An Act to Incorporate Full Gospel Bible Institute

- Bill No. 15- - An Act respecting Certified General Accountants
- Bill No. 14- - An Act to amend The Fuel Tax Act, 1987
- Bill No. 16- - An Act to amend The Revenue and Financial Services Act
- Bill No. 9- - An Act to repeal The Agriculture Development Fund Act
- Bill No. 10- - An Act to amend The Vegetable and Honey Sales Act

**Her Honour:** -- In Her Majesty's name, I assent to these Bills.

Bill No. 48 -- An Act for granting to Her Majesty certain sums of Money for the Public Service for the Fiscal Year ending on March 31, 1995

**Her Honour:** -- In Her Majesty's name I thank the Legislative Assembly, accept their benevolence, and assent to this Bill.

Her Honour retired from the Chamber at 2:09 p.m.

**ORDERS OF THE DAY**  
**GOVERNMENT ORDERS**

**SECOND READINGS**

**Bill No. 47 -- An Act to amend The Saskatchewan Government Insurance Act, 1980**

**Hon. Mr. Goulet:** -- Mr. Speaker, I rise in the House today to give second reading to The Saskatchewan Government Insurance Amendment Act, 1994.

Mr. Speaker, while the proposed changes to this Act are relatively minor, they are a necessary house cleaning matter. As most members are aware, these changes to The Saskatchewan Government Insurance Amendment Act relate to the investment powers of SGI (Saskatchewan Government Insurance).

At this time the investment powers refer to the Canadian and British Insurance Companies Act (Canada) and The Department of Finance Act, 1983. The key change in The Saskatchewan Government Insurance Act is section 10(1)(a) subsection (2), where the proposed legislation refers to the Insurance Companies Act (Canada).

Mr. Speaker, this Act came into effect in June 1992 when it replaced the Canadian and British Insurance Companies Act (Canada). The SGI Act needs to be updated as it currently refers to a federal Act which no longer exists. The proposed legislation now refers to the Insurance Companies Act (Canada) and The Crown Corporations Act, 1993.

Basically, Mr. Speaker, the proposed legislation will allow a corporation to dispose of any investments in any matter that it considers expedient. It also indicates

that the corporation may take any regulations respecting any investment authorized.

The deletion of the need to have the investment board approve investments should have been done in 1988 when a number of legislative changes were enacted to accommodate the creation of the Investment Corporation of Saskatchewan.

In comparison, the same requirement was in The Automobile Accident Insurance Act with respect to Saskatchewan Auto Fund investments but was correctly deleted from the AAIA (Automobile Accident Insurance Act) in 1988. The ability to make regulations regarding investments simply clarifies what is presently in the Act but stated as a general provision.

Mr. Speaker, these proposed changes to The Saskatchewan Government Insurance Amendment Act are minimal. But, Mr. Speaker, they are necessary to ensure the corporation operates within the current legislative requirements. This means the investment powers of the corporation will continue to refer to the federal Act respecting insurance companies and the provincial Financial Administration Act, previously the Department of Finance Act, through The Crown Corporations Act.

Thank you, Mr. Speaker, and I now move second reading of The Saskatchewan Government Insurance Amendment Act, 1994.

**Some Hon. Members:** Hear, hear!

**Mr. Toth:** -- Thank you, Mr. Speaker. Mr. Speaker, I think it would be appropriate to give the opposition a bit of time to review the Bill in a little more depth, and certainly contact interested parties and seek their involvement and their input regarding the Bill before we would move further on in second reading or even into committee. And therefore at this time I move adjournment of debate.

Debate adjourned.

(1415)

**Ms. Bradley:** -- I ask for leave to introduce guests.

Leave granted.

**INTRODUCTION OF GUESTS**

**Ms. Bradley:** -- Thank you, Mr. Deputy Speaker. I'd like to introduce to you and through you to the members of the legislature, two guests that are seated in the west gallery that I grew up very close to -- Karl Kalina and his wife now, Brenda. And I've also taught their children at Milestone School. So I'd just like to have you join with me in a warm welcome to them here today.

**Hon. Members:** Hear, hear!

**COMMITTEE OF THE WHOLE**

**Bill No. 17 -- An Act to amend The Municipal Employees' Superannuation Act**

**The Chair:** -- At this time I would ask the Minister of Finance to please introduce the officials who have joined us here this afternoon.

**Hon. Ms. MacKinnon:** -- Thank you, Mr. Chairman. On my right is the deputy minister of Finance, John Wright. Behind John is Arun Srinivas, taxation policy analyst, budget analysis division; and behind me is . . . well, got them backwards -- Arun Srinivas is here behind me and next to him is Brian Smith, executive director, Public Employees Benefits Agency.

**Clause 1**

**Mr. Toth:** -- Thank you, Mr. Chairman. Madam Minister, I wonder if you could just bring us up to date as to the purpose of the Bill and why it's before us this afternoon.

**Hon. Ms. MacKinnon:** -- Thank you, Mr. Chairman. Yes, to the member opposite, the purpose of the Bill is to bring the Bill up to date so that it complies with The Pension Benefits Act.

**Mr. Toth:** -- And, Madam Minister, could you explain a little bit about how this Bill ties in and refers back to The Pension Benefits Act, as to the real purpose of the Bill. Or would it have been possible just to have tied it in to The Pension Benefits Act in the first place?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite, they're separate statutes so they could not be combined. And what this does is ensures that this statute is consistent with the other statute, which is The Pension Benefits Act.

**Mr. Toth:** -- Madam Minister, I noticed, I just take note of one area where it talks, and this is on page 3:

Where a member who has named his or her spouse as beneficiary dies prior to the earliest day on which he or she could have elected to receive an allowance, an allowance is payable to the surviving spouse, the commuted value of which is equal to the greater of:

And it goes through a bit of an explanation there. What I'm wondering is, what is the purpose of this? When we've talked about The Pension Benefits Act, we were just reaching out I believe at that time, making sure that spouses or whatever would receive the appropriate pension that was due them if one of their . . . or the other spouse happened to precede them through death. Is that what you're basically talking of here too?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, yes, the member opposite is correct.

**Mr. Martens:** -- Thank you, Mr. Chairman. Madam Minister, would you explain to us how the plan moves for giving the pensions on what was happening before

to what is going to be happening under this plan. And detail some of the ways that the plan will operate upon the termination, upon the individual receiving a pension plan, what his excess accounts are going to do and all of those kinds of things. Would you give us a detailed assessment of those points, please?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, perhaps I could give to the member opposite some of the most significant changes that will affect the average person. Your colleague mentioned one, which means that to ensure that a member upon his or her death will know that the spouse will receive the pension.

Another change is that any excess contributions into the plan made by a member can be transferred out of the plan, or paid to the member when the member leaves employment. Another is to enhance the portability of the pension asset so that there are more options to members upon termination of employment. And another will allow earlier payment of a pension asset to a member's spouse upon marital breakdown.

**Mr. Martens:** -- Will the individuals who receive early retirement be able to use the lump sum payment function as well; is that a part of how you're going to operate within the framework of this Act?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite, one of the enhancements in terms of portability is that upon termination of employment the member can withdraw the funds and take them elsewhere.

**Mr. Martens:** -- That will be under the restriction of an RRSP (registered retirement savings plan) or a registered income fund; is that correct?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, yes, the member opposite is correct.

**Mr. Martens:** -- I've had some discussions with individuals who had had their terminations made and then had actually difficulty in finding other employment. And they had very serious concerns about this problem, and I'm happy to see that you're taking that seriously. In fact they encouraged us to do it within the last year.

Now where a court makes a property division in a marital . . . in The Matrimonial Property Act, would you explain to us how that is going to work. Is it going to relate directly to the court order, or how is it going to make this money available; and will both parties be able to transfer those funds in an equal amount to what the court order says into another RRSP or registered income fund?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, and member opposite, if I could use an example: you and I are married -- which would be an interesting prospect -- but then we're divorced. The court orders half of say my portion to be moved out. Before, this wasn't possible. It would have to occur upon -- say you were the employee -- your retirement. Now it can occur

immediately. But the only qualification is only half . . . the maximum amount that can be transferred out is half.

**Mr. Martens:** -- Only half of it can be transferred; 50 per cent of the total amount can be transferred to the spouse that wasn't working. And that's regardless of what the court order says?

**Hon. Ms. MacKinnon:** -- Yes. The member opposite is correct, Mr. Chairman.

Clause 1 agreed to.

Clauses 2 to 10 inclusive agreed to.

The committee agreed to report the Bill.

### **Bill No. 22 -- An Act to establish Crown Foundations for Saskatchewan Universities**

#### **Clause 1**

**Mr. D'Autremont:** -- Thank you, Mr. Speaker . . . Mr. Chairman. Sorry. I didn't mean to promote you so quickly.

Madam Minister, this Bill deals with Crown foundations for the universities. Who did you talk to about putting this together? Who was promoting this idea?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite, the main impetus for this Bill has come from the two universities which see significant benefits to them in terms of encouraging people to make contributions to the university.

**Mr. D'Autremont:** -- Thank you, Madam Minister. Did you talk to any of the other educational institutions across the province, such as SIAST (Saskatchewan Institute of Applied Science and Technology) or anyone else other than the universities, about setting up a foundation?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite, no, we haven't talked to other agencies. This is an approach which has been taken in other provinces. It began in British Columbia and other provinces have followed suit. But we want to start here in a small way at first, that is, we want to try the approach with respect to the universities and see how that operates before we look beyond the universities to other post-secondary educational institutions.

(1430)

**Mr. D'Autremont:** -- Thank you, Madam Minister. I can certainly understand why the universities would be sponsoring such an idea because with the cut-backs to their funding that your government has provided, they have to find their money some place and research is one of the areas that they can cut out of the budget to maintain their core teaching services. The establishment of a Crown foundation would

allow them to gain access to funds to carry on research programs.

Madam Minister, while I support this idea, I think it is a condemnation of your education policy that the universities have to seek outside funding to support their ongoing research because the provincial government is no longer prepared to fund the universities in a proper manner.

Just how will this foundation help the universities, Madam Minister?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite, first of all, I'll comment on education funding. It is true the province has made cuts to post-secondary education over three years in the neighbourhood of 8 per cent. I would remind him as well though that the province of Alberta is proposing cuts to post-secondary education in the neighbourhood of 17 per cent.

I would also remind the members of the Liberal Party that we have said as a province that we do not foresee any future cuts to post-secondary education, but the federal Liberal government has made it clear that in 1996-97 there will be cuts to post-secondary education.

And we are telling people in the province to direct their concerns about that to the Liberal Party in Ottawa, because we support the idea that there should be a federal . . . a strong federal presence in funding for post-secondary education because provinces like Saskatchewan often educate students that end up working in other provinces.

So although I agree with your point, I think that you should now be targeting your fire at the Liberal government in Ottawa because that's where the future cuts to post-secondary education are coming.

And with respect to the technical question you asked, right now if you want to make a contribution to a university, the income deduction would be considered a charitable donation, and a charitable donation of course is only . . . you're only allowed to deduct 20 per cent of your net income.

By passing this legislation it will mean that the total grant, or the total contribution, can be deducted. So it's more attractive to you to donate money to a university than it was in the the past.

**Mr. D'Autremont:** -- Thank you, Madam Minister. I'm sure that our Liberal colleagues in the House are prepared to defend themselves or their federal colleagues; I'm not.

