

EVENING SITTING

PRIVATE MEMBERS' MOTIONS

**Motion No. 14 — Support for the Canadian Wheat Board
(continued)**

Mr. Johnson: — Good evening, Mr. Speaker. One of the things about the Canadian Wheat Board is that in the size of market and in the marketing of grain, the Canadian Wheat Board, for the amount of grain that we market in export sales, we really are not in a position to maintain a system such as they have in the United States.

The United States market — which is basically controlled by five or six fairly large private companies that dominate not only the U.S. (United States) trade but the world trade as well — these companies seem to be able to control and regulate the export sales. One of the things that can be said about them is that the large nature of these firms seem to be able to cover the . . . to be able to coordinate information and to contain risk that this market, this highly volatile and market of large traders, and volatile and competitive market, has.

So, Mr. Speaker, we in Canada, if we wish to have any of the grain industry here at all, we are basically going to have to maintain the Canadian Wheat Board.

Now, Mr. Speaker, it's been said . . . and I'm going to quote from the *Leader-Post* of about, oh, four, five days ago now. One of the things reported in there is that Canadian critics of the Wheat Board are inadvertently nudging us towards the worst-case scenario in which wheat boards with the market clout that comes from Pool selling is abolished, while exports to the U.S. by individuals, by private Canadian companies, or whoever, would be banned.

So we would be in the situation of lose, lose, lose. And, Mr. Speaker, I don't believe that's where we should be.

Some Hon. Members: Hear, hear!

Mr. Johnson: — Now before moving the motion, I'd like to point out that what the Alberta government is doing, if you can rely upon reports, it says in a report out of Edmonton, under the plan, Alberta would be buying grain from its wheat and barley farmers for a dollar, then transporting it across the border. Once in the U.S. the province would sell the grain back to the Alberta farmer for a loonie, who then would sell the grain to the American buyer. Klein hinted that the Alberta government could get around the federal law.

But, Mr. Speaker, the federal Minister of Agriculture, Goodale, said that Alberta would be doing what is basically an illegal act and it would not be tolerated.

So, Mr. Speaker, there is no particular gain to be made for those people who are attempting to circumvent an orderly system where everyone gains and no one really loses.

So, Mr. Minister, with that I'd like to move, seconded by the

member for Redberry Lake:

That this Assembly register its opposition to the recent Alberta proposal to circumvent the Canadian Wheat Board, thereby undermining the single-desk marketing of Canadian grains to the world.

Some Hon. Members: Hear, hear!

Mr. Jess: — Thank you, Mr. Speaker. I would just like to take this opportunity to speak for a few minutes on what I consider is one of the most important assets that prairie farmers have. I of course am referring to the Canadian Wheat Board. The board has served our farmers well for over 60 years. All those years farmers have had the protection of an agency that established an arrangement where a buyer had one Canadian supplier to buy from. Thus the situation was created that prevents a buyer playing one farmer off against another — which is exactly what the open market not only permits but encourages.

With the open market system, farmers, especially those with Bills to pay and a shortage of cash, are forced to sell when the bills are due, regardless of the price. By the same token, those in a better financial position can hold off sales in hopes of hitting a higher price. Such an arrangement is very detrimental to farmers, particularly those that are cash strapped. Often the young farmers trying to become established are the most vulnerable.

I often think that the late John F. Kennedy said it best, when describing the American farmers' position with their situation, having no protections from risks, such risks as the board protects us from, when he stated, "The farmer is the only individual who takes what is offered, pays what he's asked, and pays the freight on it both ways."

Well the federal Liberals followed through on the Tory agenda. So now we as farmers have no protection on the freight rates that the private rails can charge us, which makes a stable price on grain that much more important. Often we hear about the border jumpers in their attempt to get the best of both worlds, while they attempt, not always successfully, to capitalize on higher prices across the line. Those same people would be the first to run back to the Canadian Wheat Board when their bubble burst.

Back in 1923 when the first pooling was done in Saskatchewan, my grandfather, like thousands of others, was an original signer. We have been strong farmer supporters of orderly marketing ever since; a period of time in my family spanning four generations.

During the 1930s a system of voluntary boards was attempted which resulted in failure, as people sold to the board when the prices were low and attempted to deal with the open market should the price suddenly rise for a period of time. A voluntary board didn't work then, can't work now, and will never work in the future.

So don't be fooled by the suggestions of a choice of which method to market your grain. The end result will be financial

disaster for prairie farmers. In addition, such a system makes it virtually impossible to guarantee a steady supply, which impacts negatively on the overall market.

The Wheat Board may need some minor changes from time to time, as it has in the past. Attend the board meetings every year and express your views on the changes that you feel are necessary, but for your own sake, and for the sake of all prairie farmers, don't throw the baby out with the bath water. Or as the Premier so aptly put it in his response to an oral question in this Chamber on May 21:

... this debate about the Canadian Wheat Board is an important one because, as far as this provincial government is concerned, and I believe the vast, vast majority of farmers in Canada are concerned, the single-desk marketing system of the Canadian Wheat Board has served this country and the farmers very, very well.

That's not to say that there can't be improvements made to the Canadian Wheat Board, as there can to any institution, but what we do not support is what the Conservatives in this province are advocating, namely some form of two-tiering, a breaking-up of the single-desk marketing approach, which doesn't make any sense.

Mr. Speaker, almost all the buyers in the world buy from a single desk. The only ones who benefit when you have a multiplicity of sellers are the buyers. It makes no sense to the farmers of Sturgis, Saskatchewan, to be competing against the farmers in Meadow Lake; or the farmers in Saskatchewan to be competing against the farmers in Alberta. We stand for the Canadian Wheat Board 100 per cent.

Some Hon. Members: Hear, hear!

Mr. Jess: — Mr. Speaker, notwithstanding the best efforts, or if may say so, the worst efforts of the Conservative Party in this province to destroy the Canadian Wheat Board, you will not get us onside on that mission.

I say that, historically and in actual reality, the single-desk marketing system in the Canadian Wheat Board has been one of the greatest advantages for the farmers and the people of Saskatchewan and this country. It makes economic sense. It's the right thing to do when we meet the other competitors in the international market-place. And we're not going to privatize the grain industry.

I just want to close my remarks by saying that it may be ... not may be, it is the policy of the Conservative caucus to be in the hip pocket of ConAgra and the large marketing grain companies internationally. It is not our policy. We support the Canadian Wheat Board because it's the right thing to do and it makes sense.

Some Hon. Members: Hear, hear!

Mr. Jess: — I too would like to see changes to the Canadian Wheat Board. The changes I would like to see is a higher initial price guaranteed by the federal government and the inclusion of all grains and oilseeds that we as farmers produce, so that we

would not always be in the position of paying what we are asked and accepting what we are offered.

I believe I speak for the vast majority of farmers, and certainly for this NDP (New Democratic Party) government, when I say we stand for the Canadian Wheat Board 100 per cent.

Some Hon. Members: Hear, hear!

Mr. Jess: — We should be aware that while our support for the board is deeply entrenched, we must always be prepared to fight for what is rightfully ours, keeping in mind that the reactionary forces led by the Conservative thinkers in society are always at work, which means once again we must fight the good fight to keep our Canadian Wheat Board — the fight that was won over 60 years ago and must be fought again to ensure that we retain one of our greatest assets.

I move the debate be now adjourned.

Some Hon. Members: Hear, hear!

Debate adjourned

The Speaker: — Order. Why is the member on his feet?

Hon. Mr. Shillington: — I ask for leave to go to government business.

Leave not granted.

(1915)

Motion No. 15 — Implementing a Regional Telephone Exchange System

Mr. Gantefoer: — Thank you, Mr. Speaker. Mr. Speaker, it gives me a great deal of pleasure to have the opportunity to discuss an issue that is of significant interest to people of rural Saskatchewan in particular. It's born out of an experience that I had through the campaign, where in my constituency it came to my realization that there were a great number of telephone districts that were very much an impediment to the people that lived within those districts.

For example, I campaigned and visited folks in the Star City area. And what became increasingly apparent as I talked to those people is that these people were conducting their business in Tisdale or Melfort, and everywhere they went, they were forced to pay long-distance. Their children went to school in these other communities. They did business in these communities. And in all of these instances, everything they did, they were forced to call long-distance. And so when I went door to door, people would say to me, is there anything that is possible for you to do about minimizing these long-distance charges that we have?

When I went up further north in my constituency, Mr. Speaker, I ran into a great many people in the Ridgedale exchange, Ridgedale and Gronlid, who really didn't even have any community of any significant size within that telephone exchange. And so they were caught really between Nipawin,

Tisdale, and Melfort, and every call they made to do any amount of business, any amount of social interchange, was long-distance.

And as I looked into it further, it became even more absurd in the way the system had evolved, in that there were people that literally lived across the road from each other, and these people had children that went on the same school bus. They went to the same school. They went and enjoyed the same kinds of social activities. In many instances they went to the same churches. They did business in the same stores, in the same communities. And any time they wanted to talk to their neighbour across the road, they were forced to dial a long-distance number. And so it seemed to me that something certainly was necessary to be done.

What the people originally asked for . . . it said that would be at least as a minimum sort of an effort on their part, would be could they at least choose a more major community to attach their telephone number to, so they wouldn't have all these long-distance charges. And that seemed to be at least some move forward.

But as I thought about it more and more and I realized that one of the fundamental economic development initiatives of the government that I support in principle — of the regional economic development authorities — was there, and I looked on the fact that quite often what always happened in rural Saskatchewan is one community was pitted against the other in bidding for the services and favours that were available. I realized that it was important that what we did not do is end up with a situation where the people in Star City were forced to choose between the status quo or moving between Melfort or Tisdale and that old competition and rivalry would continue to take the order of the day.

And so in consultation with people from the economic development authorities in Tisdale and Melfort in my constituency and looking in the bigger picture, it seemed to me to be a very reasonable proposal to say, let's look at regional economic development authorities as a natural, evolving district that the communities in rural Saskatchewan are trying to embrace in terms of working together.

And when you think of what should happen within a regional economic development authority, a number of things came to mind. Firstly it made sense that these groups would work together as one community, a broader community if you like, that would do things that they were not able to do individually; that they would build a broader community sense beyond what their individual, little, parochial communities were that were always competing with one another, and that we could move beyond that situation to look at the broader issues. And so it seemed to me that there was some real benefit in that sort of activity to happen, and I support the government's efforts in terms of these regional authorities.

But more importantly, within that regional authority, over and above attracting the big things that happen in terms of tourism or culture or things of that nature on a broader sense, it also is important that we build a sense of regional community. Far too often one of the problems of rural Saskatchewan has been our parochial nature, where we sit and look at our own little

community and we would rather cut off our arm than let the neighbouring community have any recognition for achievement at all.

And I think what's happening into the '90s is that we are starting to look beyond these parochial kind of interests and moving it beyond to a regional interest. And so it seemed important that what we are able to do is build this community that was beyond our local, individual towns. And so it seemed to me that one of the foremost things that you have to do if you're going to build a broader community is to be able to communicate with each other.

And so it seemed to me to be very important that people in Melfort should be able to communicate with people in Tisdale, should be able to communicate with people in Nipawin, and all the rural and smaller communities in that whole area, and that this was a real vehicle to really allow regional economic development to happen in a practical, community sense.

And so in proposing a private member's Bill last week, that was the thrust of what we're trying to do, is to say we need to be able communicate within the region in order to really build a sense of regional community. And I understand that this creates some difficulties, but it also creates a whole new way of looking at rural Saskatchewan in a very proactive way. I think that when we talked about some of the small-business things this afternoon, we talked about the small communities, the individual people who were the heart and soul of our communities.

And that community base has changed over the years. I recall when I was growing up that there used to be the rural school communities and many people that are even a tad older than I am remember going to rural schools. I remember starting school in a two-room school. And that was a bit of a sense of community.

And it was with interest that I think that I had a conversation last evening where an individual said to me that when you look back in our fathers' days, we could look around a rural area and say, here was a family on this quarter section that had five children; here two miles away was another homestead with five or eight children. And bus routes in a very small, local, agricultural area had 15 or 20 or 30 families, and they all had reasonably large children bases.

And so what happened, you had these rural communities that were very much tied around a rural school setting. And that has diminished over the years, and so then we ended up with a situation where we ended up that the community expanded once again, and the small towns and villages became the base of that community. And we saw that flourishing.

And we also now see in the '90s where farms are getting larger, the number of children people have are getting smaller. It's becoming increasingly important that the community base has to expand once again in order to establish community.

And the telephone and communications media has to follow that. It used to be, and I can remember as a young child, where the phone was on the wall with a crank. And you had the one or

two cranks or whatever . . . (inaudible interjection) . . . yes, we are; yes, we are . . . (inaudible interjection) . . . yes, we are . . . (inaudible interjection) . . . no. And it was on the wall.

And there used to be the community information would come over the phone. There used to be the general ring and all of a sudden there were specials from the grocery store, there were specials from the hardware store. The telephone media was very much a part of what brought us together as a community because communications were very much part of it.

And then we moved forward, where we had the dialling system and SaskTel moved in and was able to take over, and not an unfriendly sense, but to absorb the local telephone networks, the local telephone exchanges. And that all sort of changed the way things happened, and yet we've been left with a lot of the local sort of things.

We've ended up, because Melfort was an exchange, it stayed an exchange. The rural community exchanges, because they were exchanges, stayed as exchanges, and the community atmosphere has now moved forward and changed as well.

But what's not happened is we haven't kept up with the reality of how we bill people and how we allow the interchange of ideas and communications to happen to keep up with the changing realities of Saskatchewan.

And so, Mr. Speaker, it seems to me that it is a fundamental thing that we need to do, is to allow our ability to communicate with one other to catch up to the changing face of Saskatchewan; to accept the realities of a changing population, changing demographics, and changing trade patterns, and to embrace the idea of a regional economic development authority and move the communications into that reality.

And so, Mr. Speaker, we propose that what should happen is that communications within a regional development area be toll free. And that allows us to engage in this communication process of being able to talk to one another as an expanded community within that district without financial impediment.

