

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
April 22, 1985

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING, SELECT AND SPECIAL COMMITTEES

MR. KOSKIE: — Yes, Mr. Speaker, I would like to lay before the Assembly a report of the Special Committee on Regulations, respecting a white paper on the proposals of the new Chartered Accountants Act and the white paper on the proposals for the amendments of The Management Accountants Act.

Mr. Speaker, I will be moving a motion in respect to the report at the conclusion of a few remarks in respect to the motion.

I just want to say, Mr. Speaker, that I am pleased to submit to the Assembly the report of the Special Committee on Regulations respecting a white paper on proposals for a new Chartered Accountants Act and a white paper on the proposals for the amendments of The Management Accountants Act.

The Special Committee on Regulations consists of the following members: the member of Saskatoon Nutana, the members for Biggar, for Redberry, for Nipawin, for Melville, for Saskatoon Eastview, my colleague, the member of Athabasca, the member for Regina North East — who has since resigned his seat — and myself, as chairman.

On June 1 of last year, the Legislative Assembly referred to the committee two white papers on matters affecting the accounting professions, and these were: the white paper on amendments to The Management Accountants Act, which outlined proposals to amend The Society of Management Accountants Act, and the white paper on the proposals for a new Chartered Accountants act which contained a draft Act reflecting many changes requested by the Council for the Institute of Chartered Accountants of Saskatchewan.

In order to obtain the views and representation of as many people as possible, the committee published a notice in all Saskatchewan newspapers seeking written briefs, and advertising public hearings. The committee received 10 written briefs, and at public hearings held in Regina on January 10th, and in Saskatoon on January 17th, we received 19 oral presentations.

On behalf of the committee I should like to express our appreciation for all of those who submitted briefs and made oral presentations. Their contributions were very valuable to the committee. I should also like to publicly acknowledge and thank the staff who so ably assisted us: Mrs. Gwenn Ronyk, the clerk of the committee, secretary to the committee; Mr. Craig James, the clerk assistant, and we also had Mr. Ron Hewitt who assisted us in some of the legal interpretations from the Department of Justice; also recognize Lorraine Archer and Mrs. Rose Zerr, and the staff of the legislative library.

And finally, as chairman, Mr. Speaker, I'd like to thank the other members of the committee for their work and their contribution. I thought the process was a good process whereby we allowed the interested groups to make both written and oral presentations, and in my view that the committee addressed it in a very serious way. And I think that in all seriousness we came forward with recommendations which we felt was in the best interests in addressing the particular white paper that was presented to us.

So therefore, Mr. Speaker, I am pleased to submit the report, and I would like to move a motion:

That the report of the Special Committee on Regulations respecting the white paper on the proposals for the new Chartered Accountants Act, and the white paper on the proposals for the amendments to The Management Accounts Act be now concurred in.

I so move, and seconded by the member from Saskatoon Nutana.

Thank you, Mr. Speaker.

MRS. BACON: — Thank you, Mr. Speaker. As vice-chairman for the committee I would like to say a few remarks. I would like to publicly thank the people that presented papers to us. They were most professional and well informed in their presentations, and we found them most accommodating when answering questions from our committee. So with the special thanks to the people that participated in the white paper, and to the staff, I beg leave to adjourn debate.

Debate adjourned.

INTRODUCTION OF GUESTS

HON. MRS. SMITH: — Thank you, Mr. Speaker. I have the pleasure today, on behalf of the hon. member from Kinistino, in welcoming some Grade 12 students all the way from Birch Hills High School. We have 28 students with us, plus three chaperons, and as I recall, the last time I was in Birch Hills, I believe it had something to do with the senior citizens' home. So, in this Year of the Youth, we welcome the other age category of the life spectrum. And I would hope that all members would join with me in welcoming them to this Assembly.

HON. MEMBERS: Hear, hear!

HON. MR. DIRKS: — It is my pleasure to introduce to you today, Mr. Speaker, and to the members of the Assembly, one of Saskatchewan's clergy that is seated with us today in the Speaker's gallery. I'm referring to Reverend Ron Erickson, who is presently a pastor in the West Side Alliance Church in my constituency, one of Regina's growing and vibrant churches. And you will recall, Mr. Speaker, that Reverend Erickson pastored a church in Rosetown for a number of years, which you are familiar with, of course. I would ask all members to join with me in welcoming Reverend Erickson here today.