But when you talk about future cuts, Madam Minister, the impact is being felt today at the university on the cuts that you initiated. In fact in . . . Which day was it? In Saturday's paper it talks about the severe cuts to the university at Saskatoon where their tuition fees are going up 6.6 per cent and you're cutting eight and a half million dollars out of their budgets.

Madam Minister, when you talk about the tax system favouring the foundations where the people will be allowed tax deductions, will this also apply to federal taxes as well as provincial taxes?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, just to leave off the debate on education cuts. Tune in tomorrow, because you'll find students themselves who have said we haven't cut enough out of the university. And you'll find me taking issue with that, saying that we do not believe that more should be cut.

The tax system, yes, it will affect the federal government, and the federal government is aware of and approves of the change.

**Mr. D'Autremont:** -- Well, Madam Minister, I will indeed be very interested in hearing which student says you haven't cut enough, because the students' union president from Saskatoon was complaining about the exact opposite on the radio this weekend. So I will be interested in finding out just where the students think the further cuts should be taken.

Madam Minister, you say that you've only consulted with the universities in dealing with this particular proposal. Would it not also be beneficial to the other post-secondary education institutions to be allowed to have this type of a Crown foundation where funds could be donated to them and also receive tax considerations?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite. Again, what I would say is what we're doing here is something akin to a pilot project, that is, we want to see what the effect of this is before we do it on a broader scale.

So the request came from the two universities. We have agreed to do this with respect to the universities, but we want to see what the impact is before we proceed further. So it's, as I say, more in the nature of a pilot project. Let's see how it works here before we expand it elsewhere.

**Mr. D'Autremont:** -- Thank you, Madam Minister. What kind of an impact are you expecting and what are you studying for impacts?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite. One of the things we'll be monitoring is the effect on the tax regime. How much will the province lose in terms of foregone income. We have no basis upon which to gauge that until we try the experiment for a period of time.

**Mr. D'Autremont:** -- Thank you, Madam Minister. It seems to be a question then of how much money the government is prepared to forego. What is the level that you will consider it to be a failure? How much money would have to be donated before you would say that we can't afford this any longer and you would cut it off?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the

member opposite. What we're saying is, we have no intentions of reversing this policy. That is, once this is in place we would not revoke this. But one of the reasons why we want to proceed carefully and cautiously is we want to see how much revenue will be lost. Because if we lose a significant amount of revenue here, then that will dictate how much . . . what future expansion into other areas would mean for the province. So there is no intention of revoking this. The issue would be we will learn from this about the possibilities of expanding it or not expanding it.

**Mr. D'Autremont:** -- Madam Minister, if there was enough monies contributed to this foundation that it would be of concern to you on the tax side, I would suggest that the province of Saskatchewan would be doing very well in the research end of it.

When the university gets into this funding of research, how will it be determined which programs are funded and which are not?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite. One thing I should clarify is this will not be dedicated to research; it will be for the general use of the university. So it does not have to be used for research.

A board will be established. The make-up of the board is established by the criteria of the federal government. The board will be comprised of three government representatives, two university representatives chosen by the two boards of governors, and they will review requests.

**Mr. D'Autremont:** -- Thank you, Madam Minister. Are you saying then that the funds that would be contributed to this Crown corporation could be used for administration, for the operating funds of the universities?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite. As the member opposite would know, the government will not be setting criteria as to what the use of the funds should be. Consistent with the idea of the independence of the university, the board of governors of each university will decide what the use of funds . . . what use the funds should be made.

**Mr. D'Autremont:** -- Madam Minister, there's a board set up here to administer this Crown foundation. What do they do then? Do they simply turn the money over to the university and the university board of directors says, oh, this is how we're going to spend it?

What it seems to me what you're building here is another method of taxation on the people so that if enough people contribute to this Crown foundation to fund the universities, that your government will be able to then further cut grants to universities because they're getting their money from another, indirect source.

Madam Minister, I think that's, in my mind, not the

intention of what a Crown foundation or a foundation at a university is for.

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite. A board has to be established in order for the agency to be considered a Crown. So according to the federal criteria, the board has to be established with three government reps; two from each of the universities. The money then flows to the board of governors at the university and they decide how money is spent, the same as they decide how the rest of the money coming to them from other sources is spent.

**Mr. D'Autremont:** -- Madam Minister, I think a large number of people in the province would be prepared to support a Crown foundation that was being given a particular mandate, such as research. But when it comes to funding the general operations of the universities, most of the people in this province believe that is the duty of the provincial government through the education taxes and the other taxes collected in this province. It's not the duty or not the area of jurisdiction for anyone who wishes to contribute to a Crown foundation to be funding the general operations of the university. That should be the purview of the provincial government, the Department of Education.

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite, as someone who taught at the university, there's not that clean distinction. Every faculty member engages in research, and the salary that you are relying on when you engage in research is the same salary you're relying on when you're teaching. So the provincial government already funds research. There is not that ability to make a clear, hard-line distinction between research and non-research. And that is a decision that will be taken by the board of governors which is consistent with the idea that the university should be independent to make those choices.

**Mr. D'Autremont:** -- Madam Minister, are there any funds currently going to the university in which someone, either the provincial government or a contributor from outside of the government bodies . . . designating that certain funds be used for research?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite, there are huge dollars going to universities in the form of charitable donations which are designated by the donor for a particular purpose, and that will continue.

**Mr. D'Autremont:** -- Thank you, Madam Minister. Would those contributions, if they were now made to this particular foundation, also be able to have that kind of direction put on them?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, what can occur is that the donor can, as a donor can now, say I'm giving X dollars to the university for this purpose, and they can designate a purpose.

Now legally, we can't legally say to the university, you

have to comply with this request. But you know, common sense tells you that if the university wants people to contribute to the university, if somebody . . . if I'm prepared to donate money to the university, if I specify a purpose, they will want to comply because they'll want to encourage my neighbour to do the same thing. But legally we can't go in and force them to comply, but we obviously pass on the request. And there's no reason to believe that the universities will not see every reason to comply. I believe they will comply.

**Mr. D'Autremont:** -- Thank you, Madam Minister. When funds are passed through this Crown foundation to the university with a specific mandate, and let's say it's some area of research and the university is successful in their research, who has ownership then of that research? Does the university have ownership? Does the Crown foundation have ownership?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite, the university has ownership of all research of that type.

(1445)

**Mr. D'Autremont:** -- When the university enters into a research agreement with an outside body, say a chemical company or a forestry company, who has ownership under that kind of a circumstance when there is research involved?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite, it would depend on the agreement made. But again I think what you need to do is when the Department of Education is here, I would ask these detailed questions. What I can tell you is under this particular legislation the university would have ownership unless there was some other reason, some other overriding consideration.

**Mr. D'Autremont:** -- Thank you, Madam Minister. You mentioned the board of directors for the Crown foundation, that there would be three appointees from government, and I believe you said there would be two appointees from each of the universities. Is that the case? Or is it two appointees from a list supplied by the universities?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, if I understand the member's question correctly, I think what you said is right, but I'll repeat it. Three of the choices will come from the government; the other two will come from lists drawn up by the board of governors.

**Mr. D'Autremont:** -- Thank you, Madam Minister. I wasn't sure if I heard you right the first time when you said two from each of the universities.

Madam Minister, what is the rationale in appointing . . . having three appointees from the government and only two from the universities?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the

member opposite, first of all, this is the criteria set down by the federal government. The idea behind it is this: you're creating a Crown agency. In order for it to be a Crown agency, it has to be a body in which (a) the people are appointed by the Crown, and (b) the Crown is well represented on it.

**Mr. D'Autremont:** -- Does the federal legislation designate that the Crown hold the majority of seats on the board?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite. The member opposite is correct.

**Mr. D'Autremont:** -- Thank you, Madam Minister. Within the Bill, it gives the government regulatory authority to set a quorum for a meeting. Madam Minister, I believe it's outlined -- if I can find the correct page here:

The Lieutenant Governor in Council may fix a quorum for the transaction of business at meetings of the board.

My concern there is that you could set, say, a quorum at three; you could have all of the government members at a meeting and none of the representatives from the university. I think if you're going to have board meetings, that you should at least have one representative from the universities there, and that a quorum include such.

I have sent you across an amendment. I had sent it previously to the Minister of Education on this, that a quorum would include one member from the university. Now as you set the regulations in this, you may set it at two, you may set it at three, or even all five members of the board, as you wish. And I will be proposing this amendment, that at least one member of quorum be a member taken from the universities' lists. Do you have any comments on that, Madam Minister?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite, I have no problem with the intent of the amendment; I support the intent. What I'm being advised though, is that from a technical point of view, that intent is better expressed in the regulations rather than in the legislation. So what I can say is, yes we support the idea, but what we would commit to is to put it in the regulations instead of in the legislation. And that is merely for technical considerations. That is, it is more appropriate in the regulations than here.

**Mr. D'Autremont:** -- Well, Madam Minister, you may think it better suited in regulation because of the technicalities. I'm not sure what technicalities you're talking about. If it was included in the legislation, then it would make it somewhat more difficult to change. In regulations, you can designate today that one of the board members from the university lists would be part of a quorum, but tomorrow you could change that again, and there's no recourse from anyone within this House to do anything about it. And there's no recourse for the universities to do anything about it either.

But if it's in legislation, Madam Minister, then you would at least have to come back to this House to make a change. And the general public would see that there's a change being made and they could question why.

So, Madam Minister, exactly what technicalities are in place that makes it difficult to put it in the legislation?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite. Section 10(7) establishes that the Lieutenant Governor in Council will establish a quorum. And what follows from that is that the details as to how that quorum will be established will be outlined in the regulations.

So what we're saying is there's no problem with doing this. It's a worthwhile addition to what is here. But the proper place to do it is in the regulations because 10(7) allows you to do it within the context of the regulations. So it's a matter merely of where it's placed.

With respect to, we would change it to try to ensure the universities weren't represented on and on and on. We're doing this to assist the universities. This is their idea. We think it's a good idea, a worthwhile idea. Our role is one of a pass-through -- to pass, to make it easier for people to donate money to the university and to pass the money through to the university.

We have no power here. That is we have no power. If an individual wants to donate money to scholarships, we have no power nor desire to change the purpose of the original donation. So we have no reason to want to change this except at the request of the universities.

**Mr. D'Autremont:** -- Well, Madam Minister, I'll come back to this because I think that while it can be done in regulation -- certainly that's what this clause outlines -- I think that it would be better placed in regulation.

You mentioned that the foundation is simply a mechanism to pass funds through to the university. Exactly how would they go about doing that? Let's say someone . . . the foundation had a capitalization of a million dollars. Now how do they pass that funds through? Do they just simply say, University of Saskatchewan you get X dollars and the University of Regina you get X dollars and here we go?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite. There are two separate foundations. So if you wanted to make a donation to one university, that would go through one foundation, and to make a donation to the other university, it would go through another foundation.

**Mr. D'Autremont:** -- Thank you, Madam Minister. When the foundation -- either one of them -- have some funds, what do they do? What determinations do they make in dealing with those funds? You say it's simply a pass-through. So someone gives the foundation for the University of Regina some money.

Do they simply just turn around and turn it back over to the university? Or what happens to the money in the process?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite. If I could take him through an example of how this would work -- I say that I want to donate money to the University of Saskatchewan to be used for libraries. I go to the University of Saskatchewan. They begin the process. They notify the government that they would like to have this flow through the Crown foundations process. The board is constructed. We pass through the Crown foundations board the donation. It goes back to the university, and the university determines -- it has the power to do this -- it determines that yes, the money will be donated to libraries.