And I know that that has some relevance in terms of SaskTel revenues; I understand that. I understand that what has happened and evolved is that we have now . . . have an income source that comes out of these long-distance calls on a local level and we will have to find ways of addressing those revenue issues.

We can either address them by changing the rates at which we charge for long-distance calls that go beyond the region; we can address those issues by saying that there should perhaps be adjustments to the base rates that people pay so that this is allowed to happen, and perhaps we have to take the courage to say, as a matter of government policy, that we can't continue to just take money from rural Saskatchewan by way of VLT (video lottery terminal) revenues or whatever, that maybe something has to be put back in order to allow these communities to be able to communicate and establish that regional base that is really needed.

And so, Mr. Speaker, what was intended to happen in this is to

allow the realities of communication to catch up to our demographic realities right now.

In my constituency, for example, there are now nine exchanges for long-distance. And that's just unacceptable, that people should have to all phone long-distance within those nine exchanges. There's something like 35,000 people in a rural constituency right now, and for us to have nine long-distance exchanges is unacceptable.

In Saskatoon or Regina, there's approaching 200,000 people, and none of these people have to call each other long-distance in order to build a community of an urban centre. And so I think that it's time for us, as a community of Saskatchewan, to address this reality.

And so, Mr. Speaker, I strongly support the idea that what we have to do is to allow these things to happen, to move forward with the issue of building a communications network that will address the reality of our community on a broader issue. And I strongly urge all members to support this motion that is proposed this evening. Thank you, Mr. Speaker.

The Speaker: — We don't have a motion before us, unless the hon. member would move his motion.

Mr. Gantefoer: — Thank you, Mr. Speaker. I would like to move the following motion:

That this Assembly encourage the government to fully implement a regional telephone exchange system throughout the province of Saskatchewan.

Seconded by the member from Saltcoats.

The Speaker: — Order. Order. Order, order. Order! Now all hon. members will come to order and allow the motion to be read and the debate to proceed.

(1930)

Mr. Bjornerud: — Mr. Speaker, I agree with the member from Melfort, and it's a concern of the rest of the caucus too over here, and I'm sure it is for the members opposite in the third party.

The RM (rural municipality) that I was reeve of, just for one example, had five exchanges within our councillors and reeve, and our administrator was also on long-distance. So you make that six exchanges just to deal with an RM meeting or whatever came up.

These kinds of things are happening all over the province, Mr. Speaker. Now you go to SaskTel and they provide us with a 40/40 plan or the real savings plan which is 15 per cent off long-distance phone bills over \$1,500; 20 per cent discount on the three most often called numbers; or you can be re-homed and localized to the neighbouring telephone exchange if you happen to live on the border. But the problem with that, as SaskTel has told us, that probably would cost you approximately \$1,500.

All of these plans, Mr. Speaker, cost SaskTel many, many dollars. So I think what we're saying is do away with the 40/40. Do away with the real savings. Do away with all the gimmicks that they've come out with. Put it toward bigger regional exchanges and we'd all be much happier.

Mr. Speaker, I'd like to touch on business in small town Saskatchewan, out in rural Saskatchewan. Businesses above all would come out ahead on this deal. It would put businesses back on a level playing-field with their city counterparts. People in Regina and Saskatoon, Mr. Speaker, probably have the benefit of 100,000 phone numbers in their phone book. You come out to rural Saskatchewan and many of us are lucky if we have a 150 numbers. Anything above that and we're paying long-distance.

The problem, we have been told, is that there's a technical problem for SaskTel to switch over and it's costly. Well I don't agree with that, Mr. Speaker. For one example, I believe that we could keep our same numbers as we have now, and through the billing we could all be charged as it was a local call and there is no technical side. We're all billed every month. If the long-distance charges are to these communities that we're amalgamated with — and that seems to be a famous word for the government opposite, so in this case I seem to go along with it — I think this problem could also be solved.

You know, Mr. Speaker, we are told that municipal government must accept change. Health, education, and many other areas should accept change to prepare for the year 2001. But out in rural Saskatchewan our phone exchanges are exactly the same as they were when the telephone came in. So what we're saying is yes, we have to prepare for change. Here's a great example to start with. Let's not stay back in the horse and buggy age. Let's climb out of it and let's make bigger regional telephone exchanges.

SaskTel management has also agreed with us that SaskTel's costs for rural phones are very high, and they're actually in the process of working on more savings programs. So let's solve the problem, Mr. Speaker, by just taking away all these ad hoc programs and once again make our regional telephone exchanges bigger.

Mr. Speaker, our schools are farther apart and they're becoming farther apart every day. Next year we'll see it much farther apart, from what we fear. There are fewer hospitals. Everywhere we turn to do business is long-distance so, Mr. Speaker, for SaskTel to say they are subsidizing rural telephones is also a myth. At one time they were. They subsidized us heavy to give rural Saskatchewan an even chance with the cities, but that day has come and gone.

We've noticed with the Internet there's a two-tier system; our telephones are a two-tier system. And I think really, Mr. Speaker, is all we're asking is to be treated equal, and to be treated equal we need a lot more numbers in our repertoire of our phone book, the same as everyone else. Thank you.

Some Hon. Members: Hear, hear!

Mr. Johnson: — Thank you, Mr. Speaker . . . (inaudible interjection) . . . Mr. Speaker, it's an interesting thing for me to

listen to the speaker who moved the motion, and I will get to the Leader of the Third Party's remarks later. But one of the things that . . . I took a few notes while I was listening to the member talk, and what struck me the most was that he said that we should get on with the reality of communications and meet the demographics of the community, etc., as far as communications is concerned.

But this same member, I can remember, in this particular House, using the same logic, wouldn't say that should take place for health care, where we should get on with the demographics of the community.

And let me just take a look here; I think I've got some of them down — change some of the community patterns with the community and live with some of the changes that have occurred in the community, as people used to be able to ride a horse basically, to all their neighbours. Then they went with a car, etc., etc.

It's very strange, Mr. Speaker, that in the case of telephones, that this seems to strike the individual as a possibility, but not in health care. It's very strange.

What the member basically is putting forward is that as long as it's technology and as long as it is moving in favour of the individual with the benefits coming from some place else and more cross-subsidization, then it's okay. But when it is implementing new technology, new medical services, and you are expanding to where the services can be provided at a very economic manner, it's not okay. Very strange dichotomy that the member opposite has.

Mr. Speaker, the member has also indicated that there may be a need to generate revenue in order to do this. And he went through a number of different things. Number one, he said that the rates could be increased for long-distance calls elsewhere throughout the province.

That's a very interesting thing to do if you were not in the situation where deregulation is occurring across the North American continent and that particular method of cross-subsidization, which served SaskTel very well and the community of . . . and the whole province of Saskatchewan very effectively over a period of years, is no longer available.

And maybe he should speak to his cousins in Ottawa and ask them why they've destroyed what he really wants to use in order to provide telephone services to his rural community. In other words, he is saying that his cousins in Ottawa did the wrong thing and have created him a problem, and now he's looking for somewhere else.

He said that you could increase the monthly rates, Mr. Speaker. Increasing the monthly rates is an interesting experience. But if you look at things, what that generally does, Mr. Speaker, in increasing the monthly rates, is what you end up doing is you make it more and more difficult for those people on the lower economic end of the scale to have telephones.

And in the province of Saskatchewan, I can say quite proudly, that we are a province that 98 per cent of the households in the

province of Saskatchewan do have telephone service. They may not be in a position where they can use the telephone service on a basis without care, because there is cost for long-distance, but they do have the availability of telephone service, Mr. Speaker, and as indicated, reasonably priced and for them to be able to have it there. So we go through two of the suggestions.

Third one, I believe, if I got my notes correctly here, Mr. Speaker, was that he said that he could pay for some of the cost by taxation from somewhere else; raise the taxes locally. Mr. Speaker, if I understand correctly the municipalities — all of the municipalities in this province — have said that you shouldn't add any new taxes to the local tax base. They didn't want the health district boards to have that. And here we have a member standing in the Assembly here suggesting that that's what should be done.

Mr. Speaker, I find that a very strange situation to occur where the member is saying one thing at one time and agreeing with one group of people at one time; when he finds it to his advantage he skips the fence and stands on the other side and says that he wants to do . . .

Now, Mr. Speaker, the telephone in the province of Saskatchewan have covered . . . have been very, very great; have done a large number of things over a period of years that I think I should put on the record as they've improved their service.

Mr. Speaker, in 1979 SaskTel installed the first digital switching network. In 1984 they had the longest fibre optic system in the world — 3,268 kilometres. In 1986 SaskTel International incorporated as a wholly owned subsidiary of SaskTel to market telecommunications expertise internationally, and from one of the things that they did is that they worked in the Chunnel under that.

Mr. Speaker, in 1987 digital switching modernization program was announced that resulted in Saskatchewan having an all-digital network in place by January 1996.

But it's even more interesting, Mr. Speaker, to look back and understand that SaskTel in 1919 had the first . . . the telephone exchange in the community of Qu'Appelle, Saskatchewan, became the first exchange in North America to operate as an unattended office. The exchange is the first in Canada to provide dial service to rural customers — in 1919.

Mr. Speaker, in 1947 Saskatchewan Government Telephones was incorporated, taking over the operation of the provincial telephone network. Mr. Speaker, the name was changed in 1969 to Saskatchewan Telecommunications, and again in 1984 when the official name became SaskTel.

Now, Mr. Speaker, I think the member opposite in . . . the seconder, I should say, of the motion opposite should have taken the time to read a little bit in the annual report of SaskTel 1995 before he stood up and spoke. He wouldn't then have made so many mistakes. Because if you check on page 10, it indicates just what SaskTel has been doing in the area of cross-subsidization. It says in the second paragraph on that page:

On average, the basic monthly service rate each subscriber pays falls \$18 short of paying the cost of providing access to the network.

On an average basis. That's including rural and urban telephones.

As a Crown corporation, we have a mandate to provide universal and affordable service. Therefore, to subsidize the high cost of providing local service, we have always used our revenues from long distance.

Now, Mr. Speaker, that is the . . . the member who seconded it indicated that he didn't believe that there was any cross-subsidization, and especially that there wasn't cross-subsidization to the rural side of the telephone network. If he'd have taken some time to even have read the report, he would at least been able to say, I disagree with the report. He wasn't able to do that. He just came out of the thin air and said that it wasn't so. And, Mr. Speaker, I think that the member opposite should do a little bit of homework before he does any remarks.

Well, Mr. Speaker, the member opposite finds that the rural community . . . the member opposite seems to be indicating that the rural people who are using the telephone network are wanting to make a massive change. I would not recommend that you accept that. Because if you look at telephone companies throughout the rest of the world, one of the things that possibly would be occurring is that you start paying for your telephone use on a minute basis as you use it. And that's one way of covering the cost. And I take the effort and the time to tell the member that sometimes a change is not always for the better. And in this particular case, it wouldn't be for the better.

I know that the member suggests that that's the case for health care, but I'd like to point out something to him. One of the problems in health care has been the political expenditures that have been made in it by all three political parties. And you are indicating in this House that a number of times that you'd like to make a large number of those expenditures.

Well if you take a look in the long . . .

(1945)

The Speaker: — Order. Order. I want to again remind the hon. member that when engaging in debate, to direct his remarks through the Chair, and not directly to members of the Assembly.

Mr. Johnson: — Mr. Speaker, I believe that through you I would like to point out to the seconder that if he were to take a look at some of the expenditures that have been in a political sense, he would probably find out that you'd find some long-term care facilities are operating at twice the cost of some other long-term care facilities because of political decisions that were made in the past.

And, Mr. Speaker, some of the 345 local telephone exchanges in Saskatchewan have a fair size and some of them have a very

small size, and some of these exchanges have just recently become part of the telephone network.

The subsidy portion, which I'd indicated previously of about \$18 per month, varies in total amounts to about a hundred million dollars a year. So there is a fairly large transfer of funds from the long-distance charges to the actual monthly rates that receive . . . in the subsidy for the average monthly rate of a telephone.

Mr. Speaker, the telephone company itself indicates that there is changes coming. And it says in the same page:

Inevitably, there will be changes in the way we deliver and pay for some services. Universality remains a goal for SaskTel; however, everything we do is increasingly subject to economic realities and technical limitations.

So, Mr. Speaker, I indicate again to the members opposite that one of the things that they should be prepared to do is at least have read some of the material provided to them on the different Crown corporations before they bring a motion into the Assembly.

Mr. Speaker, I will not be agreeing . . . I will not be supporting the motion that the members opposite have put forward, but will be voting against it.

Some Hon. Members: Hear, hear!

Mr. Belanger: — Thank you, Mr. Speaker. Just a few points on the motion put forward by my hon. colleague in reference to the regional telephone exchange system throughout the province of Saskatchewan.

The fact of the matter is, ladies and gentlemen, we have a news flash for the government — in fact long distance telephone competition is coming. It's at our borders. In 1997 it's going to be a reality in Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Belanger: — I think if anything, Mr. Speaker, the intelligence of the member from Melfort -Tisdale is something that we need to really build on when we talk about such a motion. And the equal intelligence of my gentleman friend from Saltcoats, in supporting the effort, has to simply say that it's time for us to examine the whole issue of what we're dealing with here.

We are talking about the Saskatchewan government shoring up the current customer base that they now enjoy in light of the fact that long-distance telephone competition is coming. It's a fact of life. We know it's going to be coming so we have to make every effort to ensure that the current customer base that we have that makes SaskTel viable has to be retained. And how best, Mr. Speaker, to do that — when you have an effort of this nature — to encourage a regional telephone exchange to make sure that the customers benefit.

Secondly, Mr. Speaker, if we look at the effort we're trying to do here, we're trying to entrench the viability of SaskTel for the

sake of its employees. If we have a telephone company coming in and offering regional telephone service to a certain specific area, offering cut rates on long-distance and offering better service, then SaskTel becomes a big white elephant and then the values go down, the employees go down, and the province can consistently go on to lose their effort in support of SaskTel. So we have to look at the viability of the employees as well in terms of their continuing employment in Saskatchewan within this Crown corporation.