HON. MEMBERS: Hear, hear!

HON. MRS. SMITH: — Thank you, Mr. Speaker. We have with us today, on behalf of the hon. member from Souris-Cannington, the Minister of Economic Development and Trade, 56 students, plus four chaperons. What is unique about this particular group today, Mr. Speaker, is that 28 of them are grade 10, 11, and 12 from Redvers High School, and the other 28 students are from Quebec, and they are in Saskatchewan on a cultural exchange.

I would hope that they find the proceedings here today educational, that you didn't find the bus trip too long, nor too boring, and we wish you a safe journey home. And someone will be meeting with both groups at the appropriate time for pictures. Thank you.

HON. MEMBERS: Hear, hear!

HON. MR. ROUSSEAU: — Monsieur le Président, au nom du Premier Ministre de la province, et de tous les Membres de cet Assemblée, ça me fait plaisir de vous souhaiter une très chaleureuse bienvenue à la belle province de votre belle province de Québec, et de votre école de Jonquière, je pense. J'espère que vous allez jouir de votre séjour ici dans la Saskatchewan. Je vous souhaite un bon retour à Québec.

HON. MEMBERS: Hear, hear!

ORAL QUESTIONS

PCB Spill in Saskatoon

MR. SHILLINGTON: — Thank you very much, Mr. Speaker. In the absence of the Minister of the Environment, my question is directed to the Premier. It deals with the Department of the environment's handling of last week's PCB spill in Saskatoon. Over nine litres of the insulating fluid containing PCB's was spilt into the soil along Preston Avenue near Saskatoon's field house last Wednesday, yet the people of Saskatoon were not told of this spill until Friday. Mr. Premier, my question is: why was there a delay in telling the public about this chemical, which is very poisonous, and a delay in warning joggers and others who might be travelling through the area, to stay away?

HON. MR. DEVINE: — Mr. Speaker, the spill took place on April 17, in the evening. The next morning, Saskatchewan environmental personnel went to the site. They advised the city on how to clean up the soil. They didn't want to make an announcement until after they had examined the soil to make sure they had done a good job. They did analysis. They asked them to do some more clean-up. And as a result, now they could say that it was done well, and there's nothing to be concerned about.

MR. SHILLINGTON: — I'm sorry, Mr. Premier, new question. I cannot make any sense out of that answer.

AN HON. MEMBER: — Nor can anyone else.

MR. SHILLINGTON: — Nor can anyone else, I'm sure. Why would the officials of the Department of Environment feel it's in the public's best interest for them to keep it quiet until they were sure that they had it cleaned up. Why would it not be in the public's best interest to know forthwith? The suspicion, Mr. Premier, is that the department kept it quiet until they had it cleaned up as best they could to avoid adverse publicity, and not in the interests of the public.

HON. MR. DEVINE: — Mr. Speaker, without examining the soil it's hard to know what to report with respect to what's in it, and how dangerous it may be, so that they advised the city on how to clean it up. They examined the dirt and informed them as a result.

MR. SHILLINGTON: — Will you not admit, Mr. Premier, that the chemical is hazardous to contact, and that the public might have contacted by not knowing? Would you not admit that it would have been in the best interests of the public to have been told forthwith about the spill? It is only in the best interests of the Department of the Environment and this government to keep it quiet.

HON. MR. DEVINE: — Mr. Speaker, let me just . . . (inaudible interjection) . . .

MR. SPEAKER: — Order, please. There is so much talking in the Chamber, it's very difficult for the members to be heard when they speak.

HON. MR. DEVINE: — Mr. Speaker, as my honourable colleague knows, if his concern is with respect to the department and the environment and public safety, I can say that it was handled professionally. If he wants to get into playing politics with it, I mean, we can go back into history and get into all kinds of things. I'm sure he doesn't want to do that.

The department looked at this. They examined it. They worked with the city from the outset. They examined the dirt; they examined the soil; they examined the clean-up. And it was done professionally, and the public should feel that it was done that way.

MR. SHILLINGTON: — Mr. Premier, a new question. Can you inform the Assembly whether or not there is any danger from the toxic chemical making its way into the water table? And a secondary question: what specific action is taken to ensure that the long-term, negative effects of the spill are ameliorated so far as it's possible to do so?