**Mr. D'Autremont:** -- Thank you, Madam Minister. Then it's simply a legal mechanism for people to funnel money to the university. The board of directors actually has no authority. They in turn, say they're given a certain amount of money, they would pass that entire sum of money on to the university and perhaps directing it to whatever the person who was donating it wished it to go to. But the foundation itself will retain none of the funds?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, the member opposite is correct.

**Mr. D'Autremont:** -- Thank you, Madam Minister. Will the people who are sitting on the board of directors receive any remunerations, or will they receive any expense allowances.?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite -- expenses only.

**Mr. D'Autremont:** -- Thank you, Madam Minister, and where will these expense funds come from if the money donated to the foundation are simply passed straight through and the total dollar value, as you said, would be passed on to the university?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite. The university development offices have agreed to handle the costs associated with these sorts of expenses because the legislation is being brought to the legislature at their request.

**Mr. D'Autremont:** -- Thank you, Madam Minister. So therefore indirectly the monies that are given to the foundations once they've been passed on to the university, the university can turn around and fund the administration of this particular program. Is that correct?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, the member opposite is essentially correct.

**Mr. D'Autremont:** -- Well, Madam Minister, I'm not sure that the people who are prepared to contribute would like it done in that particular fashion. Perhaps they do; I don't know. Very few people around the province, I would suspect, are aware of these

foundations at the present time because they're simply in the initial stages of their set-up.

Madam Minister, why are the funds turned over as property to the Crown initially?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite, I think the member opposite answered that a few minutes ago yourself when you said, it's a way to ensure that there can be different tax treatment of these funds to make it more attractive to people to donate to the university.

**Mr. D'Autremont:** -- Thank you, Madam Minister. How long will the funds sit in the Crown's hands before they're passed on to the Crown foundation or to the universities?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, that will be decided by the universities as soon as they're ready to access them.

**Mr. D'Autremont:** -- Well, Madam Minister, I'm sure in light of the funding situation of universities, they would prefer to access them immediately. Would it be possible for them to do so? How long of a notification time will be in place from the time that someone applies or provides funds to the Crown foundation before the university would have access to that money?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, this can be done as quickly as the universities want it to be done. All that has to happen is that the request has to be made, the board has to meet, the funds have to be passed on to the university when they have designated the purpose for the funds. So from our point of view, there's no reason for any time delays.

**Mr. D'Autremont:** -- Well, Madam Minister, would it be possible then whenever the Crown and the Crown foundation receive funds, to simply pass it on to the university accounts?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite, yes, that's what I said. As soon as the university is ready to access the money, it'll be passed on to them.

**Mr. D'Autremont:** -- Would it be possible for the university to put in a blanket request then that all funds be immediately passed on to them rather than an individual request?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, there would be a problem with that in that what the universities will want to try to do is to respect the donor's request. So that one donor . . . I may want my money to go to the library and my colleague may want his money to go to research at vet med; somebody else may want their money to go to something else. So what we have to ensure is that the process is in place for the university to receive that particular donation and to look at the purpose for it.

**Mr. D'Autremont:** -- Thank you, Madam Minister.

How would these Crown foundations differ from those in our neighbouring provinces?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, there are no differences that we're aware of.

**Mr. D'Autremont:** -- Thank you, Madam Minister. How would they differ from those in other parts of Canada, not necessarily our neighbouring provinces, or throughout North America? I'm particularly thinking here of the foundations that provide funds to such universities as M.I.T. (Massachusetts Institute of Technology) to Harvard down in the States, where funds are contributed to a foundation. They in turn use that money for research. They own the intellectual property rights that are generated from that research.

I believe it's the Hewitt Rand or Hewlett Packard Corporation, one of the two, which is owned by a university on the eastern seaboard that was provided its initial seed money through these research and through Crown . . . not Crown foundations down there, but research foundations at the U.S. universities.

Was any consideration given to this type of a foundation?

(1500)

**Hon. Ms. MacKinnon:** -- Mr. Chairman, the intent is the same, but we worked around Canadian tax law obviously and the need to comply with that, and American tax law is quite different. So the intent is the same, but the details obviously are specifically geared to the Canadian situation.

**Mr. D'Autremont:** -- Can -- and I'm familiar with this, and perhaps I should be asking the Minister of Education -- but can the universities hold patents on various intellectual property?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, I think the member opposite is right; you should be asking the Minister of Education. I can tell you tentatively, when I was at university they were doing a lot of work on exactly that issue and exactly what their rights were.

**Mr. D'Autremont:** -- Thank you, Madam Minister. In clause 3 of the Bill, it talks about restricting and regulating the powers of a foundation. This Act is dealing strictly with foundations for the universities. I just want to make that clear. There is no other possibilities of restricting or regulating other foundations or designating head offices, etc.?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, the member opposite is correct.

**Mr. D'Autremont:** -- Well thank you, Madam Minister. That's all the questions I have for you.

Clause 1 agreed to.

Clauses 2 to 9 inclusive agreed to.

## Clause 10

**Mr. D'Autremont:** -- Thank you, Mr. Chairman. I would like to make an amendment to this clause if I could, please.

Amend clause 10 of the printed Bill by adding immediately after the words "may fix a quorum" where they occur in subclause (7) thereof the following:

" , to include at least one of the persons appointed pursuant to subsection (2),"

Thank you, Mr. Chairman. Madam Minister, as we discussed earlier on this particular amendment, we were talking of the technicalities that you felt restricted or better suited allowing it to be left in regulation. I would suggest, Madam Minister, that while regulation can indeed deal with this situation, regulation is somewhat more fluid than I would like to see in this piece of legislation.

I would like to have it fixed that indeed one member of the list appointed from the university would be part of the quorum. Now in regulation it would still allow you to set the number of people who would form a quorum, and if you so desire you can set it at one, or you can set it at five or any place in between. But I sincerely feel that at least one member from the university list should be a part of any quorum that is established.

**Hon. Ms. MacKinnon:** -- Yes, I'd like to take an opportunity to respond to that. Again I have no problem with the intent. As I said, I think it is more appropriate in the regulations.

But another point I do want to make is a timing issue. If the member opposite wanted this amendment made . . . I know the legislation has been available to him for some time. We only were notified of this change hours ago. We haven't had a chance to talk to the two universities. We haven't even had an opportunity to consult fully with Justice yet. So really this is one of the reasons why I would prefer to do it in the regulations. Give us the time to talk to those folks.

If you in future want an amendment made, I think one of the key things is to give us a little bit more lead time, and then it is quite possible that this would be appropriate. But without having an opportunity to go through it with the two universities, go through it with Justice, to have somebody look at any implications that I am not aware of today, I would prefer to leave it to the regulations.

**Mr. D'Autremont:** -- Well, Madam Minister, let me ask you, what would you foresee as a negative aspect of allowing at least one person from the university list as being part of the quorum?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, none that I'm aware of. That's why we're prepared to do it in the regs. But what I'm saying is, the timing has not allowed us. For example, I would like to have the

Department of Justice go through it and see if there's a problem. So the timing just has not allowed the kind of scrutiny that I would like in order to put it today in the regulations and to lock it in.

But my point is more a constructive point. In future I think this government is always open to amendments, but they should be presented to us with enough lead time that we can actually do some homework and be sure that there is nothing that is a problem. I do not foresee any problems, but I'm not a Justice official either.

**Mr. D'Autremont:** -- Thank you, Madam Minister. What would you feel would be an appropriate lead time for an amendment?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, I'm . . . (inaudible) . . . to kind of write this is in stone, but two or three days. I received this. I attempted to go out in question period and get Justice to give us an opinion, but they were not able to do it as quickly as I'd hoped. So had we had . . . had I had two or three working days, it would have been possible to get the kinds of opinions I needed and then, quite possibly, would have said I have no problem. I don't know. But without those last checks, I prefer to do it in the regulations.

**Mr. D'Autremont:** -- Well, Madam Minister, what types of legal concerns arise in your mind by accepting this type of an amendment? I believe that it's a fairly straightforward amendment. Your legislation allows the cabinet to set a quorum. The only thing this would do is say that one of the people appointed from the universities' lists would be part of that quorum.

And I don't understand how it can be such a major problem to say that we can't have, as part of quorum, somebody from the university. There's two people to choose from. It doesn't designate which one, from which university, but rather that just one of the university people be part of the quorum.

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite. I want the member opposite to think carefully about what I'm saying. The idea, I think, is a fine idea. I have no problem, and I think the intent I agree with.

What I said from the very beginning is the concerns are merely technical as to whether or not it should be in the legislation or in the regulations. Off the top of their heads, my department has said the regulations is the more appropriate place, but we're not Justice department officials. Had we had more lead time, had we had the capacity to say to Justice, technically does it matter to you whether it is in the legislation or in the regulations, we may very well have been able to say, lock it in to the legislation.

So my point is that I think one of the key things in government is to realize what your job is and what your job isn't. I'm not a Justice official. I do not know if there is a technical problem here at all -- there may

very well not be. But I want to be sure that the process is followed and it's signed off and Justice says, no problem.

**Mr. D'Autremont:** -- Madam Minister, while you admit that you're not a Justice person, a lawyer, neither am I. But it seems fairly straightforward, clear, common sense. It's only an addition to the clause that you have put in place in the Bill. It merely adds the fact that one of the university people would be part of the quorum. And I don't understand what the legal ramifications would be of allowing this amendment to pass.

**Hon. Ms. MacKinnon:** -- Mr. Chairman, could I propose to the member opposite a compromise: that is, we will give to you in writing the commitment that that criteria will be there. Okay? So you can be assured that it will be at least in the regulations. And then you can have your point satisfied; I can have my point satisfied in ensuring that there is no . . . Because as I say, my department says to me, really it should be in the regulations; that's the appropriate place for it, not here. Okay? So I will give that commitment to you in writing, that you will have it. It's just that it's more appropriate probably in the regulations.

**Mr. D'Autremont:** -- Well, Madam Minister, knowing the dynamics of the House, I'm sure that that is probably the best commitment I can get from you on this issue. I would hope though that, while I will accept that commitment from you, that if the situation arises that this is permitted by your Justice people, that they find it acceptable, that they see no particular things wrong with it, that you would give consideration to putting it in legislation. I understand that that would not happen this session, but at some point in the future if it would be possible, providing it's acceptable to your officials, to put it in legislation. I'm prepared to accept your written assurances.

**The Chair:** -- The question before us then is the amendment moved by the member for Souris-Cannington to clause 10 of the Bill to:

Amend clause 10 of the printed Bill by adding immediately after the words "may fix a quorum" where they occur in subclause (7) thereof the following:

" , to include at least one of the persons appointed pursuant to subsection (2),"

Amendment negated on division.

Clause 10 agreed to.

Clauses 11 to 19 inclusive agreed to.

The committee agreed to report the Bill.

### **Bill No. 27 -- An Act to amend The Superannuation (Supplementary Provisions) Act**

#### **Clause 1**

**Mr. Martens:** -- Thank you, Mr. Chairman. I have a number of questions regarding this retirement package. One of the things that I'd like to find out from you, Madam Minister, is the plans that are in place, they deal with the public employees' government contributory plan, the public service superannuation plan, the Liquor Board superannuation plan, SaskPower, SaskTel, and Workers' Comp. Are there any other agencies that should be included in that list of those people involved in the impact of this Bill?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, the member opposite is correct.

**Mr. Martens:** -- The responsibility for making the assessments of whether you're going to have early retirement, are they all going to be made by the Executive Council or the Lieutenant Governor in Council, whichever way you want to say it, and they would be based then on the Income Tax Act of Canada, and would you confirm that, and then also tell me what those criteria are that the Income Tax Act, in a general sense, restricts or puts into place for the parameters that you have to deal with.