We also have to show, Mr. Speaker, the value of the Saskatchewan people owning some of these utilities. We have to show the overburdened people that there are some breaks, somehow and somewhere, that this government will offer to people in terms of giving them service. Let us show the people of Saskatchewan that they do own SaskTel and that they can and will reap the benefits of owning the SaskTels, the SaskPower, the SaskEnergy, of this Saskatchewan government.

So, Mr. Speaker, this 911 system — I'm sorry, the regional telephone exchange system — we're talking about is exactly doing that. They're giving a regional effort to ensuring that we have the best delivery system for the people of the province, thereby the users of the SaskTel system.

I think the most important issue that we want to raise, Mr. Speaker, is not necessarily talking about the sale or the privatization of these Crowns, but really having people see the benefits of owning these Crowns. And this motion and this thought that the hon. members that I spoke about earlier put forth is exactly doing that. If the people of Saskatchewan do not see the benefits of owning these Crown corporations through motions and efforts of this nature, then they can't see the value of their existence.

If these Crowns are not used to serve their owners, then where are the values of owning these Crowns? If these Crowns are not contributing to the debt reduction, or tax reduction, or even cost reduction, then where are the values of the SaskTels and the SaskPowers? If all these Crowns do is create profits to satisfy huge corporations and the huge salaries of some of these corporations and no support for the small guy or the regional small communities or the small-business person, then where is their value, Mr. Speaker? These Crowns were intended to serve all people in the best manner possible. We see that SaskPower earns huge profits; we see that SaskTel earns huge profits, SaskEnergy earns huge profits — and the list goes on and on and on.

Mr. Speaker, we talk about the 911 system. We talk about how we need to instil that system to serve and protect the people as best we can in light of the health care cuts.

Well, Mr. Speaker, that 911 system is not being covered by SaskTel. It's being covered by income from the VLTs, another area that we need to examine in terms of where the money is going.

At the very least, Mr. Speaker, this motion speaks about the value of owning these Crown corporations. They're serving the small people; they're serving the urban and rural people in a very similar fashion; they're supporting small business, and it

also helps larger business and larger opportunities come to Saskatchewan.

So, Mr. Speaker, in reference to the motion — the private member's motion put forth by the hon. member from Melfort-Tisdale — I certainly speak in support of it, that a regional telephone exchange system be developed throughout the province of Saskatchewan so the people of Saskatchewan can finally see the value and benefit of owning these Crown corporations instead of having the government use them to derive huge profits on the backs of the very people they're supposed to serve.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Osika: — Thank you, Mr. Speaker. I rise to support the motion from my colleague from Melfort-Tisdale and so eloquently addressed by my colleague from Athabasca and Saltcoats, Mr. Speaker.

My comments will be brief because I find myself virtually speechless in listening to the member from Shellbrook-Spiritwood, who is a rural MLA (Member of the Legislative Assembly), who no doubt has constituents who live in a variety of telephone exchanges who are required to pay long-distance charges virtually within anywhere from 8 to 28 miles and perhaps even closer.

I had one person tell me that the long-distance rates in short distance were so bad in some areas of rural Saskatchewan that when he went out to feed the cattle in his barn and wanted to phone home it was long-distance. I think he was stretching it, Mr. Speaker, but that's what's happening.

In my own constituency of Melville, within anywhere from 8 to 30 miles . . . we have in a radius of approximately 50 to 60 miles, 17 telephone exchanges. People that live within 9 miles, communities within 9 miles, of one another have to phone one another long-distance.

In this day and age, with the closing down of health care facilities, with the closing down of schools, with the shutting down of businesses, people not being able to remain viable because of cut-backs by the NDP government, it's necessary now for people in these small communities to communicate with the larger centres — with Melville, with Ituna, with communities that are still holding on to the things that they need, the services that they can hold on to without having them disrupted, and have that service available to them.

But when they have to continuously phone and pay those additional long-distance charges, a regionalized system such as suggested in the motion by my colleague from Melfort-Tisdale would only make sense. It's a savings to those very taxpayers who are being so badly treated. The reference that I believe I made in the House once before, it's getting to the point where even our health care system, where you go into the lobby of a wellness centre after 5 o'clock and hope you have a quarter so you can make a phone call and let somebody know that you're out there and you need some medical assistance. And hopefully

an operator won't cut in and say, please add more coins.

Mr. Speaker, those are the points I briefly wanted to make because, again, I could not believe that any rural member would . . . MLA would speak against something that would benefit all the people living in rural Saskatchewan that still rely on those services that are not immediately available, but they have to phone for. They have to phone their schools, they have to phone whenever there are emergency repairs needed, whenever there are emergency services needed for veterinarians, health care workers. And it goes . . . the list goes on and on, and the phone bills continue to pile up.

So, Mr. Speaker, again as I mentioned at the outset, I'm just amazed that rural members of both sides would not support the concept of regionalized telephone systems. And as my colleague from Athabasca indicated, there is competition coming to SaskTel in this province, and by golly, I will be willing to bet that people moving into this province to offer competition will offer and afford the kind of services that our people in small communities very desperately need and deserve because they've been paying for all these services virtually all their lives. They're the people that built this province.

I thank you, Mr. Speaker, and I hope that members will be cognizant, even those who do not speak against the closure of rural hospitals and health care centres, I hope they will be cognizant of this very vital motion to ensure that the burden is reduced on the people in rural Saskatchewan that are taking all the hits. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

(2000)

Mr. Heppner: — Thank you, Mr. Speaker. I'd like to make a couple of comments on this particular issue because in my constituency this is an issue that's very uppermost in many of the minds of the people, especially in some of the areas where the districts were created decades ago. Those districts now, because of what's happened in rural society where they have schools in one community, their church is in another one, their sports activities in a third one, their place where they fix their vehicles in a fourth one, sure, and for those kinds of reasons, these people have to make long-distance phone calls for almost everything except a holler to who's in the bathroom. And I think there need to be some changes made.

Then when they look at what happens in other parts of Saskatchewan . . . and I'm thinking of the Saskatoon district where they have close to a quarter of a million people. That's one of every four people in the province can call the rest of those quarter-million people in the province for absolutely not a single cent. They can call 70 to 80 kilometres away without paying anything. When you look at those kinds of discrepancies, that's not fair. There's absolutely no fairness in that sort of a situation whatsoever.

I understand the rationale for cross-subsidization and some of those terms. But possibly these people that can go ahead and now call a quarter of million people and not have to pay a dime . . . And others again can't call their kids in school. They can't

call the person from home that's working some place. They can't call to find if their car's fixed without paying long-distance phone calls. There is an inequity there, and that needs to be addressed. And I think this particular motion that was made there does start to address those kinds of problems, and I think we need to look at that very seriously. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Draude: — Thank you, Mr. Speaker. Mr. Speaker, I would like to speak briefly also on regional telephone systems. I want to just inform the members of the Assembly of some scenarios within my constituency, particularly. I'm on the Bruno phone exchange, and we have a town half a mile from where I live that I have to phone long-distance to. It's probably about a three-minute walk, but none the less it's half a mile. And for years and years now we have had to pay long-distance on that.

Now those farmers in that area are all connected, most of them connected, to the Bruno exchange. But there's also the town half a mile from me is connected to another exchange. And so the fact is that most of those farmers need to access services from Humboldt, from St. Brieux, from Bruno, from Cudworth, and so on.

Now if I lived right in the town of Bruno, it would be long-distance for me to call to all of those places. Now those places are within, some of them, 10 miles away, 12 miles away. It seems, as the member just mentioned before, that it seems terribly unfair to us that we should have to deal with these long-distance charges over and over and over again when I can talk to my mother in Saskatoon, and she can phone for miles around and not have to pay long-distance.

I think most of the people within the rural areas would be happy to maybe have a little bit more of a rental charge — not too much more, but a bit more — and be able to drop these long-distance charges that inevitably . . . especially nowadays when everything is so business oriented. You are on the phone very often trying to access services. So I thank you, Mr. Speaker.

Mr. Kowalsky: — Mr. Speaker, thank you very much. I want to just make a couple of comments on this because of what I see is the opposition once again asking for a free lunch. Every place they go they're asking for a free lunch.

What they are trying to do here, Mr. Speaker, is trying to say that somehow as you can change the boundaries and everybody can have free time on the telephone for an extended period of time. Well it just doesn't work that way, Mr. Speaker. If you change the boundaries right now, it would be like moving some people from there over to there. And then you know what? The people sitting next to him would have to phone long-distance just to a different position.

Mr. Speaker, it's not as simple as changing boundaries because the boundary line has to fall somewhere. And so there would be new people that would have long-distance calls. That's point number one. That's point number one, Mr. Speaker.

The alternative to that, to changing boundaries, is to remove the boundaries, in which case you go to a time system. So then what you do is you end up paying on the basis of time and distance. Are you prepared to go home and say to your people: we want a system that'll pay for time and distance. You have to do that, because I tell you folks, there is no free . . .

The Speaker: — Order. Order. Order. Order. Now the Speaker is having a great deal of difficulty being able to hear the hon. member from Prince Albert Carlton. Order. Order. Order. Order. I will ask all members to come to order.

I will also want to remind the hon. member from Prince Albert Carlton to direct his comments through the Speaker and not directly to members in the Assembly. And I'll ask all members to come to order and allow the member from Prince Albert Carlton to make his remarks.

Mr. Kowalsky: — Thank you very much, Mr. Speaker. The final point that I would like to make is the point with respect to opening up SaskTel and telephones to competition. One thing we have to keep in mind, Mr. Speaker, is right now there's a cross-subsidy from the urban areas to the rural areas to the tune of approximately up to . . . could be up to as much 100 million a year.

And the minute it goes to full competition, what is going to happen is rural Saskatchewan would suffer, and I don't know if that's what the members there want. If they want to see competition coming in and they want to see people from outside coming in and picking off the profit areas, the result of that is going to be that rural Saskatchewan telephone users will have to pay more — 2, 3, or 4 times more. And they ought to be very cautious about what kind of motions they make.

On the surface it sounds very good, Mr. Speaker, when you go to your neighbour and tell him, yes it would be nice to move the boundary over 3 or 4 miles. But then go down to the next neighbour that's 3 or 4 miles down and tell him that story.

An Hon. Member: — Or her.

Mr. Kowalsky: — Thank you. Thank you very much . . . or tell her, Mr. Speaker, that story.

Mr. Speaker, I do believe we have some other business to conduct. I now move adjournment of debate.

Debate adjourned.

The Speaker: — Why is the member on his feet?

Hon. Mr. Shillington: — To ask for leave to go to government orders.

Leave granted.

GOVERNMENT ORDERS

COMMITTEE OF THE WHOLE

Bill No. 5 — An Act to amend The Education Act

The Chair: — Order. Before we start consideration of the Bill, I invite the minister to reintroduce her officials who were introduced yesterday.

Hon. Ms. Atkinson: — Thank you, Mr. Chair. To my right is Craig Dotson, deputy minister for the Department of Education. And to my left is Michael Littlewood, director of third-party funding and legislative services.

Clause 1

Mr. Krawetz: — Thank you, Mr. Deputy Chair. And thank you to the two gentlemen in showing such patience in waiting to get to Bill No. 5. I would like one more question answered, Madam Minister, that I inadvertently overlooked last time.

Your definition of temporary teacher has a slight change to it. And I would wonder why under the old Act the definition for temporary teacher, clause (qq)(ii), stated: to replace a teacher who for any reason in unavoidably absent. I note that in your new definition you've removed the word unavoidably. And I'm wondering what was the reason behind this. What is the intention?

Hon. Ms. Atkinson: — One of the difficulties, Mr. Chair, with the old article was that we had a difficult time understanding or interpreting what was avoidable and what was unavoidable. So we just wanted to get rid of that language in this particular section of the Act. And I guess the other thing is, is that if you look at the difference between the old section and the new section, we've gotten rid of the gender reference in the article.

Mr. Krawetz: — Thank you, Madam Minister. Yes, I noted that that was part of the change.

Were there interpretations made by directors of education, principles that caused some concern to the department and to you as minister? Or is it just a decision that you're not looking at now, having to interpret to what is avoidable and what is unavoidable? Like, is a snowstorm an absence?

Hon. Ms. Atkinson: — It was just in general trying to clean up this particular clause in the legislation.

Mr. Krawetz: — Thank you, Madam Minister. Madam Minister, as I indicated to you the last day, and the previous time that we were in discussion on Bill No. 5, I've raised a number of issues with you around the decision that you would recognize a continuous contract after one year instead of some other length of time. And I'd like to share with you a couple of the things, or maybe probably summarize some of the things . . . that I am going to propose an amendment to clause 9 when we get there.

I think what you have stated, and what I concur with, is that the judicial decision in the Wiebe decision has shown that indeed there are a number of contracts that are out there for an entire school year. And they have gone on for years and years and years, and that has to be corrected. And I think what I'm going to suggest is that yes, I agree with that and that it should be changed from continuous contracts from four or five or seven years, and we should look at that.

I'd also encourage you to look at the amendment from the point of view that I think a two-year situation will better protect the new teachers that enter the field for the very first time, that indeed they'll be given a bigger chance of evaluation by not having that pressure of having to actually cut it in the first year or not making the grade in the first year.

(2015)

The third point I'd like to look at is, I think if we extend beyond the one-year period of time we are not placing as much of a burden on boards of education regarding over-staffing. And I know you have indicated that a two-year commitment for redundancy pay — which will occur in many of the rural school divisions because there are, you know, with declining enrolments there's always an abundance of teachers — that that's not a lot of money. But when a board is hard-pressed for money, even that small amount does play a role.

The fourth point that I'd like to raise is that we're not only talking about consecutive years. We're not only talking here about a situation where someone is replacing a teacher that has been granted a second and a third year of leave.

I recognize that your Bill is trying to address the situation where someone continues to be a replacement teacher for a particular teacher in year one and then another teacher in year two. If they have missed a year, then they should also get recognition when they get re-hired for a subsequent time.

And my suggestion here is that we take a compromise, that we don't look at it after only one year. If you're hired for the second year, that indeed we look at it at the end of two years. And that way I think we've got a better situation in school divisions, I think we have a better situation for teachers, and I believe the whole system will work better.