HON. MR. DEVINE: — Mr. Speaker, I've said to the hon. member that the Department of the Environment worked with the city to clean it up, and they're satisfied that the clean-up was done well enough. I'm not an environmental specialist, but they're advising me and the minister that it has been cleaned up well enough. If there are long-term, potential implications I suspect that he can get the information from the department, or we can provide it. But to the department's satisfaction, it has been cleaned up. It was something like three gallons in an area of 120 square feet. They've taken sufficient soil in their estimation, in their professional estimation, to make sure that it has been handled carefully and . . . And there's nothing else to add.

MR. SHILLINGTON: — Well, Mr. Premier, your . . . the official of the department, Mr. Chang. Dr. Victor Chang, stated after the clean-up that the incident represents a long-term, environmental hazard. So one must assume that there are long-term, environmental hazards.

My question again is: what steps are being taken to ensure that, so far as possible, these long-term hazards are ameliorated?

HON. MR. DEVINE: — Mr. Speaker, I would have to check with officials to find out any more details with respect to the potential of it. So if you want additional information, I'll be glad to have the minister provide all the added info that the hon. member would like to have.

MR. SHILLINGTON: — Mr. Premier, would you also undertake to have the minister advise the Assembly as to whether or not an inventory of PCB chemicals is being prepared, and if not, why not?

HON. MR. DEVINE: — I'll take notice and have him provide it.

Funding for Nursing Home Construction

MR. LINGENFELTER: — Mr. Speaker, my question is to the Minister of Health, and it has to do with a major change in the funding for nursing home construction which he failed to announce when he was listing out his new nursing home construction program.

Mr. Speaker, it has to do with a change in how much money the local communities will be asked to put into a nursing home construction program. It has come to light that the local community will now not pay 8 per cent of the nursing home construction cost, but 13 per cent, or pardon me, 15 per cent, and that a nursing home of 40 beds that cost \$4 million, let's say, that will mean an increase to the local community of about \$200,000.

Now, Mr. Minister, I wonder whether you can outline to us the reasons for that shift, where the province will be paying half the amount they used to, and the local people will be paying twice as much, and why that shift in taxation from your government to the local communities.

HON. MR. TAYLOR: — Mr. Speaker, I'd be pleased to address the member's question. Because of a moratorium that was placed on nursing homes during the '70s, there has been a tremendous need for nursing home beds in Saskatchewan. So last year we instituted a five-year plan with 1,500 beds. And this year I enlarged it to announce the last three years.

Over the consultations that I've had with over 100 communities in Saskatchewan, many of them said to me: Mr. Minister, we think the funding formula is not correct; that certainly, we will do more, because we want to provide for our seniors the same as this government does. So we

looked at changing the funding formula. And it is true that, for those receiving new facilities, the share by the community will increase to 15 per cent.

However, Mr. Speaker, on the same side, for those who are having renovations, for facilities that can be upgraded to meet the needs of today, which was previously 80 per cent, now will be 50 per cent for that community. So therefore we will be able to, Mr. Speaker, we will be able to use facilities that are out there, to upgrade them to address the needs of today.

So those are the changes that came about in the formula, Mr. Speaker. And he asked for the rationale, and that's the rationale behind it.

SOME HON. MEMBERS: Hear, hear!

MR. LINGENFELTER: — Mr. Speaker, I see what the minister is up to. He is penalizing those communities that want to build new nursing home beds, and I would ask the minister this question. I would ask him this question: whether or not he can tell me whether the special care home association sent a brief to him asking that this formula be changed.

Mr. Speaker, he infers that many communities wanted to pay more; that the nursing home lobby wanted to pay more from the local level. I wonder if you will table for us the communities, and whether or not the special care home association lobbied you to have the local funding increased. That's what you said, an I would like you to prove that.

HON. MR. TAYLOR: — Mr. Speaker, I have a hearing aid plan in this province, and I think the member opposite should avail himself of it.

SOME HON. MEMBERS: Hear, hear!

HON. MR. TAYLOR: — I said, Mr. Speaker, that many communities, well over a hundred, who had been sorely neglected from 1976 to 1982, have visited my office. And they have expressed to me that they would be willing. They have a commitment to their people and their communities, and they appreciated this government decision to decentralize these out in the communities where people could live the remainder of their lives close to their families and their children. They said, if you do that, we will help you — co-operation between communities and the government. And therefore, those communities came to me and said, we will pay more.