(1515)

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite, yes you're correct in your assumptions there. And with respect to the income tax accrued, you can qualify for accrued pension entitlements if your age together with service exceeds 80 years, age which exceeds 60 years, or service which exceeds 30 years.

**Mr. Martens:** -- Okay, so the Income Tax Act specifies that. Your retirement package will have to put into place the differential between what your early retirement plan calls for and the specifications under the income tax. Or would you give me an explanation of how this is supposed to work.

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite, I'll give an example, and if this doesn't answer entirely your questions, we can go back at it again. Let's say that my deputy minister retires and he's got \$150,000 in his pension. He can turn that into a life annuity. He would also get a severance benefit and a bridging benefit -- and I want to clarify he is not retiring.

**Mr. Martens:** -- Would you explain that bridge fund that you talked about. Would you give me an explanation of that?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite, the bridging benefit is \$300 a month until age 65 . . . \$350 until age 65. And obviously the deputy minister is too young; we couldn't afford that level of bridging benefit.

**Mr. Martens:** -- For each of the groups that contribute to this plan, are they all going to be put into the same category in these instances under the life annuity and the bridging function of the plan? Is that where each of them are going to get the authority to do this?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, the member opposite is correct for members in the new plan.

**Mr. Martens:** -- Okay. When you decide . . . let's say your combination for years of service and age only reaches 70, not the 80. Give me an overview of how that individual would then qualify for early retirement.

**Hon. Ms. MacKinnon:** -- Mr. Chairman, that person would not qualify. They have to reach the threshold to be even considered, so that person wouldn't even be considered.

**Mr. Martens:** -- So this only deals with the thresholds that you mentioned, those three. Okay. So the person who reaches that threshold, okay, he's 50 and he's got 30 years of service. He reaches the threshold and from 50 to 65 he would qualify for the \$300 a month incremental?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, the member opposite is correct.

**Mr. Martens:** -- Did you make those calculations that 300 would be what they were paid or is that just a number that you took out of the air?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite, the figure 350 -- I'm sorry, it's not 300, it's 350 -- was chosen because it's comparable to the Old Age Security figure.

**Mr. Martens:** -- There is 30,000 people enrolled in the plans. Have you any idea of how many people meet that threshold? Are there a significant amount of them or would you be able to tell me how many there are?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to the member opposite, one of the key criteria, from the point of view of the government, is there can be no back-filling of the job; that is if you want to take early retirement, to be eligible that job has to be an abolished job. So that severely restricts the number of people who will qualify. You know, you could run a computer run and find out how many people would meet these criteria. But that number would not be a realistic number because unless your job is actually going to be abolished, you would not qualify.

Now what we're expecting in '94-95 is the maximum, the top end, would be 70 people who would qualify -- that is would meet these criteria, would pass the threshold, but would also be in a position to have their jobs abolished.

**Mr. Martens:** -- So cabinet has made the determination that the position has to be abolished first, and then the criteria of the threshold have to be met as well. Okay, you're going to have 70 people, estimated, in this position. Have you any volume of dollars that you've calculated the cost versus the cost if they stay on? Is there a relationship between those numbers on what it would cost to move them off or

keep them on as employees?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, this is something that we see as cost saving; that is we're better off going this route than maintaining the job. But we won't know the exact mix because we don't know how many people will actually be in a position of holding a job that is going to be abolished, meeting the thresholds, and deciding to opt for early retirement, because they have other choices that might be available to them as well.

**Mr. Martens:** -- Okay, one of those other choices, would it be bumping somebody else out who has less seniority?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, yes.

**Mr. Martens:** -- So that is another determination made by cabinet to that individual, but it would also be in the agreements that they have, their working agreements that they have with the government. Do each of these various agencies have a different agreement on those areas, or are they all the same where they would be able to bump; or what the criteria for bumping privileges would be?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, to get your most precise answer, I'd ask the Public Service Commission, but there will be variations from agency or department to department.

**Mr. Martens:** -- Are you doing this on the basis of individuals or are you doing this on the basis of positions?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, the most correct answer is position. That is that the triggering mechanism here will be the abolishing of a job. Then everything else is triggered after that. But that decision has to be made first in order for any of this to come into play.

**Mr. Martens:** -- I don't have a problem with that although I see the opportunity for the government to say to this individual that that position is going to be abolished. And then the individual in that position is gone and has to go through the process of bumping in order to get back as a government employee. Because the way I see it here in this 47.5 (2), it says:

The Lieutenant Governor in Council may, by order:

(a) designate an employee as eligible to exercise the option;

You say it's a position, but the individual is going to be impacted in that position, and that makes it fairly significant. As you go through all of those, there is the designation of the employer being the one that has the focus of attention. And all you have to do to eliminate an employee is to make his position abolished and then go and open up another position some place else that has different criteria, and then the individual is gone.

And that is the concern that I would have, and I just raise it as a point to consider. I'm not going to argue with you about it, but I would say that you could easily do that and then you could eliminate an individual who has maybe had an idea or two that were contrary to what the government of the day is suggesting.

**Hon. Ms. MacKinnon:** -- Mr. Chairman, I know what the member opposite is saying. That if you don't like an employee for some reason, you abolish that job and get rid of that person and then you create another job somewhere else. Okay, so I understand the concern. That concern should be covered off because what we look at in the agency is the total number of jobs. That is, if you are allowed three early retirements, the number of positions that you are going to be allocated is going to be dropped by three. So there's no idea here of having the capacity to back-fill it.

**Mr. Martens:** -- Is that going to be the same with SaskPower and SaskTel as well?

**Hon. Ms. MacKinnon:** -- Mr. Chairman, certainly the intent will be the same. The only qualification is, because some of the Crowns operate in a competitive environment, there may be occasions in which they have a different rationale. But certainly the intent will be the same.

**Mr. Martens:** -- That's all the questions I have, Mr. Chairman. I want to thank the minister for bringing her officials here today, and as usual they have done a noteworthy job. And I want to thank them on behalf of the opposition.

**Hon. Ms. MacKinnon:** -- I also want to thank the officials, and I want to thank the member opposite for the civility of his questions and for taking my proposal instead there.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

(1530)

### THIRD READINGS

#### Bill No. 17 -- An Act to amend The Municipal Employees' Superannuation Act

**Hon. Ms. MacKinnon:** -- Thank you, Mr. Speaker. Mr. Speaker, I move that this Bill be now read the third time and passed under its title.

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

#### Bill No. 22 -- An Act to establish Crown Foundations for Saskatchewan Universities

**Hon. Ms. MacKinnon:** -- Mr. Speaker, I move that this Bill be now read the third time and passed under its

title.

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

**Bill No. 27 -- An Act to amend The Superannuation (Supplementary Provisions) Act**

**Hon. Ms. MacKinnon:** -- Thank you, Mr. Speaker. Mr. Speaker, I move that this Bill be now read the third time and passed under its title.

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

**COMMITTEE OF FINANCE**

**General Revenue Fund  
Education, Training and Employment  
Vote 5**

**The Chair:** -- I will ask the minister if she will introduce her officials to the members of the committee again, as it's been some time since the department has been before the committee.

**Hon. Ms. Atkinson:** -- Thank you very much, Mr. Chairperson. To my immediate right is Robin Johnson, acting executive director of finance and operations; behind him is the associate deputy minister responsible for the post-secondary side of the Department of Education, Training and Employment; and immediately behind myself is Dr. Ken Horsman, who is the associate deputy minister . . . or assistant deputy minister for K to 12. And to my far right is Jim Benning, who is the CEO (chief executive officer) for Saskatchewan Communications Network.

**Item 1**

**Mr. D'Autremont:** -- Thank you, Mr. Chairman. Madam Minister, officials, I'd like to welcome Jim here today. I'm just wondering how he's making out in his French classes. Jim and I were together in one of those.

**An Hon. Member:** -- How's your French working out?

**Mr. D'Autremont:** -- Pas petit, Pas petit. Madam Minister, I brought up a question or a number of questions to you in question period dealing with Ross Joorisity and Petria Racette. And I would like to ask, wonder where . . . what has happened with that case that you can report on today? We brought it up in question period and you were going to look into the situation. And I wonder if you could give us a report.

**Hon. Ms. Atkinson:** -- I'm advised that we've approached the private vocational school involved and they are approaching the students to work out a repayment plan.

**Mr. D'Autremont:** -- Thank you, Madam Minister. I think at this time what I'd like to do is read a letter from Ross and Petria to yourself into the record because

they tell me that nothing has really changed in their situation yet, at least nothing that they've heard about.

Ross, in particular, has an opportunity for employment that until this situation is cleared up, his potential new employer doesn't wish to hire him because of the collection agencies that are pursuing him because the funds have not yet been paid back and the situation cleared up.

Their letter is of March 18, and it's addressed to the Hon. Ms. Atkinson:

We are writing in regards to the problem we have had with student loans and the Reliance College of Business, Darlene South-Wilkie. As you are probably aware, we are still waiting to hear about the money that is owed to Canada student loans by Reliance College of Business. We have been in contact with Darlene Heska-Willard from the vocational schools since February 25, 1994. After obtaining information from Reliance College of Business and Saskatchewan student loans for vocational schools, we contacted Darlene Heska-Willard again on Thursday, March 10, 1994.

After looking over our files and examining them thoroughly, Darlene Heska-Willard told us that she would contact us the week of March 14, 1994, of what percentage and the amount of money that the college owed to Canada student loans which she has failed to do. When asked if she had contacted Darlene South Wilkie, the former owner of Reliance College of Business, for information on our behalf as to why the college had not refunded our tuition to Canada student loans, Darlene Heska-Willard told us that she was unable to reach Darlene South Wilkie since she was no longer the owner of Reliance and had no knowledge of how to contact her. Being that Darlene Heska-Willard is the supervisor of Avant-Garde College of Esthetics, you would think that she would know that Darlene South Wilkie is the principal and part-owner of the vocational school, Avant-Garde College of Esthetics.

We are puzzled as to why she would provide us with false information. We felt, after a telephone conversation on Monday, March 14, 1994 with Darlene Heska-Willard, that she was unprofessional in her position, being a liaison between school owners and students. We can see clearly that there is no liaison procedure being done. We do believe that she is lacking respect for consumers and taxpayers.

Madam Minister, if you would look under the Canadian charter of rights, we are under the position to ask for a complete, new investigation and a new, unbiased representative.

Sincerely, Ross Joorisity and Petria Racette.

Madam Minister, have you responded to this letter? And if so, in what manner?

**Hon. Ms. Atkinson:** -- No, I have not responded to the letter. I've asked my officials in the department to give me a status report on the kinds of concerns that the two young people raise in their letter. So I'm waiting for that response.

**Mr. D'Autremont:** -- Thank you, Madam Minister. What is the position of Darlene Heska-Willard within the department? What are her duties, and what is she supposed to perform?

**Hon. Ms. Atkinson:** -- She's a liaison person between those who own private vocational schools and those students who attend private vocational schools.

**Mr. D'Autremont:** -- So in her capacity as a liaison officer, exactly what duties would she perform?

**Hon. Ms. Atkinson:** -- She licenses, monitors, evaluates, and deals with student appeals.

**Mr. D'Autremont:** -- What duties does she perform in the area of licensing? What kind of reviews are done, what kind of ongoing reviews, to make sure that the licensing procedures are up to standards?