The final point, I think, is that I know that you have had discussions with the stakeholders. I know that the LEADS (League of Educational Administrators, Directors and Superintendents) group has been involved in some discussions. I know that the Saskatchewan School Trustees Association has been involved in some discussion. And I know that the largest group of people that are involved here and are very concerned are the Saskatchewan Teachers' Federation. And I know that there's been discussions there about what might be a compromise, and you've indicated that you had to take a leadership role because things didn't quite work out as you had hoped at the stakeholders' level where there would have been a complete process put in place.

And I would ask that you seriously look at the amendment that I will propose, that will, I think, address not only trustees' concerns, not only superintendents' and directors' concerns, but also I think will address the real concern that I have for beginning teachers. And as I've indicated, when we get to the appropriate clause, I will propose the amendment. Thank you.

Hon. Ms. Atkinson: — Just in response to the member. I think it's fair to say that I recognize that school divisions, particularly in rural Saskatchewan, are facing declining enrolments and I

recognize that 10 days redundancy pay at a time of tight resources, at a time of tax fatigue, at a time of just tremendous pressures, may not seem like a lot in the big scheme of things but for individual school divisions, it is a lot. I understand that.

The point that I would make is that I do not believe that there are many cases throughout the year where a school division is in a position where they have a teacher that's away for a second year, a second leave of absence, or a second year leave of absence; that this would occur in very few cases. I guess I would be of the view that at the end of a first year, if a teacher is not working out, the board can release that teacher. They don't have to offer them a second-year replacement contract. They can make that decision at that time.

And the other point I would make in terms of your argument, and it's a point that I've made earlier in our debate surrounding these amendments, is that in a case where a teacher is given a second-year contract, the board at the end of the second year can let them go if they're not cutting the mustard. If they have nothing else to offer them, and they're not entitled to a board of reference, they are entitled to redundancy pay.

My final point would be this. That if a school division was in a position where they had a teaching assistant, that teaching assistant had been in place for two or three or four years, under the Labour Standards Act, that teaching assistant would be entitled to a week's pay for every year of service if they had to be laid off. And so in a sense we are treating teachers differently than we are treating other employees of a school division.

Clause 1 agreed to.

Clauses 2 to 8 inclusive agreed to.

Clause 9

Mr. Krawetz: — Thank you, Mr. Deputy Chair. I would like to move the amendment to clause no. 9. I would like to:

Amend clause 9 of the Printed Bill by deleting subsection 198(9) as being enacted therein and substituting the following:

“(9) Where a board of education or a conseil scolaire, as the case may be, engages the service of a replacement teacher for a third complete academic year, that teacher is deemed to have been employed under an indefinite contract pursuant to subsection 200(1) from the first day of the teacher's engagement as a replacement teacher”.

I so move.

Thank you, Mr. Deputy Chair. Mr. Deputy Chair, I had the order mixed up and I'd like to read the first clause 9 of the Printed Bill. Clause 9 of the printed Bill:

Amend clause 9 of the Printed Bill by adding immediately after the words “define the specific period of employment under the contract” where they occur in subsection 198(8) as being enacted therein, the following words:

“, but if the temporary or replacement teacher has been employed by the board of education or conseil scolaire, other than on a substitute basis, for two complete and consecutive academic years immediately preceding the new engagement,

The Chair: — Order. We're going to have a brief pause while we get this sorted out. I ask for hon. members' consideration while we get the amendments sorted out. Thank you.

Mr. Krawetz: — I'm sorry, Madam Minister. The initial amendment that I read is the correct one. That is the one that is now being proposed. The second amendment was proposed to the Clerk many weeks ago when we were here the very first time, I believe, and that was not the amendment that we were going to go through with. The one that I read, the one that has been distributed to you, dated May 27, is the correct one. And it is the first one and the only one that I read to you.

Hon. Ms. Atkinson: — Thank you, Mr. Chair. I would say to the member that we understand the point that the member raises. It appears as though the member has accepted the principle of replacement teacher. And now it's just a question of the appropriate period of time. We hold the view that one year-plus is the appropriate period of time. You hold the view that two years-plus is the appropriate period of time. I have to advise the member that we are going to stick with our original position on this. But I certainly do want to say to the member that I understand his point.

Amendment negated on division.

Clause 9 agreed to.

Clauses 10 to 13 inclusive agreed to.

The committee agreed to report the Bill.
(2030)

THIRD READINGS

Bill No. 5 — An Act to amend The Education Act

Hon. Ms. Atkinson: — I move that this Bill be read a 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 Vote 5

The Chair: — The department has appeared before the committee on April 15 and then again on May 22. I invite the minister to introduce her officials before we begin consideration.

Hon. Ms. Atkinson: — Thank you, Mr. Chair. To my right is Craig Dotson, deputy minister. Behind Mr. Dotson is Ken

Horsman, assistant deputy minister. Behind me is Ms. Mae Boa, executive director of finance and operations. To my left is Michael Littlewood, director of third-party funding and legislative services; and at the back is John McLaughlin, executive director, Teachers' Superannuation Commission. And we will be joined shortly by Gerry Sing Chin, manager of school grants, and Margaret Ball, assistant director of facilities planning.

Item 1

Mr. Krawetz: — Thank you, Mr. Deputy Chair. Welcome to the officials again this evening. I look forward to a productive evening.

Madam Minister, if I could begin by asking you to clarify a couple of things that you indicated last day. You stated that you were considering, in the area of capital, that the department's facilities branch was considering three major capital projects. Could you identify what those three projects are and where they are located in the province.

Hon. Ms. Atkinson: — The three projects include Winston Knoll, phase 2 Winston Knoll here in Regina; Pleasantdale School in Estevan, phase 2; and the Tisdale joint-use project in Tisdale.

Mr. Krawetz: — Last day I had also requested from your officials a complete listing of the new mill rates that had been set by school divisions across the province, the increases, and there was some other information from the previous time before. Is that available today?

Hon. Ms. Atkinson: — We're preparing everything and we will get that to you as soon as we can get it prepared.

Mr. Krawetz: — Last day we had a discussion about the algebraic formula, $A - B = C$, and I wanted to spend a little more time on that, Madam Minister, as far as the B portion, as I've indicated. When we talk about the equalization factor and the fact that I think you agreed that the equalization factor had changed upwards by 2 mills, and that indeed was \$14 million more that you were expecting boards to contribute to the cost of education, I'm wondering if that is still your perception of that, and what kinds of ramifications have you seen boards indicate to you by telephone call, by letter, or whatever method they have used to communicate with you, as to how they were able to adjust to that \$14 million cost factor that you have placed upon boards.

Hon. Ms. Atkinson: — To the member, Mr. Chair, it wouldn't have mattered whether we increase the mill rate by . . . or the equalization factor by zero or 10 mills, we still are spending \$355 million on public education, K to 12, in the province of Saskatchewan. Had we done nothing, had we not changed the equalization factor, we still would have \$355 million in operating grants to K to 12 schools in the province of Saskatchewan.

What I will say is that had we done nothing, we would have had some inequities in the system, in that wealthier school divisions would have received more of the \$355 million than poor school

divisions. And as you know, there are school divisions in the province that have high assessment and a mill raises a lot more money than a school division in other parts of Saskatchewan that has low assessment where a mill raises very little.

And I'll just use the example of Weyburn, where a mill raises a lot of money, and perhaps the example of Sask Valley School Division or Meadow Lake, where a mill does not raise . . . very little money in relationship to some of the wealthier areas of the province.

So as you know, our formula is based on the whole notion of equity, equality, and fairness in education so that we don't go back to the old days where, if you lived in a wealthier part of the province, you could sustain a quality K to 12 education system, but if you were in a poor part of the province, in terms of your ability to pay, you were not on the same footing. And what our formula tries to do is put school divisions, regardless of where they're located in the province, on a similar footing so that we can ensure the quality of education given to our students — K to 12 students — is somewhat similar.

Mr. Krawetz: — Thank you, Madam Minister. When I look at the formula though, Madam Minister, and the fact that the right side of the equation, the amount that the department has allocated to school boards, has virtually not changed — it's \$355 million — the analogy that I make, Madam Minister, is something like this. If my son would like to purchase a pair of designer blue jeans that are worth a lot of money, and I say no, no, no, you can't have any, and then finally I agree to the fact that he could buy that more expensive pair of blue jeans than the pair I was willing to buy, and I tell him yes, go ahead and buy it, but I am not providing you any additional money — in fact you still have to take it out of the allowance that you've been receiving — that's the same thing that has occurred to the boards of education. You've indicated to them that the grant on the right side of the equation hasn't changed significantly; it's from 353 million to 355. However, there was a loss of \$2 million of the EDF (education development fund).

At the left side of the equation, now you've indicated to boards, to try to maintain equality amongst all school divisions, you've increased the equalization factor. I understand that. But at the same time, you've increased the recognized costs by the equivalent amount.

Now if you play with two sides of the equation without adjusting the right side, the school boards are still the losers because they haven't received any additional monies. You've told them now that they must fund certain things — those things being core implementation, rural technological factors — where you have recognized costs. But you haven't increased the right side. You've given \$2 million more of salary increases, you've rolled into the grant formula, you've rolled the line item that you had there in the previous years. All those things are now built into the left side, that A that I've been talking about. And therefore the boards of education are losing.

I'm receiving letters from boards of education that are telling me, we're short \$180,000; our enrolment dropped by four. We're short 220,000; our enrolment just went down by six. The loss of enrolment doesn't match what you've said. What

matches is the fact now that they've been asked to contribute 2 additional mills.

Some school divisions in my part of the province, east-central area, where the assessments are not that high, a mill of revenue to a board is 38,000, 40,000, 41,000. Two mills is the equivalent of about \$80,000. So you've said to the boards, you shall pay an additional \$80,000. That's where they're short, Madam Minister.

Hon. Ms. Atkinson: — I just have to respond to the member. First of all, in terms of EDF, I know that the member is saying and has said all over the province — because I've had it repeated back to me — that we simply use this \$2 million from EDF and put it into the grant. I will say this. Three years ago we notified school boards across the province that EDF would be wound up by the end of 1995, the 1995-96 fiscal year. They knew that.

We did not know three years ago that we would be looking at paying for the teacher salary increase come the fiscal year 1996-97. We did not know that. We didn't know what teacher bargaining was going to lead to, so I would just say this to the member. Three years ago we notified school boards EDF was to be wound up at the end of the '95-96 fiscal year. Three years ago we did not know that we would be paying an additional \$2 million in operating grants to school divisions to cover off the negotiated wage increase.

(2045)

The other point that I'd like to make to the member is this, that if we had not changed the equalization factor, we would have had \$355 million in operating grants that would have been distributed to school boards across the piece. We would have had school boards still in the position where they would have to be looking to increase their mill rate because of enrolment decline, because of changes in bussing, and so on and so forth.

Now what I find interesting about some of the arguments that are being made by school divisions is that it's true their grant has decreased. But it's also true that we increased the amount of money per student going to individual school boards in terms of the operating grant based on enrolment. And when your enrolment drops, it has an impact upon your operating grant.

I know that in the Kamsack School Division, they had an enrolment drop of five, but they had more high school students leave, and they had . . . and those high school students were replaced by kindergarten students. We pay more for high school students than we do for kindergarten students. That has an impact upon their grant.

In addition, rural transportation — the numbers of kilometres travelled by the Kamsack School Division have declined. That has an impact upon their grant because we don't pay for transportation for miles that aren't travelled by individual school divisions. In the case of Kamsack, we recognize tuition fees; and I understand that Kamsack has tuition fee arrangements with first nations bands in the Kamsack area.

Well if you're getting more students coming to the school

division than you'd anticipated and you have a larger tuition fee revenue generation, that is recognized in the formula by a reduction in the grant to the particular school division because you're replacing that operating grant with tuition fee increases.

So I would just say to the member that I think school divisions obviously in some parts of the province are dealing with operating grant decreases, but it's not all due to any kind of equalization factor. It is due to other issues like decline in enrolment, and then of course we have the decline in enrolment sort of phased in over a three-year period; that impacts upon you. Numbers of kilometres travelled on school bus are decreasing as enrolment declines. They may be generating revenue with tuition fee arrangements with first nations bands, as well as assessment in certain parts of the province has gone up so they're raising more money as a result of increased assessment.

Mr. Krawetz: — Madam Minister, if we could take a look at some of the items that you have addressed in the left side of that equation, that item A. You have indicated that there are recognized costs that you have changed. One of your officials shared some of those numbers with me a number of weeks ago.

Could I ask you to describe to us how the small schools factor has changed, and indeed how much money have you taken out of the rural budget for small schools.

Hon. Ms. Atkinson: — Okay, I'm advised by my officials that we did not remove 1 cent from rural Saskatchewan by changing the small school factor and the sparsity factor; in fact we added \$1.2 million. That shows this government's commitment to rural Saskatchewan.

Mr. Krawetz: — I know, Madam Minister, I do know that you've moved those numbers into the rural technological factor, and that's agreed. And my question to you, Madam Minister, is in the area of small schools factor.

You have implemented a new formula this year. You've changed how the small schools factor is paid out to school divisions, and it has taken away money from school divisions that do have that small schools factor. It has reassigned it in the area of rural technology, but the question that is being addressed by many people is that now boards of education will not receive additional money for keeping that classroom.

Could you explain also the standards at which your department recognizes a small school, the classrooms, and what the formula is that you've implemented in terms of the minimum amount of grant payable and the maximum amount payable. Where do those numbers kick in?

Hon. Ms. Atkinson: — Okay, in order to improve opportunities for young people, youth in rural Saskatchewan, we introduced the rural technology factor. Now what I will tell the member is that for kindergarten children in rural Saskatchewan where the distances were from 10 to 30 kilometres away, we increased the rate from \$330 to \$440.