And as far as the special care home group, I want to tell you that this announcement, Mr. Speaker, . . . (inaudible interjection) . . . He asked when the announcement was made in his previous question. The announcement was made at the special care homes convention in Saskatoon.

MR. LINGENFELTER: — Final supplementary, Mr. Speaker. I wonder, Mr. Minister, whether you can answer the question that was asked last time, if you will table and give to us a list of the communities that asked you to increase their amount by 100 per cent — 100 per cent increase in the amount the local community has to put in. That's what you're having us believe, or would have us believe that they are requesting that. Will you tell me a list of the communities that asked you if they could, in fact, pay 100 per cent more?

HON. MR. TAYLOR: — Well, I don't know how you'd table a consultation, a verbal discussion, with people in your office. I fail to see how you'd table that, Mr. Speaker. But I will tell you the reason that I didn't announce it in here was the utter shock of the party opposite to hear that 60 communities — 60 communities in this province are going to receive facilities that they're very proud to have over the next three years — 60, some difference, some difference from a moratorium signed by the late minister that was in here at one time, Walter Smishek.

HON. MR. BLAKENEY: — Mr. Speaker, I direct a question to the Minister of Health. It concerns

the nursing home formula, and it particularly concerns the impact of the formula on nursing homes that are sponsored, not by municipalities, but by religious groups or charitable groups.

I think specifically of Santa Maria in Regina. The minister will be aware that Santa Maria is not a municipal organization, but is sponsored by an organization associated with the Roman Catholic Church. The minister will be aware that there is a pressing need for nursing home beds because not one has been opened or, indeed, started in Regina for three years.

The question I ask is: how does the minister propose that organizations like the Catholic organization which sponsors Santa Maria will be able to afford almost twice the amount of capital that they would otherwise have had to put in had the old formula been retained?

Here is a case not of renovation, but of expansion — new beds. Will you concede, firstly, that they now have to put up, not 8 per cent, but 15 per cent; secondly, that they don't have a tax base from which they can get it; and thirdly, that they therefore will have a great deal of difficulty raising extra funds?

HON. MR. TAYLOR: — First of all, you're wrong in Regina because last year the Lutheran Home were granted 11 beds for special, heavy care people — the Lutheran Home, yes . . . (inaudible interjection) . . . Well, they're being built. They'll be there. They'll be there. Just have faith. You may need one.

Anyways, Mr. Speaker, the question was on Santa Maria home. That's why we have come with a three-year program. The Santa Maria know that they will be given out commitment of money in that year, and I feel very certain that Santa Maria will have no difficulty in coming up with their share of the money. In fact, it may well be in place at this time.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. The minister will be aware that organizations like Santa Maria that operate, let us say, hospitals at Estevan or hospitals at Saskatoon have particularly asked you to change the funding formula so that they will not have to raise as much capital as they would have under the other formula. Now why do you say that Santa Maria, which is a similarly Roman Catholic sponsored organization, will have no difficulty raising twice as much money as they would have under the formula that you were using last year?

HON. MR. TAYLOR: — Well, Mr. Speaker, I have no indication from Santa Maria, or any of the other religious hospitals that he's indicating, that they have any problem. I'm sure they know very well that I have an open door. There's been over 100 communities in to see me. And I feel very confident that Santa Maria, when the date is set to go ahead with their construction, there'll be no problem with them putting together one of the best nursing homes in this province.

Cost to Taxpayer of Nursing Home Five-Year Construction Plan

MR. KOSKIE: — Yes, I'd like to address a question to the Minister of Health. As you know, Mr. Minister, under the old formula CMHC paid 72 per cent. Under the new formula they still pay 72 per cent. The province, under the old formula, paid 20 per cent; under the new, 13 per cent. The local community, or local taxpayers, paid 8 per cent under the old and 15 per cent under the new.

You have indicated to the people of this province that you are putting together a program, a five-year program, of the construction of nursing homes throughout the province. What I would ask you: would you indicate to this House the total, in a ball-park figure, the total cost of transfer under the new formula to the local taxpayers, under your new five-year plan? What does it mean in total dollars, taking into account your full program, the transfer in dollars to the local taxpayers?