**Hon. Ms. Atkinson:** -- We take financial information from private vocational schools each year. They have to renew their licence each year and there are two on-site visits to each private vocational school in each year.

**Mr. D'Autremont:** -- Thank you, Madam Minister. What time of the year? Is there a particular frame of time in which these financial reviews are done? Is it after the fiscal year, or just when would they be performed?

**Hon. Ms. Atkinson:** -- Those reports are to be to the department before the end of December. As you know, educational institutions have their operating year from January to December.

**Mr. D'Autremont:** -- Thank you, Madam Minister. If this was being done for the end of December, did the department catch the fact that a number of student loans were not being repaid in the proper manner? Those students that had withdrawn from the educational process, whose student loans . . . a certain percentage of which should have been reimbursed back to the student loans, Canada student loans and Saskatchewan student loans.

**Hon. Ms. Atkinson:** -- That would not show up in the financial information. As you know, private vocational schools are in essence small business or private business, private enterprise in the province, and in order to receive any kind of financial reimbursement, the student would have to deal with the private company involved.

**Mr. D'Autremont:** -- Thank you, Madam Minister. If you're not receiving any information from the

vocational schools because they're private schools, on what criteria then do you license them, based on the financial situation?

(1545)

**Hon. Ms. Atkinson:** -- Well we do receive financial information from the private vocational schools. We also make two on-site visits to each private vocational school.

But as a matter of tuition fee reimbursement, that's a matter between the student and the private vocational school, just as with the University of Saskatchewan. If a student drops out of a class and they wait for a refund from the University of Saskatchewan, that's between the university and the student.

Now as I told you in question period when you raised this matter, that under the legislation the student is entitled to reimbursement. This is a situation where there's been a transfer of ownership. The person you refer to no longer owns this particular private vocational school; a new person owns the private vocational school. However, the new person takes on the old person's or the former owner's liabilities. So if in fact it is found that these students followed the proper process and they are in fact entitled to reimbursement, there are measures for the department to use to ensure that those two young people receive their reimbursement.

**Mr. D'Autremont:** -- Thank you, Madam Minister. When you're doing the reviews of the finances of the private vocational schools, how do you determine then whether or not the figures they're providing you are indeed accurate? Is there some form of auditing system?

**Hon. Ms. Atkinson:** -- The private vocational schools are audited by provincial . . . not provincial auditors but by private auditors that are licensed in the province of Saskatchewan.

**Mr. D'Autremont:** -- So, Madam Minister, your department itself does not provide any auditing of those funds. You simply take the auditing provided to you by that particular firm. Is that correct?

**Hon. Ms. Atkinson:** -- Business in the province for income tax purposes usually have private auditors audit their books and therefore provide a financial statement. The private vocational schools provide the department with an audited financial statement; as does the University of Saskatchewan provides the department with a audited financial statement; as does SIAST; as does all of the regional colleges.

**Mr. D'Autremont:** -- Okay, thank you, Madam Minister. I wonder if you could explain to me how the student loans were not paid back as under regulation they are to be, and how . . . who would be checking on this and what is the procedure to ensure that student loans are indeed returned from the part of the tuition fee that was not used? How do you ensure that that happens?

**Hon. Ms. Atkinson:** -- Unless the student raises the issue with us, we have no way of tracing it because this is a matter of Canada student loans, not Saskatchewan student loans. The students took out a loan with the Canada student loan program, and the Canada student loan funds were disbursed to the private vocational school operator for tuitions. When the students drop the course the funds are repaid to Canada student loan.

So I guess what I'm saying is that this is a Canada student loan problem, not a Saskatchewan student loan problem. We don't monitor Canada student loans; we do have information regarding Saskatchewan student loans. And as I said earlier, these people, if it's found that they followed the proper process for leaving this particular private vocational school, are entitled to have those funds repaid to Canada student loan.

**Mr. D'Autremont:** -- Well, Madam Minister, it may indeed be a problem for Canada student loans, but it's also a problem for Saskatchewan students. And as the minister responsible for Education, you are the one who licences the private vocational schools in Saskatchewan, and you are the one responsible to ensure that things are operated according to the law and according to the regulations of the department.

When student loans are supposed to be returned, and the students are entitled to receive that money reimbursed to them or to Canada student loans, then it's your department's responsibility to ensure that those legal requirements are met. And indeed, Canada student loans are the ones who are entitled to receive the money through the students, repaid by the vocational college, but you, Madam Minister, are responsible to ensure that that happens; that the law is carried out.

What procedures do you have in place to ensure that that does indeed happen?

**Hon. Ms. Atkinson:** -- The procedure is this: that the student contacts the department -- because this is a private vocational school, this is not a public institution -- the student contacts the department and indicates that they have dropped out of a program that they were registered in and had student loan money paid to, and advises us of that situation. We then contact the private vocational school to determine if the student left under the appropriate circumstances, and then advise the college that they are to reimburse Canada student loans.

We were not aware of this situation until the end of February. In fact, you tell me that the student sent me a letter on March 18, 1994. I didn't receive it until today; it was hand delivered to my office March 28. So we have a situation of about a month in duration. We have asked the students to provide us with some information. I understand that that has not yet been done. Your office phoned my office this morning. My staff advised me of this, and I asked the students to come and see the staff in my office directly because

there's some information that I understand we still require. We're waiting for that.

Now that doesn't mean that we can't assist in the meantime. The problem is with the present owner. She has the liabilities of the previous owner. We are in the process of trying to help these students. And I can assure you that these students, if all of the facts that they've presented are found to be accurate, will be helped by the Department of Education, Training and Employment.

**Mr. D'Autremont:** -- Well thank you, Madam Minister. I'm sure that's of some relief to the students, that they will be helped. But their problem is that they need the help right away. It's not your door that the collection agency is knocking on; it's their door. And they need some resolution quickly.

And we brought this up in question period 10 days or so ago -- I'm not exactly . . . I don't remember when, but about 10 days, two weeks ago -- and still for these students nothing has happened.

Madam Minister, you talk of it being the students' responsibility to inform your department that they are no longer part of the educational process. But how many students attending private vocational schools are aware of that? When these particular students talked to Darlene South-Wilkie about leaving her institution, they were told that she would look after everything, that they simply returned their books, signed the forms that they were no longer going to be part of her school, and that she would look after everything. The next thing the students know is they've got a collection agent knocking on the door.

So how many students, Madam Minister, know that it's their responsibility to contact your department? Surely there should be some other process in place rather than simply the students being forced to call. Who do they call in the Department of Education? Do they call the minister? Do they call the deputy minister? Who do they contact? Is there a process in place that lets the students know what is supposed to happen?

**Hon. Ms. Atkinson:** -- These students receive a student loan information booklet. The information is in the booklet, I'm told. They also receive a brochure; it's in the brochure.

Now let's be clear on this. This is a private vocational school. The students are aware that it's a private vocational school. They go to that private vocational school for their private educational training. This is not a public institution. They make arrangements with Canada student loan to have tuition paid to the private vocational school. They go to the private vocational school. They decide that this is not the kind of training that they want. They quit the private vocational school. They go to the owner of the private vocational school -- this is a private owner of a private vocational school -- and the private owner says, I'll take care of it. It's not taken care of. They have a collection agency contacting them. I suspect that they

might have had Canada student loans contacting them maybe before the private collection agency contacts them.

You shake your head. Well I suspect that Canada student loans contacted them about repayment. They come to the Department of Education, Training and Employment at the end of February, and they want to know where their money is to repay Canada student loans.

I'm told by the officials in the department that the officials asked for some more information. I'm told by the officials in the department that they had not yet received that information when you raised the question in question period. I'm told by the officials in the department that the Act is clear.

The problem that we have is that we have new owners here. Darlene South is no longer the owner of Reliance; Dorothy Prior is now the owner of Reliance. Dorothy Prior takes over Ms. South's liabilities. Ms. Prior, as I'm told, is now legally responsible to repay this debt to Canada student loans if in fact all of the facts as presented by the two students are accurate.

We've asked the students for information. Once we have all of that information, we'll be in a much better position to help these students. If all of the information that the students have provided thus far and we get the additional factual information from them that we're requesting, we will be able to assist these two students.

**Mr. D'Autremont:** -- Well thank you, Madam Minister. The students tell me that they were not contacted prior to someone knocking on the door from the collection agency, looking for their money. The student, Ross Joorisity, tells me that his student loan was through his financial institution. He had moved from the address that was on the list. He had informed the bank that he had moved and gave them the new address. When he returned some months later, they still had his old address on his account at the bank.

He informed them again . . . (inaudible interjection) . . . that's right, it's not the government, it's the bank in this particular case. He informed them again of his new address. After he was contacted by the collection agency, he returned to the bank to check and see what address they had on his files, and they still had his old address.

Again he informed them of his new address, and this was in the middle of the week I believe it happened. He returned again on the next Monday, and they still hadn't corrected the address. He was not contacted at any point in time, is the information he gives me, by the bank or by student loans that his accounts were in arrears. His first knowledge of it was when the collection agency contacted him. And then he contacted Darlene Heska-Willard and Darlene South-Wilkie about the situation, and that's when it ended up in here, Madam Minister, when he couldn't get any answers.

Both of the students in question . . . And since it was raised in question period, other students have now come forward with the same problems from the Reliance Business School. So, Madam Minister, it's not an isolated case. It seems to be an ongoing, recurring problem that we have here. So, Madam Minister, I would think that there needs to be some tightening up of the system here some place that doesn't allow this to happen. Obviously there's something wrong in the system if this can go on for a long period of time and occur over and over again.

There was a situation also reported about a year ago where this happened. The students in question brought it up to the media and they received their . . . the payments were made to Canada student loans. But in this particular case it hasn't happened yet, and the school has indeed changed, and new ownership is in place. But the person that was in charge at the time when the problem occurred is now in charge of another vocational school as the principal and part owner of that school. Potentially the problem could reoccur again, not necessarily just at that school but at any of the vocational schools.

So, Madam Minister, I would think it would be incumbent on you to take a very serious look at how the student loans are administered at the private vocational schools to ensure that if a student leaves that the proper procedures are then followed. Students, when they're leaving a school, the prime motive, the prime thought in their head is not to ensure that the student loans coming from the private vocational school are returned to Canada student loans, particularly when the administrator of the school says everything will be looked after.

(1600)

I would think that there should be some mechanism in place to ensure, to start off with, that the students are indeed attending the educational institution. If the student has a one-year student loan, wouldn't it not be incumbent on the government or on the student loans area to ensure that that student does return to university in January, or whatever educational institution they were attending to ensure that that student loan was paid out for someone who is indeed attending school.

In this particular case, had that happened, it would have been discovered that those students were not attending the educational institution, therefore that student loan should become due and should be returned. First it should be returned from the institution, the vocational school, to the student loans, and the students themselves should be starting to make payments on it.

But none of that happened, Madam Minister. And should not something be put in place to ensure that that does indeed happen?

**Hon. Ms. Atkinson:** -- I don't know if you realize this, but Saskatchewan does not pay student loans, the

Saskatchewan student aid program, to any private vocational schools in the province. Only Canada student loans pays directly to private vocational schools. Saskatchewan student aid is paid directly to the student.

The Canada student aid program, as I understand it, pays out in one lump sum at the beginning of each program. In Saskatchewan we don't do that. We pay out monthly over a period of time. So Saskatchewan, we have jurisdictional control over our own student aid program and we are in a better position to monitor it.

The Canada student loan program comes under the auspices of the federal government and they have their own particular processes for how they handle student loans.