For elementary students with distances of 10 to 30 kilometres, we increased the rate from \$525 to \$800. For middle years students with a difference . . . the old difference was 10 to 30

kilometres; the new distant kilometre is 15 to 40 — we increased the rates from \$560 to \$800. This is per student. And in secondary, we went from 10 to 30 kilometres, 20 to 50 kilometres, and we increased the rates from \$600 to \$800. As well, we removed the boundaries.

Mr. Krawetz: — When you talk about that kilometre factor of 10 to 30, is there a minimum pay-out at 10 and a maximum at 30? Is that how it works?

Hon. Ms. Atkinson: — You're correct.

Mr. Krawetz: — Thank you, Madam Minister. Another factor that I think has brought about the severe decline in grants payable to some of those rural school divisions that they're trying to get their heads around is the sparsity factor. I understand that you have made some changes in how the sparsity factor was looked at by the department. Could you identify those changes, please?

Hon. Ms. Atkinson: — Okay, what we have done is we decreased the sparsity factor, but we redistributed all of the money into changes in the amount of money paid in the small school factor — and I gave you the rates earlier — and we put additional money into the rural technology factor.

I just wanted to make the point that we have more money in rural Saskatchewan in the fiscal year 1996-97 than we did in the fiscal year '95-96. I'll make the point again; this government supports rural Saskatchewan.

Mr. Krawetz: — Madam Minister, you've supported the implementation of rural technology in rural Saskatchewan, and we commend you for that. But in terms of sparsity and in terms of small schools, I have difficulty justifying that to school divisions and to parents who phone me to say, we have found out from our board of education that in fact the small schools factor has been changed, and we're not getting as much money to keep our small school open. We find out now that the sparsity factor has changed.

And boards are taking the heat, Madam Minister, if I can use that expression, by the fact that the cuts have occurred to those school divisions. This is still within your control, and I know what you're saying in terms of trying to bring about rural technology, in terms of trying to make those changes, those are well and good, but the school divisions that are struggling out there with a declining enrolment, that are trying to find out ways of keeping those schools open, you've now taken some money that was normally allotted to that and said, we'll shift it. We'll shift it into rural technology. Boards are having difficulty with that, Madam Minister, and I'd ask your comment on that.

Hon. Ms. Atkinson: — What I would say to the member is that there were way more school divisions that benefited from our changes than those that didn't. And they were school divisions that truly have isolated cases, truly have small schools, and truly could benefit from the small school factor.

Let me give you an example. Wadena benefited from our changes. The Shamrock School Division benefited from our changes. The Tisdale and Tiger Lily School Division benefited

from our changes, as well as Potashville, and Scenic Valley, and Deer Park, and Moosomin, and Eastend, and Maple Creek, and Gull Lake, and Shaunavon, and Leader, and so on.

I would just say to the member that what we tried to do was ensure that school divisions that were . . . that truly had small populations and were isolated, would benefit from the changes that we made.

Mr. Krawetz: — Madam Minister, I don't know whether you've lumped everything together when you say that school divisions have benefited. I have summaries of many, many school divisions and I look at the Wadena School Division and I see a 3 mill increase to ratepayers, government operating grant cut by \$291,000, 1.3 teachers cut, accumulated grant reductions over the last five years totalling \$1.341 million.

I see Shamrock School Division, 3 mill increase to ratepayers, 3.5 teaching positions cut this fall. Administrative assistant and assistant secretary-treasurer positions will be reduced by one hour per day. These are school divisions, Madam Minister, who received hundreds of thousands of dollars less in grant, and yes, they have had some rural decline in enrolment, but not that significant.

(2100)

So they are school divisions that have a slightly larger assessment base, therefore 2 mills for them is a significant factor. When we take into account the other things that you have talked about, they still are looking at having to make very serious cuts.

I can tell you, Madam Minister, that the summary that I have here from many school divisions says that . . . the Kamsack School Division and I now have some letters from parents saying, what can we do with the band program — the Kamsack School Division, which is provincially recognized for its excellent band program, is cutting funding to that band program effective January 1997.

The Scenic Valley School Division, which you're very familiar with, is eliminating preparation time for teachers, and they're making serious cuts. St. Henry's Separate School Division are proposing a 2 mill increase. They had a student enrolment drop of two, Madam Minister — not very significant. The Nipawin School Division, a 4 mill increase. Government grants dropped from 1991 to 1995 by \$811,000. These are cuts that I can go on and on with, Madam Minister.

So what I'm asking you to do is to recognize the fact that there are many school divisions who are suffering under the kinds of things that you've asked them to do. Recognizing the fact that you have changed the formula, the A part, you have added \$16 million worth of recognized costs. Whether they are the \$3 million that you're going to tell me is found in the area of rural technology, whether they're the additional amounts that you've put into core curriculum implementation — I think you've indicated that there's almost \$2 million that you've put into core curriculum implementation — you have added about \$16 million worth of recognized costs on the A side of the formula. The B side, you have said to boards of education you will

contribute an additional \$14 million. That difference, as we talked about that last time, Madam Minister, is the difference of \$2 million.

You're indicating that that's new money. Yes, I agree with you. You have informed boards many years ago that the EDF was being wound down, and they knew that there was going to be zero monies available this year. So yes, you have indeed increased the grant from 353 to 355. But the formula is still there, Madam Minister. It's 16 additional million of recognized costs. Tell the boards to pay an additional \$14 million worth of their own taxes and you end up with a net result of \$2 million. Is that not how it works?

Hon. Ms. Atkinson: — First of all, I just want to say to the member that when I was talking about those particular school divisions, I was talking about our changes to the small school factor, that our changes to the small school factor and sparsity and introducing rural technology benefited the Shamrock School Division, the Wadena School Division, and so on.

Now if you want to go through why the Kamsack School Division lost money, we can go through that. And let's do that, because I know that you will be giving these *Hansard* remarks to the Kamsack School Division.

The Kamsack School Division lost \$61,900 as a result in the declining enrolment drop factor. The enrolment decline in Kamsack is slowing, and consequently the recognition allows for a reduction in the grant. The grant is reduced by \$61,908. Kamsack had a net reduction of five students. And the enrolment decline is due to the fact that the decline in students occurred in higher grades, high school, and they were replaced by kindergarten students, which in fact does not generate as much revenue for the school division as high school students. As well, high-cost students in the Kamsack School Division declined from five students to two students. That has an impact. This reduced the funding by \$20,250 and that had an impact upon the Kamsack School Division.

There was a reduction in rural transportation because the Kamsack School Division has 22 fewer students that are being transported and the number of kilometres is down by 102. That impacts . . . the assessment in the Kamsack School Division has increased by \$153,998. Well assessment increases is good news for the Kamsack School Division because local revenue is increasing, and according to my note, the local revenues increased by some \$10,533. That impacts upon the grant.

And then I'm advised that the number of students that are being home schooled has been reduced so that cuts the grant by a further \$5,600. So all of these factors contribute to what's happened in the Kamsack School Division.

And I could go through others. Let's use the Wadena School Division because I'm sure that the member from Kelvington-Wadena will be sharing these remarks with her school division.

The Wadena School Division's operating grant is reduced by \$310,137. Well I'll explain why. The Wadena School Division has seen a reduction in enrolment decline factor and the decline

from last year is less than declines from previous years and that's good news for Wadena but it impacts upon their grant. And the factor dropped from 4.32 per cent to 2.65 per cent in this year's grant.

As well, Wadena has increased its tuition fee revenue. That's good news for Wadena but it has resulted — as a result of tuition fee revenue going up — it's resulted in a decrease in the grant of some \$62,423. The school division also experienced an enrolment decline of 14 students which had an impact of \$54,071.

It all makes sense. There has been no cut. It's how we have the formula, and the formula is based on fairness, and if anyone can devise a fairer formula, good luck to them. And if they can get all the partners in education to agree to some new formula I'd love to see it. But this is the best method that we've been able to devise in the province and I'm told by fellow colleagues across the country that for some reason what we do works. And with all of its warts . . . and if you don't like the formula . . . I know you know the formula. Please devise a new formula, and please get the directors of education, the SSTA (Saskatchewan School Trustees Association), the STF (Saskatchewan Teachers' Federation), and the department to agree to it.

Mr. Krawetz: — I just can't understand, Madam Minister, why you would leave me with a small task.

Madam Minister, that foundation grant formula has been around a long time, and I think it worked well at a time — and I think you've heard this from stakeholders before — it worked well at the time when the provincial government was contributing 60 per cent of operating expenses. That formula was devised at that time, and I think you've heard from probably all of your stakeholders that indeed that there is an assessment of that formula. And if we ever return to 60 per cent funding, I think the formula would better address this.

I think you shared with me last time that in fact there are some school divisions who are receiving no grant. And if it be known, Weyburn Central might have to give you some money, so that's something that has been addressed in the future.

I would venture to say that if you can pull together the stakeholders and try to get additional funding available for education, it might work. Right now we're seeing cracks. I think you've recognized some of the problems that are occurring, and there are cracks occurring in this system. How are we going to address that? I hope it's collectively with all the stakeholders, and I'm sure that most people have different ideas, and I would like to share some of those with you. But as the small task that you gave me, no I don't have a new formula, and I would think that we could work together on that.

Let's just take a look at one of the other issues that you raised in the factor. I know you've talked about the enrolment drop adjustments that are on the left side of it. One of the factors that you didn't change in terms of recognition of expenses for rural school divisions — you've adjusted the sparsity factor, and you've adjusted small enrolment, you know I think, to the detriment of small schools and sparse areas — but one of the areas is transportation. One of the areas is transportation. The

amount that you recognize per kilometre has not changed, and yet transportation costs have increased, and we just saw the price war in the cities and all over rural Saskatchewan.

I've heard from boards of education that the contracts that are now being tendered and are let are like 5, 6, 7 cents higher per litre than what they were a year ago. Boards are going to have to pick that entire cost up, 100 per cent, the additional cost of transportation, unless of course they're becoming a little more efficient.

And I know you've had some discussions around the transportation formula and how it works and whether or not there is a need to recognize efficiencies. Boards of education are now telling me that they're looking at trying to cut bus routes. I see reports here where one school division is eliminating two bus routes. Another one is eliminating one bus route.

And you've told us before that, you know . . . I think you shared the information, when I asked a question previously, that many school divisions have told you that they make money on transportation. Well I think if they look very seriously at the cost of purchasing — capital purchasing — they indeed don't make money, and boards are trying to develop better ways of doing that. Why wasn't there any consideration given to recognizing increased transportation costs?

Hon. Ms. Atkinson: — I just have to say to the member that we increased the rates to elementary school students by some 52 per cent, in terms of recognizing the small school factor. I went through that earlier. We increased the rates up to \$800, and that's a significant increase for elementary students — kindergarten and primary students.

The other point that I would say to the member is that we pay more in transportation to school divisions than they expend. No, we did not increase the rates this year in rural transportation in terms of school buses, but we know that we pay more in a global sense than school divisions expend.

Mr. Krawetz: — Madam Minister, you made a comment that you have changed the small . . . you said small schools factor values. I note a printout for one of your school divisions — that the small schools factor for last year, the amount of money that was recognized was \$49,000. And this year, according to your latest printout to them, the small schools factor is now at \$17,000. It's way less than half. Now yes, you tell me you've recognized additional costs. This school division didn't lose hundreds and hundreds of students.

Hon. Ms. Atkinson: — What I said to you earlier is that we, in terms of small school factor, we increased the recognition on elementary students from \$525 to \$800. That is a 52 per cent increase. This is the small schools factor. I went through this earlier and maybe you didn't hear me. For kindergarten students the rate increased from \$330 to \$440; middle year students, \$560 to \$800; and secondary students, \$600 to \$800. This is where we have small schools that are some distance from each other.

Mr. Krawetz: — Then I'd ask if your officials could provide

you with this information, Madam Minister. Last year in the adjustments for small schools, and this year in the adjustment for small schools, what were the millions of dollars that were allocated in that particular adjustment line?

Hon. Ms. Atkinson: — When you take sparsity, small schools factor, and rural technology, we have an additional \$1.2 million that this government is spending on rural Saskatchewan, and that shows our commitment to rural Saskatchewan.

(2115)

Mr. Krawetz: — I complimented you on that, Madam Minister, a few minutes ago. I know what you have said in terms of the rural technological factor taking the monies that was left, that were reallocated. My question though is, last year's small school factor, this year's small school factor, what were the numbers that were allocated in that line?

Hon. Ms. Atkinson: — In terms of small school factor, there was a \$500,000 decrease, but all of that money and more was directed to rural technology.

Mr. Krawetz: — Am I correct, Madam Minister, in that about \$1.3 million was also taken out of the sparsity factor and reallocated?

Hon. Ms. Atkinson: — Just so the member is clear, every single dime goes to small schools. Just so the member is clear, every dime goes to small schools in rural Saskatchewan.

Mr. Krawetz: — If you repeat it enough times, it will be believed, Madam Minister. I understand that. I know what you've said. My question though — you never answered it — was \$1.3 million, approximately, taken out of the sparsity factor? That was my question.

Hon. Ms. Atkinson: — I think I told you that earlier. It was 1.2 million and it was redirected into rural technology. All of this money goes to rural Saskatchewan. All of this money goes to small schools. It has not been redirected into Saskatoon and Regina; it all stays in rural Saskatchewan.

Mr. Krawetz: — I'm sure those rural, small schools will be very happy to hear that, Madam Minister.

Could we move to the area of per pupil rates, Madam Minister. You've indicated that there were some adjustments there and I think you've also indicated that the goal . . . in one of your responses, I think in question period, you indicated that there was a goal to move to recognizing rural per pupil rates for all school divisions that I think were under the enrolment of 10,000 students. Was that put in place this year or is that a future goal?

Hon. Ms. Atkinson: — It's coming into effect this year and it's being phased in over a three-year period.

Mr. Krawetz: — What was the amount of percentage increase or dollar increase in terms of the per pupil allotment for this current 1996-97 grant pay-out?

Hon. Ms. Atkinson: — The rural rates increased by 3.3 per cent for kindergarten, elementary, middle years, and secondary years. In terms of Regina, Saskatoon, 3.3 per cent for kindergarten, elementary, middle, and secondary. The comprehensive high schools, there was no increase.