HON. MR. TAYLOR: — Well first of all, under the old program, under the government opposite

there was no 72 per cent or anything; it was zero because nothing was built. However I think your question is for this: you would like to know the total cost . . . (inaudible interjection) . . . Would you like an answer? I believe your question was that you would like to have a figure on the total costs, and I would have to take notice of that. There's 60 different projects — some are renovations, some are new construction. But I would be pleased to provide that to the member.

MR. KOSKIE: — Supplemental. Are you indicating to us that you put into effect a five-year program of construction, so-called, and that you put into effect a new formula and you cannot even tell us how much of the transfer in total dollars it is to the local taxpayers? Is that what you're saying?

HON. MR. TAYLOR: — I'm saying, Mr. Speaker, that I announced a program of 60 different facilities. Some are upgrading renovations, some are new construction. I told the member opposite that I will be pleased to provide that information. I think it is asking a great deal to know a figure — some renovations, some upgrading, of how much goes to all the communities across Saskatchewan, how much comes to this government, and how much goes to the federal government. But I can tell you this, and I will tell you this, that over 35 years, Mr. Speaker, with a new construction at 15 per cent, over 35 years for the operation and the capital of a nursing home — a 30-bed nursing home — it will only come to 2 per cent to the local community. That's what it comes to over 35 years.

Foreclosures on Leased Farm Land

MR. LUSNEY: — Thank you, Mr. Speaker. I have a question for the Minister of Agriculture. Mr. Minister, my question has to do with the fact that your department, in spite of all the fanfare that you have had about The Farm land Security Act, you continue to take away leased land from the farmers. The latest example in my constituency, Mr. Minister is a farmer near Whitebeech who had a half section of land taken away from him and put out for lease just a few days ago.

Mr. Minister, if the banks and credit unions and anyone who has a mortgage against land is asked not to take away any land and give the farmer the opportunity to continue farming, why is the Department of Agriculture, with such haste, taking away all of this leased land at this time?

HON. MR. HEPWORTH: — Mr. Speaker, I would be interested to see more of the details of that case. It is my understanding that we in the department are subjecting ourselves to even more rigorous criteria than we are imposing upon the lending institutions when it comes to foreclosures out there.

In fact, given financial situations, before anything is done, first of all there is an internal department review. Then the client is given an opportunity to pursue the Counselling and Assistance for Farmers Program. And if, in fact, they tell us that, yes, we should walk an extra mile with them, we do so.

So, in fact, Mr. Speaker, I would suggest to the hon. member that we're putting ourselves through the same kinds of rigorous checks, if you like, that we're expecting the banks and credit unions to go through with regards to other clients. So I would be interested to see the details of just exactly what has happened on any individual case, and perhaps the hon. member could share it with me after question period.

MR. LUSNEY: — Well, Mr. Minister would you not agree that when the farmers have had a few years of bad crops in that north part of the province, that they are going to have some financial difficulties, and that any program that you have in place today will not help them at all? Because he has tried all of them, and he can't get them.

So would you not agree then that, because of this, that you should give him the opportunity owing only about 30-some hundred dollars of back payment on that land, that you should give

him the opportunity to, at least, try one more year to see if he can get a crop so he can make some payments to the province on that land, rather than take it away?

HON. MR. HEPWORTH: — Mr. Speaker, it's hard for me to comment on individual cases without seeing all the details. But our approach has very much been one of giving all farmers out there — not just clients of the Department of Agriculture, whether it be Agricultural Credit Corporation or a lands branch client — the benefit of the doubt, if you like.

We have been willing to walk an extra mile. We have set in place loan guarantees, interest rate relief programs, both in the Ag Credit Corporation and in the farm purchase program, to, in fact, help farmers through these difficult times.

MR. LUSNEY: — Supplementary, Mr. Minister. Mr. Minister, why will you not put a one-year moratorium on any of those leases and not take them away from the farmers? Put a one-year moratorium on them and give them the opportunity to try and get out of debt, at least for one more year.

HON. MR. HEPWORTH: — To my understanding, Mr. Speaker, there are no lessees at this point in time that have been foreclosed on by the department. And that's why I would be interested to know the details of the hon. member's inquiry.

MR. LUSNEY: — Mr. Minister, a new question. Are there going to be any lease increases on this land for this year?

HON. MR. HEPWORTH: — Mr. Speaker, I may have an announcement on that within the next few days.