Now what the province does have jurisdiction over is the legislation and regulations regarding private vocational schools. We do have jurisdiction there.

And as you may know, that the province is presently in the process of putting together draft legislation with regard to a new private vocational schools Act. We plan on introducing that piece of legislation in the next sitting of the legislature. And along with that legislation will go regulations to assist with the implementation of that legislation.

I don't know what else I can say to you, Mr. Member, other than we have a problem with the Canada student loans here, which comes under federal jurisdiction. We do have authority when it comes to the legislation regarding private vocational schools.

Once these students provide all of the information that we've asked them to provide, we'll be in a far better position to help them. And I can assure you that Ms. Willard, or Heska-Willard, will be contacting those two students tomorrow to ask them once again for the information that they require. And I would hope that the students would be forthcoming with that information.

**Mr. D'Autremont:** -- Well thank you, Madam Minister. While Saskatchewan student loans are not directly a part of this concern, it is Saskatchewan students, and as you have said, you have jurisdiction in this area. And hopefully when you bring forward your new legislation, it will take into account this kind of occurrence and will solve the problem.

You mentioned that Darlene Heska-Willard will contact the students again tomorrow. Well we put in a phone call to Darlene Heska-Willard last Thursday and she was to phone us back after dinner, and we still haven't received a phone call from her. So Darlene Heska-Willard seems to be a difficult person to get a hold of.

**Hon. Ms. Atkinson:** -- Let me respond to that. You say that you asked Ms. Heska-Willard to contact you, and she didn't contact you. She was asked by her supervisor to, as I understand it, have you relate the

call to the minister's office, not through the public service. So that's the reason why she did not return your call. She wanted you to contact the minister's office.

**Mr. D'Autremont:** -- Madam Minister, then why was not a call returned to our office stating that, and then we would have contacted your office about it?

**Hon. Ms. Atkinson:** -- I don't know the answer to that, but I certainly will find out.

**Mr. D'Autremont:** -- Thank you Madam Minister. Is it your suggestion then, whenever we have a concern dealing with the Department of Education, that we contact your office?

**Hon. Ms. Atkinson:** -- I don't have any difficulty with you contacting the officials in the department, but sometimes officials get quite nervous about that, when the opposition contacts them when this has been in the press. And so obviously, you know, if you look at what has been said about a civil servant or a public employee in the legislature this afternoon, I could understand why she might be quite nervous about having you contact her directly.

So I guess what I would say on this particular matter, I would ask the member to contact my office because obviously this is an official who may have some cause for concern, given what's been said about her today by yourself.

**Mr. D'Autremont:** -- Well Madam Minister, if the civil servant is performing her duties properly, she has nothing to be concerned about. But if that's not the case, then perhaps she does indeed have some concerns.

You've mentioned that she has asked the students for some information. I believe part of the information she has asked from the one student is a complete financial statement. The student doesn't feel that that's an appropriate request. He is not applying for a student loan. He is trying to repay a student loan, and he feels this request is not appropriate and does not wish to provide that information.

Now why would it be important to receive a complete financial statement from the student before even looking at the situation?

**Hon. Ms. Atkinson:** -- You know, I just have to say to the member this, that in opposition . . . and I was in this House for five years in opposition, and I was a tough critic. And I fully accept that that's the whole point of politics -- the thrust and parry of debate. But the one thing I didn't do was ever go after a civil servant that worked with any of the ministers. I never did that. I went after the minister. And you can go after me. That's fair in this game.

But I would ask you, I would really ask you not to go after any of the civil servants that work in our department. These are professional civil servants. This is a department that was not brutalized by the former

government. This was a civil service that was professional; they were not politically appointed. And you can give me all the trouble in the world, and I accept that. But I would really ask you not to go after the public employees in the department.

**Mr. D'Autremont:** -- Madam Minister, the person in question is a member of your department. It wasn't you directly that the students had a concern with. They contacted Darlene Heska-Willard to look for support. And she had the means to respond prior to it being brought up in the House, and that's where the concerns arose. And so that's why, Madam Minister, I have brought this to your attention. It seems we have lots of other people who want to debate this too.

Madam Minister, what kinds of information would be important to receive from the student to determine this situation?

**Hon. Ms. Atkinson:** -- I'm advised that we usually know when the students started the program and when they exited the program. We needed to have the student loan information that showed when the money was paid and how much money was paid.

As well I'm advised that there was some problem with books. The students that . . . some of the Canada student loan went towards the books. And we needed some more information regarding the books. And I understand that that's where the problem is. We don't have the information from the students with regard to the kinds of books and the cost of the books that they apparently paid for with their Canada student loan and which they're now asking to have Canada student loan reimbursed for.

**Mr. D'Autremont:** -- So if they provide exactly that information, the situation should be resolved then. Well thank you, Madam Minister. I'm sure the students will appreciate that and will provide you with that information. Because, as I mentioned earlier, they would like to have this resolved as quickly as possible because Ross does have an opportunity for some employment.

Madam Minister, we'll go on to another topic now. Madam Minister, I wonder if you could provide us with the list of grants to the K to 12 system this year, and what changes were made in that.

**Hon. Ms. Atkinson:** -- Yes, we'll get that information for you.

**Mr. D'Autremont:** -- Madam Minister, you provided a list to the schools back in I believe December, as to what the projections were for those cuts to the grants . . . or what the grants would be and what the percentages of cuts were. Was there any significant changes to that list?

**Hon. Ms. Atkinson:** -- Yes, there were changes to the list.

**Mr. D'Autremont:** -- Those changes, what did they result from?

**Hon. Ms. Atkinson:** -- The changes resulted because the final information from school boards with regard to transportation costs, enrolment costs, as well as special needs, special education.

**Mr. D'Autremont:** -- In particular, on the transportation costs, what changed in that area? Were the transportation costs initially calculated in these figures, or were they excluded or missed somehow, or why the transportation cost changes?

**Hon. Ms. Atkinson:** -- The information that was provided to the school boards in December was preliminary information. As you know, we were trying to give school boards as much information as possible prior to the end of their fiscal year, which is December of each year.

The reason for the difference in transportation could be because of changes in routes, because of enrolment decline, and a lot of that information is not known until after September 30 of each year. And so we were giving preliminary information to school boards in order to help them with their strategic planning, and once the final information had been received from those school boards, we could then give them final numbers.

**Mr. D'Autremont:** -- Well thank you, Madam Minister. I think it's worthwhile providing the information up front in the beginning. The notice I have is January 7.

The problem that arose though for the local school boards -- and I'll use Oxbow as an example because it's the one I'm most familiar with -- their cuts, their grant changes, for this coming year were 17 per cent in this document. When it all shook down, it ended up at about 30 per cent, which is almost double -- a fairly significant increase in this particular case. And most likely a good number of the other units face similar dramatic changes in the amount that they lost.

Madam Minister, I would think that the transportation changes, while they could be significant in some cases, could have been accounted for with this document coming out on January 7. If the figures are provided to you by September 30 you have a better than three-month period in there to include those figures in. What time frame does it take you to work these calculations out?

**Hon. Ms. Atkinson:** -- Okay. I'm advised that we receive information from school boards the end of September, October, November, December. And we were going on the basis of preliminary information. We weren't able to finalize all of the figures until we had all of the information in from the school boards. I think school boards certainly did appreciate the fact that we were giving them preliminary information in December. That was the first, I'm told, in the history of the province.

In the old days under your regime, we often didn't get into the legislature until April or May. I think one year

it was June when we finally got into the legislature. And so what we're trying to do, given the fiscal realities and some of the tough decisions that school boards are making or have made, we've tried to give them information in advance. For instance in this budget year we've told school boards that barring some unforeseen circumstance, there'll be no further reductions.

Now in the case of Oxbow, what we saw was a change in the mill rate; we saw a change in the assessment growth; we saw a change in basic rates; we saw an enrolment decline; there's a reduction in sparsity funding; the small school factor; special education funding. There is change in tuition fee arrangements, change in transportation. So all of this led to a funding decrease.

And we applied the same formula in the province to every school division in the province, so Oxbow isn't being singled out here. We use the same methodology, the same formula across the province, and each school board deals with the same set of factors.

(1615)

Now for those school boards that received an enrolment increase, obviously they would see some funding increase. For those school boards that might have changed some of their school bus routes, it could mean more funding; it could mean less funding. For those school boards that identify more special needs children, they would see their funding increase in the whole area of special education.

So I guess the point I want to make is that we apply the same formula to each school division in the province, and we don't tinker with the factors. The factors are applied in the same way, and we use the same methodology.

**Mr. D'Autremont:** -- Thank you, Madam Minister. I was in no way suggesting that Oxbow was being singled out. I happened to pick that one because I knew a little more about it. I had some more figures for it.

I realize that these figures were not provided to the school boards in previous years in advance, and I think that's a good change. The concern that comes in though is that when the figures are not close to being accurate. I'm sure Oxbow and the other communities appreciated finding out, in the case of Oxbow, that they were going to get a cut of 17 per cent -- not that they appreciated the cut, but appreciated the knowledge.

But when it came down at 30 per cent, they still had to make very significant adjustments. So it will be interesting to see what the numbers are when you present me with the actual figures that did occur, compared to what's happening today or what happened in your projections.

And, Madam Minister, it's not just the smaller school

boards that are being affected by these cuts. In Oxbow it's meant indeed a 2 per cent, a 2 mill rate increase in that area. So again that affects their grant structure on the computational mill rates. As they increase their mill rates, they get less money grant-wise at the end of the day.

So not only do you have to make up for your own shortfall in the education system; you have to make up for the further cuts that you're going to receive to the grants. And it seems to be an ongoing cycle of trying to catch up all the time.

But Oxbow is probably a medium sized school division. I believe it's around 1,200 students -- somewhere in that neighbourhood. There are those that are smaller and there are those that are significantly larger. In Oxbow it's meant that there has been staff cuts, bus routes.

One of the things that I did notice you mention was the change to the small school allocation . . . (inaudible interjection) . . . No, I was going to say, I'm not . . . when you mentioned that, I didn't know of any schools that had closed in the area, and I was wondering why that would have changed. I'm glad you say now that it didn't change.

But I would like to read to you from a letter that I received from what is likely one of the larger school divisions, Saskatchewan Valley School Division, which is up in the Warman area, surrounding Saskatoon.

They state:

Like any other school board of the province, we have been faced with cut-backs, reductions in program offering, and general downsizing. While the board would prefer the grant support for education would increase, it recognizes the fiscal reality of our economic times.

While the board did not appreciate grant reductions, it did appreciate the advanced information provided on the reductions, on what the reductions would be for 1992, '93, and '94. This allowed the board an opportunity to plan ahead and to make necessary adjustments, reduce programs and staff, and remain fiscally responsible with respect to the expectations of our taxpayers.

Sure, our board had to reduce staff, 10 teachers in each of 1993 and '94; reduce program support, band, industrial arts, home economics; cut back on purchase of new buses. But the part that really hurts is all the increases that have been passed on to the board by other government agencies. Some examples are UIC and CPP increases, 8 per cent; heating fuel cost, 12 per cent; and teacher salary cost, two and a half per cent.

It is hoped that through solid fiscal planning the board will be able to balance its budget for

1994 without a mill rate increase. Our concern would be for further unannounced grant reductions again next year.

In regards . . .

Madam Minister, I think this board outlines the major problems that are facing all school divisions across the province; that it's not just the cut-backs that they have received in their grant structure but it's also all of the additional added costs. They mentioned heating fuel costs but they didn't mention the additional cost that they face for SaskPower, for telephone, for gasoline to run their buses or diesel fuel, whatever it may be.