Mr. Krawetz: — Thank you, Madam Minister. Madam Minister, the enrolment figures that you have had for the last few years — and I'm sure you have some projections over the next few years — can you indicate whether or not you see a levelling-off of rural areas first, and what is happening provincially? Have we maintained our enrolment count around that 194,000 that I think that used to be there, and what does the future look like for the next two years?

Hon. Ms. Atkinson: — Well as you probably know, the change in enrolment this past year, I believe we had a decline of 720 students across the province. And when you look at some of the demographics in the province, we see a decline in the numbers of little children that are being born in the province.

And I should mention that in terms of the 720 students that we saw as a decline, I believe 340 of those students were band students that went back to band schools.

Mr. Krawetz: — Thank you, Madam Minister, and I'd like you to comment if you have any projections available as well for what you see happening next year or the year after.

But before you do that, Madam Minister, I note that in some of the information that has been circulated, there was an indication that rural Saskatchewan had lost 1,600 students from last . . . the previous year to last year. And I think the discussion that I pointed out to you one day is that a number of those students, as you've indicated, have transferred themselves out of the public school system that we have in rural school and have actually entered band schools.

The other thing that occurred from 1994-95 to '95-96 enrolments, which is what we're working with, is the fact that there was the creation of a number of francophone boards. And indeed some of those students moved from some of the rural schools into that area.

So the point that I would ask you and any of your officials who talk about rural enrolment . . . and I've heard some of your officials use that number, that the rural enrolment has decreased by 1,600 students from the previous year, '94-95 to '95-96. And I don't agree with that and I've had a lot of people who have told me that that's not accurate because some of those students that moved, if you look strictly at the enrolment numbers for rural school divisions, the difference is 1,600. But the numbers . . . those students went to band schools, some of them went to francophone schools, and that number's not accurate.

Hon. Ms. Atkinson: — What I will say is that when we talk about rural schools, we include francophone schools. So you're incorrect. That is included in our numbers. In fact I believe we saw an enrolment decline of some 1,700 students; 340 students in terms of that enrolment decline were students that were going back to band-controlled schools. So just so you're clear.

There has been a significant drop in the numbers of students in rural Saskatchewan. And I'm advised by my officials that we are using the figures associated with conseils scolaires in rural Saskatchewan. And those numbers are included when we talk about the 1,700 enrolment decline.

Mr. Krawetz: — Madam Minister, I'm using documents prepared by your officials and I note that you've got the numbers, September 30, 1994, number of students in rural schools, 80,609; 1995, September 30, 79,056; difference being 1,600 students. In '94 there wasn't a line item for the French boards. In 1995 there is a line item for French boards — the nine schools, 845 students. These are your documents.

Hon. Ms. Atkinson: — Just for the member's edification, in 1994 we did not have francophone schools. There was not a line for francophone schools. The member is clearly wrong.

It also depends upon how he defines rural schools. When we talk about rural schools we include northern Saskatchewan. We do not . . . we considered northern Saskatchewan as being rural because they are small. Many of the schools are small schools and they are defined as rural when it comes to the way we calculate the enrolment decline. And the enrolment decline is 1,700 — I don't have the exact numbers here — students were lost from rural Saskatchewan. Overall population loss in this province was 700 and some 20 students.

Mr. Krawetz: — Madam Minister, I think you've only confused me a little bit more. I know that there were no francophone boards in 1994. That's why I said the number of 80,600 rural schools included those that were probably in some francophone schools that were just starting. Okay.

In 1995 the number is 79,000, a drop of 1,600. But now there's 800 in the line for francophone boards. So to say that rural schools lost 1,600 students, they didn't lose them. They're over now there in some francophone boards. Those are rural francophone boards that now have 845 students that were in the column called rural school division enrolments.

Hon. Ms. Atkinson: — We obviously have a different definition of rural. We consider rural Saskatchewan to be outside of Saskatoon, Regina, P.A. (Prince Albert), Moose Jaw. That's what we consider rural Saskatchewan to be. He obviously has a very limited definition of rural Saskatchewan.

Mr. Krawetz: — Okay, Madam Minister, we'll leave that one alone right now, I guess. We know that there are 61 rural school divisions. You've shared that number with us before. I think that's something that we agree with and we'll try to arrive at . . . Okay.

Madam Minister, a question that I asked you a little while ago: do you have any idea whether we're still going to be holding at about 194,000 for next year in terms of enrolment? Are there any projections for '96-97 or '97-98?

Hon. Ms. Atkinson: — We have no projections because it's difficult to know what could happen. We may have more band schools coming on line. We may have more children moving to

certain parts of Saskatchewan. We don't know.

Mr. Krawetz: — Many school divisions rely on public health for ideas about the numbers of four-year-olds, and three-year-olds, and I was just wondering. I note that in your charts that you have provided that when I compare grade 3 enrolments in the province to grade 2 enrolments to grade 1 enrolments, I see that the grade 1 enrolment is slightly higher than the grade 2 and so on. That tells me that it looks like we have levelled off in this province and in fact we might be able to hold because it seems that the number of four-year-olds are indeed going to be about 15,000-some-odd students.

That's my question. Has there been any check with the public health department to recognize the total numbers of four-year-old students that are going to be entering our school system next year?

Hon. Ms. Atkinson: — Obviously we are familiar with the SHSP (Saskatchewan hospital services plan) numbers that the Department of Health does have. Our information is that it appears as though the numbers of one- two- three- and four-year-olds is continuing to go down relative to older students. But we also know — and that's why we've done so much work in the area of Indian and Metis education in this fiscal year — that the numbers of aboriginal children, first nations children, are going up substantially.

(2130)

Mr. Krawetz: — Many school divisions take a look at the situation as to whether or not they're stabilizing or whether they're going to continue to drop. All you have to do is take a look at the number of grade 12 students that you have graduating this May, this June, leaving the school system, and take a look at the number of kindergarten students that you have and possibly those that have not entered the kindergarten system since it's voluntary.

But if you have an idea of how many five-year-olds there are there in your school division — and again, I'm talking about a straight-line projection; nobody move in, nobody move out — if that is occurring then you know whether you're still declining or whether you're dropping.

Many rural school divisions who phone me, and in previous discussions with them, are saying, well our school division has a grade 12 enrolment of 65 and we're having a kindergarten enrolment of 45. We know that we're declining.

What I'm hearing from school divisions, many school divisions are saying we're levelling off. We're at the point now where we have 50 grade 12 graduates leaving, and we have 51 kindergartens, and there is great rejoicing in rural Saskatchewan in a school division where that's occurring.

I was just wondering whether you had that projection for the province, and you're indicating that you're still . . . your numbers from Health are showing that the numbers of the one-year-olds, two-year-olds, is still lower significantly than the . . . just a bit lower, sorry, not significantly, than those in grade 10, 11, and 12. So our province is still going to decline by 5 or

600 students over the course of each of the next three or four years.

The last time that we were in estimates, Madam Minister, you made a quote when we were talking about the plan to achieve \$7 million worth of savings in 1998-99 — the Finance minister's address in the budget. And you stated that we have to discuss the possibility of merging operating grants and capital to determine how we might save an additional \$7 million.

Could you explain what you meant by operating grants and capital and how you're going to look at a savings of \$7 million? Is it just reallocation of money out of capital into operating?

Hon. Ms. Atkinson: — Well as I indicated, we need to speak to our stakeholders about how we deal with the \$7 million funding reduction come fiscal year 1998-99. And as you know, at that stage the federal transfer cuts catch up to the province, some \$250 million. We can back-fill the \$114 million this year. We cannot back-fill all of the money, the \$200 million next year. And we're sure not going to be able to back-fill the \$250 million come '97-98 or '98-99. So we have to speak to our partners in education to determine how we deal with this overall funding reduction from Ottawa and how we deal with that in the context of K to 12 spending which includes operating grants and capital.

Mr. Krawetz: — I've indicated to you, Madam Minister, before, that in terms of the numbers that you claim that are the federal cuts and the numbers that we have differ significantly. And whether yours are right or ours are right, only time will tell. So whether or not we're going to have a total of \$106 million difference between last year and two years from now, that's something that your department officials and our caucus will continue to disagree with.

When you look at that \$7 million though, Madam Minister, and you say that you are looking at somehow trying to put in place grants and capital together, are you looking at something like amalgamation right now, up front, and saying yes, there will be amalgamations, and I'm trying to achieve \$7 million in the area of amalgamations?

Hon. Ms. Atkinson: — Just in terms of our caucus numbers and your caucus numbers, I just wanted to share this with the member and maybe some day you'll come to know this — that we have a whole bureaucracy called the Department of Finance that deals with the numbers from Ottawa. We thought it was going to be \$106 million in this fiscal year 1996-97; it's 114 million.

These aren't numbers that we, you know, somehow made up. These are numbers that are coming from our Department of Finance officials. These are professional civil servants or public servants. These are numbers that they have garnered from Ottawa. So this isn't something that the Minister of Finance, or the Minister of Education, or the Premier or, you know, you name your minister or government member, has pulled out of some magical hat. It is real and it impacts upon this province.

Now what we were able to do in this budget was redirect money to back-fill that \$114 million in federal transfer cuts. Now you

shake your head. It is real. It's just like, you know, we've had a debate about operating grants. It's \$355 million. That's what we're spending on K to 12 education. You may not like it, you may not believe it, but it will be spent. It will be shown in *Public Accounts* that we've spent \$355 million on K to 12 education in the fiscal year 1996-97.

It will be shown, and we have documentation and our officials have the documentation — we didn't create this — that we have a funding reduction for health, social services, and education, of \$114 million coming from Ottawa. Ottawa is getting out of funding health, education, and social services in this country and it is changing how we view Canada. And our Premier gave a speech in Montreal and Ottawa about how we keep this country together, and that includes the federal government's relationship with all of the provinces and territories.

So I would just like to say to you that your caucus may have figures, and I don't know where you got your figures, but our figures come from the Department of Finance. In terms of are we thinking of merging capital and operating grants, the answer is no. What we are going to do is discuss with our partners in education how we deal with the fact that we can't back-fill the whole \$250 million — this province does not have the fiscal capacity to do that — and how do we deal with the funding reduction in the fiscal year '98-99 in such a way that we can minimize as much as possible the impacts on Saskatchewan kids.

Mr. Krawetz: — Madam Minister, I did not pull my numbers from the air, as you're suggesting also, and I guess we'll have to contact the city of Ottawa, because our numbers come out of Ottawa as well. So I don't know whether there are two different Finance departments in Ottawa, but there is a difference of opinion as to what those numbers are that are coming from Ottawa. So we'll have to look at that.

When you have indicated that you're back-filling, I want to point out to you, Madam Minister, that when you say \$355 million is being spent, I at no time have ever said I didn't agree that you were spending 355 million. I know you are.

But the situation also is that if you take a look at 1991 or 1992 as far as the amount of money that you're allocating to boards, it was a significantly higher number. And what you asked boards to do over the course . . . and you asked the local taxpayer if they wanted to maintain the services. You asked them to back-fill the cost of providing a good education in the province of Saskatchewan, and they've done that.

So you know, if the federal government is asking you to back-fill \$61 million this year, that's what they asked you to do. You've asked the school boards over the last number of years to back-fill 20 plus million dollars, and they've done that. So what we're looking at now though is trying to see whether or not we can continue to provide a quality education.

I have some additional questions . . . that I'm just going to turn the floor over to one my colleagues.

Ms. Draude: — Thank you very much, Mr. Deputy Chairman,

and welcome to the minister and her officials. I have some direct questions for some of the school boards. You gave me the information for Wadena, but I am particularly interested in the Humboldt Rural School Division, and I'm wondering if you could explain to me and give me a breakdown of where their funding cuts will come, which areas they will be in.

Hon. Ms. Atkinson: — Okay. Their grant went down by \$16,376. I'll just read it to you. The effect of the increase of 3.4 per cent on the per capita meant an increase of \$155,177, but they had an effect on the enrolment change, because their enrolment decline levelled out, of \$8,325. That was a reduction.

Then they got some money to implement the core curriculum, which is a new factor in our formula this year, of \$13,630. The enrolment decline factor was a decrease of \$39,349. Sparsity, small school, or rural technology factor saw a decline of \$32,764. Their high-cost pupils saw a \$6,750 increase. The SNPF (special needs program fund), which is special ed funding, an increase of \$11,683. Rural transportation — they had fewer kids, I guess, being transported, which meant . . . and fewer kilometres, which meant a reduction of \$10,808. There was a reduction for other transportation of \$7,471. And then other recognized expenditures, a reduction of \$85,106. There was a change in their assessment. There were adjustments from previous years. And the net effect of all of this is a \$16,000 decline.

Now I should point out that because of the equalization factor of 2 mills, the change in the equalization factor, they benefited by \$77,736. So had we not changed the equalization factor, they would have been in tougher shape.

Ms. Draude: — Thank you, Madam Minister. I'm just wondering if your government recognizes the impact that funding in school divisions has on the decision of people when it comes to building their homes and where they're going to be settling.

I think that you probably recognize that I'm speaking about communities like Annaheim, where a decision to close a school or the high school will have an impact on a business like Doepkers. If people decide not to live in a small town because of a fear of a school closing and settle in a community further away, like Humboldt, there won't be the young people around to work in the industries and it will be more difficult . . . or people aren't as likely to want to stay for a couple of hours or half an hour after work to help out in industry, and it is definitely having an impact on the businesses.

I'm wondering if, when you're making your decisions about how much money is going to be spent in a school year in a school division, if any of these factors are taken into consideration.

Hon. Ms. Atkinson: — One of the things that I've come to know, having been a bit of a student of educational history in the province of Saskatchewan, having studied this when I was a student, is that schools in Saskatchewan have closed . . . since about 1944 when we went to . . . we just simply needed more numbers, and we went to larger schools. And as you probably know, if you look at the shift in demographics in the last 50

years, there's been a shift from rural to towns or villages and then to larger centres. Obviously I am, I suppose in a sense, a student that attended a small rural school in rural Saskatchewan in the 1960s, and that school closed, and I went to a larger school. And that has been going on forever.