MR. LUSNEY: — Supplementary, Mr. Minister. Mr. Minister, why will you not put a one-year moratorium on all land that the government leases to farmers, as you have asked the banks to do?

HON. MR. HEPWORTH: — Mr. Speaker, as I mentioned earlier, we are putting the same kinds of restrictive processes on ourselves, as a department, as we have asked others out there in the lending world to do.

MR. LUSNEY: — Mr. Minister, if you are putting that kind of restraint on yourselves, as you are, or the same restriction on yourself as you are asking of the financial institutions, why then, Mr. Minister, are these leases being taken away? Or is this what the rest of the program is like, where it is of no use to anyone in Saskatchewan?

HON. MR. HEPWORTH: — Mr. Speaker, I can only reiterate that I would like to see the details of that case.

HON. MR. BLAKENEY: — May I ask a supplementary of the Minister of Agriculture. I understood the minister to say that the department was acting with respect to lessees in a similar way as they were asking credit agencies to act with respect to mortgagors. And my question very simply is this: I understand that under The Farm land Security Act farmers have access to a board specifically set up to deal with these matters. Can you tell me whether lessees of government land have access to the same board?

HON. MR. HEPWORTH: — As I mentioned initially in my response to the first hon. member's question, Mr. Speaker, we subject ourselves to perhaps even a more rigorous process. We first of all go through a intra-departmental review, involving not just lands branch, but others in the branch — Ag Credit Corporation of Saskatchewan — to try and get as many views as possible on an individual case. And then after that, we as well have the additional, if you like, mediation view of the loan guarantee counsellors and review panels.

The group of farmers that are generally experienced in such matters out there — they've dealt with some 500 cases over the last year — I think who better to judge? And if, in fact, they say to us, yes, Mr. Minister, Mr. Department, this person is viable in the long run, and yes, you should walk an extra mile with them, then we, in fact, undertake to do that.

HON. MR. BLAKENEY: — Supplementary, Mr. Minister. My question was: do lessees from your government have access to the same board as farmers do under The Farm Land Security Act? Did I take your answer to be no?

HON. MR. HEPWORTH: — They may end up ultimately in front of the farm land security board if they're being foreclosed on land, but of course dealing with leases isn't exactly a foreclosure. And so what we have tried to set up is a parallel structure to deal with the lessees as opposed to deeded landholders who may be being foreclosed.

The idea was to be perhaps even more restrictive on ourselves than we were with The Farm land Security Act itself. There are some who may be at the same time, given their financial conditions, they may be facing an application to The Farm land Security Act from other sources other than ourselves.

INTRODUCTION OF BILLS

Bill No. 51 — An Act to amend The Farmers' Counselling and Assistance Act

HON. MR. HEPWORTH: — Mr. Speaker, I move first reading of a Bill to amend The Farmers' Counselling and Assistance Act.

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

Bill No. 52 — An Act to amend The Highways and Transportation Act

HON. MR. GARNER: — Mr. Speaker, I move first reading of a Bill to amend The Highways and Transportation Act.

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

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 26 — An Act respecting Securities in Saskatchewan

HON. MR. BERNTSON: — Mr. Speaker, I move, by leave of the Assembly:

That the order for second reading of Bill No. 26, An Act respecting Securities in Saskatchewan, be discharged, and the Bill be referred to the Standing Committee on Non-Controversial Bills.

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

Bill No. 49 — An Act respecting Interest prior to Judgment

HON. MR. LANE: — Thank you, Mr. Speaker. It is with great pleasure that I rise to move second

reading of an Act respecting Interest prior to Judgment.

Traditionally, Anglo-Canadian law did not look favourably upon awarding interest of any kind. Over the years, of course, many exceptions have developed. But one historical anomaly which has remained with us to this day is the bias of the law against prejudgment interest on damages.

At present, a plaintiff who suffers a physical or financial loss is entitled to receive judgement for damages when the judge or jury renders its verdict. But no allowance is included to compensate the plaintiff for the fact that the defendant has had the use of the money during the time leading to trial.

Technically, a plaintiff is entitled to his damages as soon as his losses are suffered. But, in reality, there is an inherent time-lag before he receives his judgement.