Have you calculated, Madam Minister, at all, what all of the additional other government costs that have been passed on to the department of . . . not the department, but to the education boards -- what they would total up to, Madam Minister?

**Hon. Ms. Atkinson:** -- Well first of all, I want to thank you for reading the contents of the Sask. Valley School Division's letter to you. I am quite familiar with this school division. And just for your edification, there was a 1.3 per cent increase in the school grant to Sask Valley School Division this year. And if you include the 75 per cent of the salaries for teachers, in fact this school division received a 2.85 per cent increase. And that's even with an enrolment decline of 98 students.

I think the point that I would like to make is this: that there is no question that school boards have been hit hard by our attempt to come to terms with the fiscal situation in the province of Saskatchewan. Our school boards have received -- and I've said this on many occasions -- a minus 2, a minus 2, and now this year a minus 4, for a total of 8 per cent. And because of the formula, for some school boards it's been higher than that and for some school boards it's been lower than that. But generally speaking, school boards across the province have had 8 per cent of their budgets reduced.

Now let me say this: that in order to get to the situation where the province will have a balanced budget by 1996-97, third parties have been asked to help in that situation. And that means that there have been funding reductions in health, education, municipal government -- to name three areas -- because that's where a lot of the government spending is undertaken in the province.

Now that has meant that school boards have had to wrestle with the whole issue of how do we deliver an education to the people of our province, given that we have declining resources and in some parts of Saskatchewan we have declining enrolments.

This situation would not have happened had your party, when they were in government, acted in a fiscally responsible manner. You didn't do that and you left the people of this province with a \$15 billion deficit. Now some of that debt obviously comes from the Crown corporations and some of it comes from Consolidated Fund, which is the day-to-day running

of government programs. I think you left about 6 or \$7 billion in those kinds of areas.

So I guess all I can say to you is this: that had you not, had your party not, you know, given people money for saunas and bathtubs and carpets and jacuzzis, and had you not taken off the gas tax and you not done the Rafferty-Alameda and the GigaText and all of these other little projects that went awry, we would not be in the position where school boards are being asked to help us present a balanced budget to the people of Canada and internationally.

As you know, there's a lot of your long-term debt that's coming due, and in order for us to go to the market-place to borrow the money to pay off some of your old debt, those creditors have to believe that Saskatchewan is financially stable and on the road to recovery.

Well I can say that we have been able to go to the market-place and borrow money, that the credit-rating agencies are saying, across this country and internationally, that Saskatchewan will be the first province to come out of this mess because this problem exists in other provinces as well. And as a result of what we've been able to do in the last three years, we can now say to our third parties, such as school divisions, that barring any unforeseen circumstance, there will be no further funding reductions in the province of Saskatchewan in 1995-96.

**Mr. D'Autremont:** -- Well, Madam Minister, you talk about asking third parties to take part in the fiscal restraint in this province. Perhaps you should remember that there's only one taxpayer in this province. And as you download on education, they're picking up some of that money by going back to that taxpayer because they don't feel it's right to cut the education to our young people.

You talked about the fiscal responsibility of the previous administration. Madam Minister, perhaps there was some money spent in areas that it shouldn't have been. You talked about the home improvement program. Well, Madam Minister, as I recall, that came out of the 1986 election in which your government -- your party, I should say, because you were not government; you were in opposition at the time -- promised \$7,000 grants at 7 per cent and \$70,000 7 per cent mortgages which was significantly bigger than what had been promised by the PCs (Progressive Conservative) in that election -- significantly bigger. You talked about GigaText, but you fail to mention the Nabu computer problems that your government had back in the 1970s. You talk about Rafferty-Alameda, but you fail to mention that the P.A. (Prince Albert) pulp mill was losing \$90,000 a day under your administration.

So, Madam Minister, there is fiscal concerns from every government, and yours is no different today. What you're attempting to do with your cut-backs to education is being dumped back on to the taxpayer.

When you talked about fiscal responsibility of the previous administration, what would you term the person that is calling for more and more and more spending by that administration? I don't have your quote with me today, Madam Minister, but there are a significant number of quotes from you in **Hansard**, speaking in this House as the opposition critic for Education, calling for more and more and more spending.

One quote that I do remember is you asked the current minister of Education at that time why he couldn't convince his cabinet colleagues to provide more money for Education, because a three and a half per cent increase was not enough money -- an increase of three and a half per cent. And this year in your first opportunity to be the Minister of Education, you give Education a 4 per cent cut.

**An Hon. Member:** -- Announced last year.

**Mr. D'Autremont:** -- That's right, Madam Minister, announced last year.

But that all of a sudden makes it well and good. Oh, well we told you last year we were going to cut your grant, so don't complain about it because we already told you. Well, Madam Minister, you were the one who stood on this side of the House, telling the minister of Education on that day that a three and a half per cent increase was not enough.

Now, Madam Minister, there might have been one or two people around this province who voted for you because they felt that you meant that -- that you indeed intended to provide for better education in this province. So mentioning better education, I just wonder how you provide better education to the students in Saskatchewan Valley, in that division, when they cut 10 teachers in 1993 and again 10 teachers in 1994. And they talk about program cuts -- band, industrial arts, and home economics.

Now when you were in opposition, would you have classified these happenings as an improvement to the education system, Madam Minister?

**Hon. Ms. Atkinson:** -- Well I want to just clarify one thing, one statement that you made. P.A. pulp mill was not losing \$90,000 a day; that was a figment of the PC Party's imagination. It was Tory accounting, not unlike your accounting all the way through your administration where you are off by several hundred million dollars regularly. So I do want to make that point.

The point that you raise about my work in opposition, there's no doubt I was a hard-working critic and I was a pain in the neck, I'm sure, to many ministers of Education. You haven't quite developed into a pain in the neck yet . . .

**An Hon. Member:** -- I'm not as vicious.

**Hon. Ms. Atkinson:** -- Oh, I don't think I was vicious, I was just hard nosed. And I think I was doing my job

as an opposition critic.

I think the other thing that we have to remember is this, that I sat in here and I regularly saw grants, money, basically pouring out of this institution, out of the institution of government into things that I thought were totally nonsensical. I do place a high value on education. I do think it's important that all of our students, anyone who wants to go to a post-secondary institution, has access to a post-secondary institution. Anybody who wants to get an education in this province should be able to have access to that education.

(1630)

I don't take great joy in being the Minister of Education that's involved in funding reductions because I do know that funding reductions do have an impact upon the education in our province. I do know that. But as you said, we're all the same taxpayers. There is a fiscal reality that our government has faced; your government would have faced it if it were here. And that is that we have a \$15 billion deficit; that is that we regularly have 2, \$3 billion worth of outstanding debt coming due each year that we have to pay back. And in order to do that, we don't have the money so we have to go and borrow that money in the international market-place.

And lenders aren't that interested in lending money to a province that is considered a . . . has a huge per capita debt. And so they want to look at how you are handling your approach to that debt. And what we've been able to do is convince the international lenders, the national lenders, that Saskatchewan has a fiscal plan, that we're on track, that we're hitting our targets.

Now we couldn't have done that without the help of the people of this province. We could not have done the kind of miracle work that has been accomplished in this province in the last three years without the help of school boards and universities and municipal governments and hospitals and health care facilities and the taxpayers of this province. And you're right -- there's only one taxpayer.

Lots of school boards have reserves; lots of municipalities have reserves. Our province did not have a reserve. The Minister of Finance did not have some fund that was put away for a rainy day. There wasn't that there. So we basically had one choice and that was to show the lenders that we could come in on our targets.

We've done that. We've done it with the help of our school board trustees, our counterparts in local government. They are to be commended. But this has not come without a price. And that price is that there have been reductions in teachers, there have been reductions in support staff, there have been reductions in programs like band and home ec and industrial arts.

But basically we still have a solid education system in this province. Kids can still graduate with a grade 12 that will take them anywhere in this country. Our kids

can still graduate from university and our other post-secondary institutions and have a certificate or a degree that means something in this country and around the world.

Our education system has not gone to hell in a hand basket. We have some problems; there's no doubt about that. We've had some reductions in programing, but fundamentally our educational system is solid. We have well-educated people graduating from our institutions. We have a well-educated population in this province.

And we have not taken some of the measures that other provinces have where they've basically taken the machete to the institutions that have been developed. We're done our reductions in a calm, rational, logical way, and I think we've done those reductions with the vast support of the people of our province.

**Mr. D'Autremont:** -- Well, Madam, perhaps as you claim, you haven't used a machete, but I wonder at the end of the day whether the person who is being attacked really cares if you used one hack of a machete or you've slashed away at him continuously with a paring knife.

Because that's what you've done. While you didn't take one big slash at him in any particular year, you've kept slashing away year after year, cutting pieces off. And the net result at the end of the day, Madam Minister, is they are facing a serious financial crisis.

And the taxpayer from the property tax base is not prepared to pay any more, Madam Minister, and that's what you're asking them to do with your little paring knife slashing away at him. While you didn't take a big cut, you took a large number of small cuts and it ended up at the same place, Madam Minister.

Madam Minister, you talked about the reserves that are being held by the school divisions. Well indeed, on the books I would suspect that most school divisions have reserves -- on the books. But if you look at their bank account, there is no reserves. Those reserves are taxes that are arrears, that have never been paid. And they still show up on the books as being owed to the school division; they show up as an asset, but there is nothing there. Those reserves do not exist, Madam Minister, in most cases. There are simply tax arrears that have not, cannot, and never will be collected.

Madam Minister, you talked about graduates from our post-secondary institutions, the universities. If you look at the newspaper this past weekend, the students are saying that they are concerned as to the validity of those universities now with the cut-backs -- 127 staff going from the University of Saskatchewan in Saskatoon. And that it's going to be difficult to convince students that they are going to receive the proper education at these institutions.

They are expressing a concern that students will now start looking at other universities rather than coming

to those in Saskatchewan because they have a concern as to the quality of education they will receive here, Madam Minister.

So, Madam Minister, I think that's something that you, as the representative for the Department of Education, are going to have to address and have to solve that problem and convince the students of Saskatchewan that the proper education still can be received here.

You talk about fiscal planning. Well, Madam Minister, I have to ask you, when it comes to projects within the Department of Education -- I'm thinking here of capital projects that you might fund -- is it not incumbent on the system to provide the lowest-cost quality that can be provided? Your new union preference contracting does not necessarily provide that, Madam Minister. The quality may be there, but it's not necessarily at the lowest cost, and after having viewed the Melfort pipeline situation, maybe even the quality isn't there.

So, Madam Minister, will you address those, please.

**Hon. Ms. Atkinson:** -- In terms of the capital project issue that you raise, we do not hire the contractor. The local school division hires the contractor, so they are free to follow the procedure that they have established in their local school division office, or their school division board may have followed some process for hiring contractors. The Department of Education, Training and Employment does not involve itself in that.

Secondly, with regard to the question you raise about post-secondary institutions and students feeling as though our institutions are second rate, I can tell you that Saskatchewan institutions have not suffered the kinds of cut-backs that other institutions have suffered in this country. And I'm thinking in particular Alberta. Some of the Maritime provinces, Quebec, have seen reductions in funding to post-secondary institutions. So it doesn't really matter where you go in this country; all post-secondary institutions are facing the same kinds of pressures.

I could also say this, that I am not embarrassed to be a graduate from the University of Saskatchewan. In fact I think that the two degrees that I have from that institution are recognized anywhere in this country, and they're recognized internationally. I would not be concerned if I was a student in this province looking at a post-secondary institution like the University of Saskatchewan, in attending the University of Saskatchewan or in attending the University of Regina.