What about the village of Springwater now that the school is closed? The village of Springwater no longer has a post office. It does not have a store. It does not have an elevator. But I'll tell you this, that when we had a reunion two years ago, there were over 2,000 people there. And when you ask people where they come from, they will say that they come from Springwater, Saskatchewan.

And what's interesting is that Springwater has had a bit of a revival lately because people who have lived in British Columbia and made their living in British Columbia are moving back to Springwater to retire. And I . . . and they're coming with their money. They're coming with their money. And why are they coming back here to retire? And if you look at some of the interesting stuff contained in Foote's book — read the recent *Globe and Mail* — people are interested in going to rural Canada in terms of the retirement. They've had the fast pace of life in the cities, and in terms of retirement they want the joys and benefit of country living.

(2145)

So I guess I would say to the member that just because your school closes — and we have examples of this across the province where schools have closed — you still have the spirit of the people who come from those centres, and they still identify with those centres as where they come from.

And I have to tell you that this is not a view that I alone have. This is a view held by thousands and thousands of people that come from villages in this province, towns in this province, or from the farm. They come from a particular community, and that spirit lives on regardless of whether the elevator's there, the post office is there, or the school is there.

Ms. Draude: — Thank you, Madam Minister. But what we need in rural Saskatchewan is not just the spirit of people out there. We need the people out there. And I think that if we should put some emphasis on revitalizing rural Saskatchewan so that we can have more than just retired people move back into rural Saskatchewan, we could have some working people moving back and get some industry there.

And what's happening right now, with our programs, people aren't encouraged to be there. In fact they're discouraged to be there and they do move to the bigger centres. It is true, Madam Minister. Even if small businesses try to keep going out there, there isn't any incentive to stay there. And school closures are another icing on the cake. They're another reason for people to leave rural Saskatchewan.

I wanted to ask you, Madam Minister: do you believe that a bigger school means a better school?

Hon. Ms. Atkinson: — I was educated in a smaller school. No, I do not believe a bigger school is a better school. We have all

kinds of examples of how small schools in this province have led to a quality of education.

And I guess I would just say that your point that we're encouraging people to leave rural Saskatchewan, that is simply nonsense — simply nonsense. There are thousands of people that do business, live, work in rural Saskatchewan, and they will continue to do so. As far as I'm concerned, you're peddling the Liberal line and it's just not working.

Mr. Belanger: — Thank you, Mr. Chairman. Just a couple of points I wanted to raise with the minister. As far as northern Saskatchewan is concerned, you speak of the 27-and-some-odd million dollars that you spend on education in northern Saskatchewan. And from the North, education is our only solution and I strongly urge that you not harm the only institution that is saving our northern people, and that of course is the system of educating our northern people.

Some of the problems that we encounter, and some of the things we aspire to have when it comes to education, is also proper facilities. We need strong educators. We need good planning. We need long-term commitment. And local control is what the people of the North need to help build a good education base.

And recently we hear a lot about amalgamation and school boards and what not in northern Saskatchewan. Amalgamation of boards cannot be forced, and cannot work, and must be resisted to ensure local input and control. And the other factor that amalgamation cannot work is because of the vastness of the North. People must have local control when it comes to education.

As you are probably aware, the North is a unique region. If you look at the, not only the demographics, but the geography, it's half the land mass. We see that many of the population in the North, that there's a higher ratio of young people. In the southern rural areas we see that most of the population is certainly older, but in the North it's different — it's a flip-flop. A huge majority of the people in northern Saskatchewan is certainly school-age children.

So given that particular point of view, some of the fine examples of the schools in northern Saskatchewan . . . I'll use the La Loche schools of Dene High and Ducharme School. Those are the institutions, and those are the future, of the North. These schools really do assist in every aspect of that community, and I strongly urge you to put the proper dollars in support.

I guess my next . . . the first question I have is in reference to the problems of isolated . . . Is there any particular planning that you have in mind to address the problems of higher ratio of young students along with the fact that many of these school boards and divisions in the North do lack proper school space?

Hon. Ms. Atkinson: — I just want to say to the member that not to overly alarm the people in northern Saskatchewan by your comments about restructuring of education. I did have the opportunity to meet with a Creighton School Division, Northern Lights School Division, the Ile-a-la-Crosse School Division,

about the paper that we released a couple of weeks ago that looks at restructuring public education in the province in the 21st century where we outline four options.

People in Ile-a-la-Crosse will have an opportunity, as well as in the Northern Lights School Division and Creighton, to engage in a public discussion as to which option would be most beneficial to them. And it is by no means determined what this government is going to do with those options, and in fact we're encouraging the public to think about other options that might help us get ourselves ready for the next millennium.

Second point I want to make to the member is that if you look at the grant for the three northern school divisions, it has increased this year. The third point I want to make to the member is that we've increased the amount of funding for Indian and Metis education development program — IMED program — to ensure that we are having culturally appropriate programing in rural and northern Saskatchewan.

It's also to prevent, I suppose in a sense, Indian bands from taking their children out of rural Saskatchewan into band schools. We want to ensure that some of the concerns that are being raised by first nations people can be addressed by rural school boards by providing grants or funding to them to ensure that we have culturally appropriate subjects, languages, in those school divisions. And we think that the Indian and Metis education program money will assist rural school boards and northern school boards in getting that educational programing to first nations and Metis students.

The fourth point I want to make is that there will be funding available for northern Saskatchewan for community schools, and that is important. In terms of your last point about the growing population in northern Saskatchewan, I just would like to point out to you that the numbers of students in northern Saskatchewan actually declined last year, and some of that may have been due to students going to first nation, band-controlled schools.

Mr. Belanger: — Thank you, Madam Minister. And certainly every effort that you undertake to promote the cultural awareness and recognize the vastness and the cultural differences of northern Saskatchewan people is certainly appreciated. There's no question about that in our mind, that we have to look at the demographics and the people of that particular region to see what challenges the educational system certainly has.

Again I go back to my particular point, in that community development cannot work and will not work and there is no hope whatsoever for the people of the North if they don't have a good educational system. Education is our only answer out of the social and economic problems, and certainly I think you must agree with that. And I want to share with you those thoughts and comments.

I guess the biggest thing is, in northern Saskatchewan we're seeing a shift, which is not a very positive shift, from the amount of students starting in school — kindergarten, grade 1 — and as they progress to the later grades, you see the enrolment dramatically drop. And from what I can understand,

and I could be corrected on this stat, 24 per cent of the students that begin school in the North only achieve grade 12. And we do know that the fact that there are economic problems in northern Saskatchewan, there's social problems in northern Saskatchewan, there's distance problems in northern Saskatchewan, there's all these different problems that really challenge the educational system — thereby we need to make sure that we have a long-term vision and long-term commitment with the cultural awareness and these particular stats that support the argument of northern people that we need to approach health in a more concentrated effort.

So my question is, in the light of these economic, social, and distance education, in light of the fact that we are not seeing much success because of these problems, is there anything innovative or exciting that your department is looking at doing in cooperation with these school boards to try and alleviate this problem?

Hon. Ms. Atkinson: — Well I'm not quite as glum about the prospects for the future as you are. The situation has improved. We used to have in this province a situation where very few first nations and Metis students would complete a grade 12. That has changed in this province. And I think one of the reasons that has changed is because, when we were government in the early 1980s, we introduced the Gabriel Dumont Institute with the SUNTEP (Saskatchewan urban native teacher education program) and NORTEP (northern teacher education program) programs, where we began to train Indian and Metis people to become teachers.

And in fact the Gabriel Dumont Institute had a SUNTEP graduation last weekend and over 340 people have successfully completed that program, and have become teachers with the same qualifications as any teacher in this province, and they are successfully teaching in Saskatchewan classrooms and in fact they are moving — students that have graduated from Gabriel Dumont some time ago — are moving into administrative positions.

One of the things that we have to ensure though is that first nations and Metis people have access to employment, have access to those jobs. And we know that when we have locally controlled school divisions such as the school division in Ile-a-la-Crosse, Northern Lights, and Creighton, and school divisions that are sensitive to the needs of local people, particularly northern people, that we will have those northern educated people in those classrooms.

And I think if you look at what has occurred in the North, we have many more Indian and Metis people teaching in classrooms across the North. And once you have people who are culturally sensitive teaching those classrooms, I think that leads to positive role models and a will on the part of the students to be there.

Another point I want to make is that we have two very successful projects in the province. One in La Loche — and that's in your riding — which was introduced when I was minister of Social Services, and the Minister of Municipal Government was the minister of Education. And we . . . all of the research tells us that if you can engage children when

they're three and four years old, and their parents, that you have a better chance of ensuring that that young person completes their grade 12.

And I don't know if you've been to the preschool in La Loche, but that preschool has had amazing results. Parents are engaged in their children's education, parents are starting to think about their own education, taking literacy programs, upgrading programs, and we know that a mother's education is a key determining factor in terms of what happens to her children.

And we also know from the evaluation that the children that are in that preschool and going into kindergarten, grade 1, are coming to the school better prepared, and they have a better chance of being successful. And we're hopeful that we can expand the numbers of preschools across the province because that's one way to give children a heads up in terms of being prepared and not being failures when they hit kindergarten, grade 1, grade 2.

I think the other point is that parents — when children are very small — parents have not experienced all of the negative things that sometimes go along with being a parent. They have not experienced their own failure as a parent, or perceived failure as a parent, and they have not experienced their own perceived children's failure.

And if we can get parents engaged in their children's education, we have a better chance of making sure that our students complete grade 12. And so it's key that we have parental involvement and we have local control.

Mr. Belanger: — Thank you very much for your insight. And I certainly commend you on some of the vision that you have as the Education minister. I know I'm saying that in *Hansard* and you can certainly use that wherever you wish.

I think the key thing here, Madam Minister, is that there has to be an innovative and exciting approach in northern Saskatchewan. And we're talking about preschool, and in developing attitudes, and we're talking about parental support; we're talking about even housing support for some of these families putting kids through the educational system.

Hopefully a number of other areas we talk about — employment, the social development of communities, we're talking about housing, and the respect and all that — need to happen to a child to ensure that child's educated properly.

Following the 10, 11, 12 years that they are in school — it took me 15 years, but the average student takes 12 — we see the next stage of employment is also a critical part of the whole development of a person in northern Saskatchewan.

(2200)

So we have to also address that so there's a long-term solution to not only educating our children in the North, but supporting them to be educated so they do become contributors to the province and then their own children don't become a burden to anybody else in this whole, whole wide world.

So in closing, I just want to say the two things is that education in the North is a top priority; facilities are in desperate need. Innovative planning on addressing some of these problems that affect student enrolment and student success must be addressed. And last but not least, I want to hear from you — yes or no — that you're not going to force these northern school boards to become amalgamated. Because once you do that, then you take away local control, you take away local input, and you take away a sense of ownership that people have in that educational system.

Hon. Ms. Atkinson: — Well in terms of the member's analysis, I want to say that he sounds very much like my colleague, the member from Cumberland. You have a similar analysis in terms of economic and social development and the importance that is placed upon education and training. So I don't know if . . . it seems to me that the member may be more comfortable on the New Democratic side of government than the Liberal side of government.

I will say this to the member, that this government has made no decisions whatsoever as to the options presented in the restructuring paper, how we structure and govern education for the next millennium. I would strongly encourage you to encourage your local people in Ile-a-la-Crosse, La Loche, and elsewhere to come out to those public consultation meetings because we want to hear from people not only in northern Saskatchewan, but across the province.

We had two very successful meetings last night, one in Swift Current, one in Outlook. We had, I believe, over 140 people out to those two meetings and people have a lot to say. And I would hope that people speak up, speak out, and speak often, when it comes to these public consultation processes.

Ms. Julé: — Thank you, Mr. Chair. Madam Minister, I'd like to also add to the welcome to your officials. Madam Minister, there are other people here who would like to pose some questions, so what I'm going to ask of you I would hope to be able to get from you in the House tomorrow or any time within the next few days.

I would just like to know about the funding cuts to the Wakaw School Division, and Saskatoon East School Division, and the Humboldt School Division. And also I'd like to know if you have heard how they intend to deal with these cuts. And that's one request I have of you.

The other thing that I wanted to ask you is, I know that there is Fransaskois school being added onto in Vonda, so there's some capital costs. I'm just wondering whether the provincial government is contributing to those capital costs at all.

Hon. Ms. Atkinson: — I will get you the information that you required or asked for, and as you may know, capital is paid for by the federal government.

Mr. Heppner: — Thank you. Also welcome to your officials. We spent a fair bit of time this evening discussing the various numbers around funding of education, and I think we're aware that in many of the jurisdictions mill rates have gone up and there's been a cut in staffing.

And there have been different kinds of creative ideas that have come up. I think the one that impressed me the most, and we did discuss this briefly in question period a while back, is the Scenic Valley situation. And I think there's a couple of unique things about the Scenic Valley situation. One is that this is a result of past amalgamations so we know that these people are prepared for change and to look at things in different ways.

And basically did that on their own and I think they've done that fairly successfully. When they looked at the particular project that they're creating, they did just an excellent job of consultation with all the players that were involved. And keeping that part in mind, they did come up with very close to 100 per cent support — 90-some per cent — which is unusually high.

And I know when I asked this question last time, you said that the information or the request had come in late. But I would like to bring that issue up again and ask if you as a minister do not have the power to recognize that as a pilot project in spite of that time-line glitch that may have been there.

Hon. Ms. Atkinson: — I have had the opportunity to meet with the Scenic Valley School Division. We met late last week and I advised them at the time that it was very difficult for our government, in such a short period of time, to properly assess whether or not this pilot should go forward for the fiscal year 1996-97.

Some of the difficulties we have had to do with some of the legal and administrative complexities surrounding this variation. I also explained to the Scenic Valley School Division that this really is a departure from how we have historically structured the school week in Saskatchewan — we're moving from a five-day school week to a four-day school week — and that it has some implications not only for Scenic Valley but for the entire province.

As well, I indicated to the school division that I wanted to personally visit a school division that had done this — and I understand there are some in this country — to get a better understanding of how this works and what sort of impacts it has upon small children and middle years children — elementary or primary, kindergarten children and middle years children.