This province has done a remarkable job of graduating people from our institutions, our universities, who have gone on to become the president of the CBC (Canadian Broadcasting Corporation), to become the Governor General of Canada, to go on to Wall Street and Bay Street, to become international educators, lawyers, physicians, teachers. We have done a tremendous job.

And I would just say this, that I think that by saying what you've just said, that students are concerned about attending the University of Saskatchewan because it's not as good as other institutions . . . and you continue to cast doubt in the minds of people that Saskatchewan is not first rate, and I think that you do a great disservice to the people of this province and to this province when you say that.

**Mr. D'Autremont:** -- Well, Madam Minister, you don't have to convince me. I'm not the one who's concerned about it. It's the students who are attending the universities today that are concerned about it . . . (inaudible interjection) . . . Look in the newspaper, Madam Minister; it's in there.

Madam Minister, your example of the president of CBC I'm not sure about. He may indeed be from Saskatchewan, but I'm not sure how high a recommendation that is. But the others, I will agree with you on.

Madam Minister, change tactics a little bit. I have a newspaper clipping here that deals with the High School Review Committee. And I'll quote from this clipping of March 9, 1994 from the **Leader-Post**:

The committee did propose fewer **required** credits for Grade 12 standing, which is something completely different.

He's talking about the English credits. And he goes on to say:

I believe that Saskatchewan currently requires more English than any other province. Still we hear that our graduates are weak in writing skills.

He goes on further:

You see, our present English curriculum does not concentrate on writing. It stresses literature. In fact, it seems that our kids get more literature than anyone in Canada. But that obviously does not teach them how to write!

And this is from Christian Stuhr, Madam Minister. Now I found that name to be kind of interesting, because it caught my eye and I thought, where have I seen that name before. Then I looked down the list of the people who sat on the High School Review Advisory Committee and there I find Christian Stuhr, the CEO of the Cypress Hills Regional College in Swift Current, and Council of Chief Executive Officers of Regional Colleges.

So this person, Madam Minister, does have some credibility. At least he had enough credibility to sit on the High School Review Advisory Committee.

So, Madam Minister, how do you respond to his concerns that too much literature is being taught and not enough writing and communication skills?

**Hon. Ms. Atkinson:** -- I think one of the reasons for

the high school review is that we've gone through a curriculum redevelopment in the province of Saskatchewan for basically K to 9. We have not yet done the curriculum redevelopment, or development that needs to be done for grades 10, 11 and 12, and some of our curriculum in the province is 20 years old.

The reason for the high school review was to ascertain the numbers of credits our students needed to graduate from grade 12. The numbers of credits that allowed them to go on to post-secondary institutions, if that's what they chose to do.

I think Mr. Stuhr raises some interesting points, certainly points that I've heard from some people in the province of Saskatchewan that our English curriculum is literature-based. It's not based in composition, writing, grammar, those kinds of things. And when I respond to the high school review, obviously I will be addressing the kinds of issues that Mr. Stuhr raises in the newspaper article.

**Mr. D'Autremont:** -- Thank you, Madam Minister. I wonder if you could tell me what percentage of the English credit system is literature-based as opposed to writing skills and communicating skills.

**Hon. Ms. Atkinson:** -- I'm advised that our curriculum basically is integrated, with compositional skills and literature, but we say that it is a literature-based curriculum.

The thing that I would like to point out . . . I don't know if you had an opportunity to take a look at K to 12 schooling. How are we doing? It was the Saskatchewan school indicators program, and if you look at our 1992 Canadian achievement tests in language arts, you will note that Saskatchewan scores higher than any other province in the country for those students in grades 6, 9, and 12.

(1645)

**Mr. D'Autremont:** -- Thank you, Madam Minister. I'm glad you said that was 1992 because that study was indeed done in 1990, '91, and '92 which was the era before the cuts were made. Madam Minister, even though . . . (inaudible interjection) . . . Yes, and the study was done prior to that, Madam Minister.

You talk about the . . . I'm losing my train of thought on this. I'll have to go on to something different and come back to this point.

Madam Minister, we talked . . . I believe I mentioned to you about the tax structuring, or perhaps it was the Minister of Municipal Affairs I was discussing this with, but it's the equivalent of both of them because it was talking about education.

A person can come in to pay their municipal taxes, their property taxes, and they can pay one portion of it and not pay another. I'm told by the SSTA (Saskatchewan School Trustees Association) that if a person is in arrears, that they're late in making their tax payments. So if your taxes are due from 1994, if you

don't pay your taxes until January 1, 1995 that you can then come in and pay a portion of your taxes and designate that as being the municipal portion. Therefore boards of education do not receive their portion of the taxes.

Madam Minister, do you have any information about this?

**Hon. Ms. Atkinson:** -- I'm advised that it's supposed to be prorated between the municipality and education. But I do understand that it is an issue and obviously we've been discussing that with our counterparts in Municipal Affairs.

**Mr. D'Autremont:** -- Well, Madam Minister, when you go in to pay your taxes this year that are due for 1994, they are indeed prorated. If you only pay 50 per cent of your taxes, 25 per cent . . . say it's an equal load between municipal and education, 25 per cent would go to municipal, and 25 per cent of that would go to education.

But the problem arises is when the taxes are in arrears. Then the person can come in and say, I want to pay all my municipal taxes, and they can do so, but not pay any of the education side of it. And, Madam Minister, there are boards of education right now that are being affected by this. Because people are coming in and doing exactly that.

I asked my municipal director, is it possible to do that? And he said, yes it is. So, Madam Minister, I think it's a serious problem that needs to be reviewed, investigated, and a solution found for.

**Hon. Ms. Atkinson:** -- Right. I understand that when the taxpayer comes in to pay their arrears, the municipality is supposed to share the funds equally with the municipality and the school board. I understand that there are some municipalities that aren't doing that and that's where the difference of opinion is.

Obviously, as I said earlier, we are discussing this matter with our counterparts in Municipal Government.

**Mr. D'Autremont:** -- Well thank you, Madam Minister. I would hope that these discussions would carry on at a fairly rapid pace because some of the school boards are indeed facing a problem related to this.

Madam Minister, what kind of changes were made to the foundation grants in this particular year to the formula, the computational mill rate formula.

**Hon. Ms. Atkinson:** -- We reduced the sparsity factor by \$500,000 and we increased the computational mill rate by 1.8.

**Mr. D'Autremont:** -- Madam Minister, I missed what you said, the first part, the \$500,000 -- what did you cut back there?

**Hon. Ms. Atkinson:** -- It was the sparsity factor.

**Mr. D'Autremont:** -- Madam Minister, the sparsity factor, you cut it back by \$500,000. What is the sparsity factor? How do you figure that out? How many people do you have in an area that would be classified as a sparse, compared to a normal or regular area?

**Hon. Ms. Atkinson:** -- We have a formula that calculates the numbers of students per square kilometre. The fewer students you have, the more funds you receive in terms of sparsity factor. I understand that there was \$6 million in the sparsity factor pool and it was reduced to 5.5 million.

**Mr. D'Autremont:** -- Thank you, Madam Minister. Earlier today we discussed the Crown foundations legislation and the implementation of a Crown foundation. And I had a number of questions there dealing with what the universities would do with the money.

Madam Minister, I wonder if you could explain to me what the universities will use this money for. I asked the Minister of Finance, and her explanation was that the monies would simply be funnelled into the university to be used in whatever manner the university desired.

**Hon. Ms. Atkinson:** -- I understand that in other parts of the country where we have these foundations, university foundations, that they used the money primarily for capital, scholarships, purchase of equipment that maybe normally wouldn't be purchased through normal grants from the province. I'm told that in most circumstances universities do not use the Crown foundation for funding operating costs.

**Mr. D'Autremont:** -- Well, Madam Minister, I'm glad you brought up the last part because that's the area that I have a concern with. I don't believe that the people who will be contributing to this Crown foundations want it to be used specifically for operating funds of administration. I believe that they would prefer to see these funds used for some specific purpose, and indeed some of them will designate those purposes and hopefully that will be carried through to the university.

One of the questions I asked the Minister of Finance, and she recommended that I ask you about it, is patents at the university. Can the university hold intellectual patents on their research projects?

**Hon. Ms. Atkinson:** -- We don't know the answer to that but we certainly will get back. I noticed your quizzing of the Minister of Finance and she didn't know the answer and she taught there for many years. I think they can, but we'll get back to you with the answer to that question.

**Mr. D'Autremont:** -- Well, Madam Minister, perhaps it's an area that should be seriously investigated.

I mentioned some of the U.S. universities to the

Minister of Finance, and the benefits that foundations have been to them and what they have done with them. And I think that this is an opportunity for the universities in Saskatchewan. But it has to be handled properly, and they have to be allowed to grow. And I don't mean by grow by holding the money in the foundations and simply become a capital pool. They have to be utilized, and they have to have the ability to have the patents in place so that they can develop.

When I visited at the university a year or so ago, they were talking then about setting up a subsidiary of the universities which could take research results and apply it commercially. And I think this is one of the areas in which the foundations could indeed assist because that would provide a capital pool to develop a commercial enterprise that would return profits to the university to carry on with their programs.

When you're looking at capital, scholarships, and equipment funded through the foundations, how would they determine . . . would the foundation and its board of directors have any determination on who receives scholarships, or would that be done by the universities?

**Hon. Ms. Atkinson:** -- I suppose the foundation could make a judgement on that, but generally it would be handled by the university. So I think that's the answer to your question.

In terms of intellectual property, you raise a very good point. I have long been concerned about the possibility of monies coming from the public to fund research at the university which then could be taken off the university and used to make some private individuals a great deal of money. And I think that when you have public funding of research, I think that there should be some ability on the part of the university to own and control, basically, that research for the advantage of the institution, not some private individual.

So I think you make a very good point when you talk about intellectual property and who should have ownership of that intellectual property, given that that intellectual property was developed with public funds or taxpayers' dollars.

**Mr. D'Autremont:** -- Well thank you, Madam Minister. When you look at some of the American universities you can see that they have applied those foundations and intellectual property patents to good use. I believe it's either Hewlett Packard or Hewitt Rand, one of those two large corporations, which is owned by one of the eastern universities because they have that ability, through a foundation, to funnel money into there that got them started initially.

Madam Minister, Ross and Petria, the students that we were discussing at the beginning, have sent me a note in, saying that they have provided the information that you mentioned to the bureaucrat in question, and that they still haven't received any results from that. So I thought I'd just pass that on to you so that you can review that situation.

Madam Minister, the Crown foundations . . . you also mentioned capital funding. If the foundation is going to provide capital funding, does that mean that the university or the public, through the Department of Education, would no longer be as responsible for providing capital construction at the university, capital equipment, the other items that would be necessary? Is this an indirect method of taxation where -- voluntary taxation -- where people would provide funds for the universities for which they receive tax credits that could be directed to specific projects in the university which under normal circumstances without the foundations in place, would be paid for by the Department of Education?

**Hon. Ms. Atkinson:** -- As you may know, all institutions in the province that receive capital funding from the Department of Education, Training and Employment have to contribute some funds towards these projects. Presently on the two campuses, if they want to go ahead with a capital project that involves province of Saskatchewan funding, then they have to contribute to those projects. So I do not see the Crown foundation as a way for the province of Saskatchewan to avoid its commitment to fund capital projects on the two universities.

**Hon. Mr. Shillington:** -- I move we report progress.

The Assembly recessed until 7 p.m.