I think that the central issue here is the quality of education for our students. With this proposal, as you know, there are already people that believe that we don't spend enough time in Saskatchewan in our classrooms, that our school year is too short, in fact it should be longer than 197 days. There are people . . . I just received a letter today from a person in the province who said, how can you possibly consider a four-day school week when our students need to be in school much longer than they presently are. Not only should we have longer numbers of days in this province but we should have a longer day in this province.

So I guess I believe that local school divisions need to be creative and need to think in new ways as they genuinely try to sustain the quality of education in this province, but I also believe that we need to concern ourselves about the quality of

education. And I should tell you that I certainly have not said no definitively for the rest of our life as members of the legislature, or my lifetime as a cabinet minister, Minister of Education. I've not said no definitively but I do want to examine some of these issues because they are complex and have some implications for the rest of the province.

I would also share with the member that we now have a provincial committee of our stakeholders in education that are looking at this whole question. And this committee wants to ensure that we have uniformity across the province and that we ensure quality in this province.

Mr. Heppner: — Thank you. I appreciate the concern that you voiced for these particular changes. And as I attended one of those meetings, the concern about teaching time was one that came up there. And I think one of the first things we addressed is that with this system there would be more in-class teaching time on what we would traditionally call the three R's than there might be at any other time.

And you're right. It's also a departure from the traditional school day and the traditional school week. However I think we're aware of the fact that having school start around 9 o'clock in the morning and ending at 3 has a whole lot more to do with going home and milking cows and the sunlight not being there for some of those old schools to be open, than any learning abilities that are there.

Switching gears here. Last October, Prince Albert Public School Board chairman Maurice Sorokan expressed concern about the effect of the government's gaming policy and educational system. And the statement that he made was that poverty remains a significant issue in Prince Albert, and gaming certainly would exacerbate the problems faced by a family in poverty. We have to make sure that money is directed in providing services for children who are affected.

And my question is this. Has your department done any studies on impact of gaming and poverty on education? You probably have some on poverty, but what about gaming?

Hon. Ms. Atkinson: — Well obviously we know that about 40 per cent of kids in this country come to school with some sort of difficulty. The difficulty could be a learning disability or coming from a family environment where there are difficulties in the home. It could be a whole myriad of problems. And obviously some of those problems could be associated with poverty.

Our department is aware of the 40 per cent factor and the difficulty that many of our students have in terms of coming to school. But we have not done any kind of research or developed analysis of gaming in the province. That would be an issue that the Department of Health deals with and the minister responsible for Gaming.

Mr. Heppner: — Thank you. In the discussion that's gone on over education and a few other things over the last while, terms such as "sustainable" keep showing up and then the concept of putting school divisions together, such as happened in Scenic Valley. My question is, in affirming that division amalgamation

would be voluntary — and I'm taking for granted that that's your position — what is your interpretation of voluntary? Because the Minister of Municipal Affairs has mused about this being tied to educational funding. Are those ideas going around in your mind as well?

Hon. Ms. Atkinson: — Well obviously it has not been my practice to muse. What I do try and do is look at various options. And if you look at the paper that has just been released by the province, we have developed four options for public discussion. We define voluntary in the . . . as one option and the voluntary would be that school divisions would continue to determine whether or not they wanted to restructure and look at the possibility of coming together.

We have an example of the Blaine Lake School Division, where that school division is looking at part of the school division going with Sask Valley, the other part going with the Battleford School Division. That would be entirely up to them. That is the definition of voluntary. This government has made no decision. We want to get the results of those various public meetings that are going to take place across the province in the next four months and at the end of that process we'll be in a better position to determine which option . . . or if there's another option would be appropriate, given what people are telling us.

Mr. Krawetz: — Thank you, Mr. Deputy Speaker. Madam Minister, a few areas that I'd like to touch on, if we could get at those. You have talked about the public consultation meetings that are occurring and I note that you have expanded the numbers to be around 50 in total. Is that what you're . . . there's going to be more, as I understand. Could you give us an idea as to when you expect the last one to end? I think you've indicated that it's the fall.

Hon. Ms. Atkinson: — It's my anticipation that we will have meetings in the month of June, the month of July, the month of August, the month of September, and the month of October. We will have, by the time this is done, I would suspect several hundred meetings.

Mr. Krawetz: — If you're looking at that number of meetings, that must have some cost implications. Is it within the current Education budget or is it within a global budget of the department? How will you be footing the costs for having that many meetings?

Hon. Ms. Atkinson: — As you know, the regional directors are presently on the payroll of the Department of Education. The regional directors are on the payroll of the Department of Education. They are the people that are leading the discussions. So we aren't bringing in a bunch of additional people to participate with local school divisions, parents, teachers, on this question, and any funding for this process would come out of the existing department's budget.

Mr. Krawetz: — Good, thank you, Madam Minister. You've identified that you're going to have some meetings in July, and I hope that those don't cause a problem with summer holidays and the like and that indeed you continue to get a good turnout.

Your document that was released not too long ago, there were a

couple of concerns that were raised by individuals to me and I would wonder what your response is to . . . On one of the pages it refers to amalgamations that occurred already. You have indicated Melfort-Tiger Lily is a possible . . . or something that has occurred. Could you clarify what you were intending to indicate to the people on the page when you referred to three or four amalgamations that had taken place in the province? I'm not aware of any amalgamations that have actually occurred.

Hon. Ms. Atkinson: — Well as you probably recall, I believe it was in 1994 — I feel like I've been at this for a while — we approved three pilot projects. One of those pilot projects was Melfort-Tiger Lily. Then things changed. As you probably know, things changed in terms of the elections. And there have been ongoing discussions between Melfort and Tiger Lily School Division but it's still considered a pilot.

In terms of have any actual amalgamations occurred, the answer is no. What we do have is a letter of intent from the Kinistino School Division, the P.A. Rural, and P.A. for an amalgamation. But in terms of an actual amalgamation, the answer is no, but certainly these — Oxbow, Arcola, Melfort, Tiger Lily, Kinistino, P.A., and P.A. Rural were listed as pilot projects.

(2215)

Mr. Krawetz: — Thank you, Madam Minister. As I have not been as close to the education scene as you had, I was wondering indeed whether I had missed something. Because the phone calls that I received said your documents said there were amalgamations, and I said well they can't be, they must be pilot projects that were examples of what might occur, because to my knowledge they had not occurred. And you have just verified that. So we'll just assume that my response to those phone calls was correct.

In terms of the amalgamation document, Madam Minister, you've proposed four options. And I guess without showing or without probably trying to slant what you're looking at, you've said that you're open to any additional options. You've, I think, made some comments about status quo as probably not being necessarily one of the ones that you would favour, and tonight you made some interesting comments to the member from Athabasca regarding the preschool project that's working very well within a school system. So by the comments that you've made over the last little while, if I'm . . . if you're musing and I'm surmising as to where you're headed, I think you're indicating that your ideas around the delivery of education out in Saskatchewan is not necessarily just kindergarten to grade 12, because you've mentioned a preschool system that has shown that it's working well and maybe is something that we should work for.

And you've also made reference, about a year ago, or maybe not quite that much, where you've indicated that you were talking about a regional board that might be responsible for K to 14. You expanded beyond grade 12, so that seems to indicate to me that, you know, that those are ideas that you're considering. Without putting you on the spot, are there any one of the options that you favour more than any of the others personally?

Hon. Ms. Atkinson: — Oh, sure. This is well known because I shared it with the divisions across the province. Personally I like option 4. I like option 4 because it brings together learning in the province under one particular governance and administrative structure. That is my personal favourite.

Do I think that the public is ready for my personal favourite? I don't know. We'll see. My sense is that some people like it. People in northern Saskatchewan seem to like the notion of a K to 14 regional learning authority kind of concept. People in other parts of the province appear to like it as well.

I think it's important that high school kids in particular begin to think about pursuing post-secondary opportunities in their home region. I know that with the changes in the federal funding to the province for post-secondary education, post-secondary education is going to get more expensive in terms of tuition fees. When you're a young person from rural Saskatchewan, a tuition fee represents one portion of the cost of an education. The other portion of the cost of your education is rent, food, and so on — living — associated with going to a larger centre.

We now have several examples in the province where you can get your first and second year of university and not leave your region. You don't have to go to Saskatoon and Regina. I'd like to expand that notion to many other parts of Saskatchewan so that young people can begin to look at receiving their post-secondary education in their home region.

I think that we could look to the possibility of a more integrated, coordinated system of delivery and governance in the province. Do I think that's where the public's at? I don't know. I've had the benefit of being the minister for K to 12 and post-secondary education, and I think that there's some real possibilities there. And sometimes when you have two different systems, the K to 12 system and universities or SIAST (Saskatchewan Institute of Applied Science and Technology), it makes it difficult to integrate and coordinate. And perhaps one governance system would begin to break down those barriers. But we'll see.

The other point I want to make, do I favour the status quo? The status quo is certainly a possibility. But do I think that the status quo means no change? No, I don't think that. I think school divisions are going to continue to discuss the possibility of coming together. And I think school divisions will come together in cases across the province.

Mr. Krawetz: — Thank you, Madam Minister. Madam Minister, you indicated that you're waiting for options to come in. Do you expect that regional colleges, who are looking at change and are looking at improving their delivery of their program . . . and because of what you've just said about the delivery of post-secondary classes to other parts of the province, do you think that your committees as they travel across the province will actually get proposals from the regional colleges in terms of how they might restructure? Are you encouraging it?

Hon. Ms. Atkinson: — These are public meetings. And we're inviting everybody to come to those public meetings, whether you are a parent with children only in the K to 12 system,

whether you're an employee of a regional college, whether you're a trustee of a regional college. We want people to come to these meetings. We want them to speak out about where they think we need to go to get ourselves into the next millennium. This is an open process and it's not just for people interested in only K to 12. It's for people who are interested in education. And education is a lifelong process. And if you look at what's going to occur the next several years, people are going to have to be re-educated, retrained, many, many times over the course of their lifetime in order to keep up with the changes that are occurring in the workplace.

Mr. Krawetz: — Madam Minister, when . . . you've indicated in a response to one of the other questions asked this evening as to what you intend to do after October when all of this information is before you, whether or not it's just the four options, whether there are additional options. Are you planning on involving the stakeholders or is it just going to be within your department that you will assess the information and then go forward with a plan, or will you be still conducting an information-type meeting, a symposium, with the stakeholders to say, here's what we might be looking at?

Hon. Ms. Atkinson: — At some point in this process we're going to have to make a decision. Government is going to have to make a decision. Government will make a decision. After we make the decision we certainly will involve all of the stakeholder groups in any implementation plan that may be necessary.

But I need to point out to the member that we may decide option 1 is where we want to head, and that we're going to stick with the status quo. And if that's the case we're still going to need to consult with our stakeholders because we have school divisions that are speaking to each other and looking at the possibility of coming together voluntarily, and there are still many issues that need to be worked out, and that's going to require our stakeholders' involvement.

Mr. Krawetz: — Thank you, Madam Minister. Madam Minister, a couple other issues as far as some expenditures that you've indicated.

Regional services. I note that you are looking at an expenditure of about \$3.8 million for regional services. Is that the cost of the regional offices, and the staff, and everything else? If that's so, with technology improving the way it is and with boards of education I think talking directly with your departmental officials here in Regina or in Saskatoon, do you see . . . has there been any review of the current regional offices and is there any restructuring that might occur in those particular expenditure areas as well?

Hon. Ms. Atkinson: — We're not looking at reducing the number of regional offices in the province. In fact I think it's fair to say that our regional directors are going to be very busy over the next several months involved in the public consultation process. I should tell you that the regional services does not just include the regional offices and the staff associated in the regional offices. It also includes some people here in Regina, and it also includes student records.

Mr. Krawetz: — If I could refer you to page number 42 of the *Estimates*, in the subvote no. 4, Madam Minister — teacher pensions and benefits. You have indicated two areas of expenditure there. One is just entitled, teachers' pensions, and the other one is entitled, Saskatchewan teachers' retirement plan. Could you explain the different amounts of money that are allocated in both of those two areas?

Hon. Ms. Atkinson: — The teachers' pensions and benefits is the old plan, and Saskatchewan teachers' retirement plan is the new plan. We have the old formula plan and then we have the new money purchase plan.

Mr. Krawetz: — I note that the amount of money allocated for the teachers' pension plan, the old plan, has declined by \$2 million last year to this year. Is that going to occur over the next number of years? Did you see a steady decline in that area because of the less number of teachers that are in that plan?

Hon. Ms. Atkinson: — No, we don't expect that it's going to decline. It will depend upon the numbers of teachers that are going to retire in a particular year, and obviously that will fluctuate year to year.

Mr. Krawetz: — On page 140 in schedule A you have indicated that the costs of the dental plan for last year were \$3.9 million. With negotiations having just been completed, is there an estimate as to what the cost will be for the provision of the dental plan for the upcoming fiscal year?

Hon. Ms. Atkinson: — There is no change in cost to the dental plan as a result of the collective agreement.

Mr. Krawetz: — The premiums are remaining exactly the same as they were last year?

Hon. Ms. Atkinson: — The answer is yes.

Mr. Krawetz: — Madam Minister, I would like to thank you for your responses this evening. I'd like to thank all the officials for contributing to the discussions, that I can carry forward your answers to the public in terms of better explaining how education is funded and why certain things have occurred, not only in this budget, but the year before. Thank you.

Item 1 agreed to.

Items 2 to 4 inclusive agreed to.

Vote 5 agreed to.

Hon. Ms. Atkinson: — Thank you, Mr. Chair. Mr. Chair, first of all I want to thank the critics for the opposition parties for the questions that they asked. Obviously they've done some research and they asked intelligent, thoughtful questions. And I hope I've been able to provide you with the most accurate answers as possible.

I also want to thank my officials, that have been on stand-by many hours over the last few months as we made our way through these estimates, for their diligence and their support and help in presenting the estimates for the Department of

Education.

The committee reported progress.

The Assembly adjourned at 10:32 p.m.