Litigation is sometimes protracted, negotiations can continue for a period of months or even years. Obviously the negative cost implications for a plaintiff can be serious, while the benefit to be obtained by a judgement by a defendant who has the use of the money throughout the prejudgment period can be fortuitous indeed. The proposed Pre-judgment Interest Act recognizes that the plaintiff has been out of his money by making an economic adjustment between the parties.

It is now generally recognized, Mr. Speaker, that failure to allow prejudgment interest on damages is an historical anomaly and not in keeping with current thinking and practices of modern commerce. As a result, the issue of prejudgment interest has been the subject of a great deal of study across Canada in recent years. A number of provinces have already enacted legislation similar to the Bill before this Assembly. This Bill is modelled to a large extent on the uniform Bill proposed by the Uniform Law conference of Canada.

Mr. Speaker, the Bill before this Assembly approaches the issue of prejudgment interest by automatically adding it to the general damages of the plaintiff at the time the assessment of damages is made. In the case of default judgement, the local registrar makes the calculation. The method used for calculating interest will be prescribed in the regulations. The interest rate applicable will be set from time to time, based on the prevailing interest rates at the time. There are special provisions for special damages such as lost wages and for money paid into court before trial and not accepted by the plaintiff.

There are also a number of exceptions in the proposed Act where prejudgment interest will not be awarded. For example, interest is not awarded on that portion of a judgement representing future pecuniary losses, nor on punitive or exemplary damages, nor on costs. It would not apply to consent judgements, unless agreed to by the parties, nor would it apply if there is an agreement between the parties respecting interest.

The Bill gives the court discretion to disallow prejudgment interest or to reduce the amount payable in cases where the interests of justice demand it. This is to ensure that no inequity results from the otherwise automatic practice of awarding prejudgment interest.

In order, Mr. Speaker, to give the bar and the judiciary and other interested persons proper notice, this Bill would come into force on July 1, 1985, and will apply only to causes of action arising after that time.

Mr. Speaker, it is with pleasure I move second reading of The Pre-judgment Interest Act.

MR. KOSKIE: — Thank you, Mr. Speaker. We've had an opportunity to look at the general principle that the Bill purports to put forward, and, generally speaking, we're not opposed to the general principle.

I do want to look more carefully at the application when interest is not awarded, to be more satisfied that we are in agreement in respect to the elimination of interest being awarded in certain particular circumstances. Accordingly, I would beg leave to adjourn debate.

Debate adjourned.

Bill No. 50 — An Act to amend The Queen's Bench Act

HON. MR. LANE: — Mr. Speaker, I rise to move second reading of an Act to amend The Queen's Bench Act.

This Bill makes changes consequential on the passing of The Pre-judgment Interest Act, which allows for awarding of interest on debts and damages prior to judgment. However, that Act would only apply to causes of action arising after July 1, 1985.

The provisions of section 46 and 47 of The Queen's Bench Act provide for limited interest in some cases. They will, therefore, continue to be applicable in any actions to which they would apply that arise prior to July 1, 1985.

Mr. Speaker, I move second reading of The Queen's Bench Amendment Act, 1985.

(1445)

MR. KOSKIE: — Yes, Mr. Speaker, as the Minister of Justice has indicated that this Bill is consequential on the previous Bill, and since we want to have a better opportunity of looking at the previous Bill, an Act respecting Interest prior to Judgment, I would also beg leave to adjourn debate.

Debate adjourned.

Bill No. 32 — An Act to amend The Mortgage Interest Reduction Act

HON. MR. ROUSSEAU: — Mr. Speaker, it gives me great pleasure to rise to move second reading to an Act to amend The Mortgage Interest Reduction Act.

Mr. Speaker, in June of 1984, the Premier announced a three-year extension of the mortgage interest reduction program. Bill No. 32 provides for the extension of the program to June 30, 1988.

Mr. Speaker, this government made a commitment in 1982 to protect Saskatchewan home owners from high interest rates, and we've lived up to this commitment, and to the end of the 1984-85 fiscal year over 43,000 home owners have been paid \$58 million in benefits. As in 1982, this government recognizes the need to protect Saskatchewan home owners from possible interest rate increases in the future. The extension of this program provides home owners with the assurance that regardless of how high interest rates may rise, the rate they pay on their mortgage will not exceed 13.25 per cent.

Mr. Speaker, I move that Bill No. 32 be now read a second time.

HON. MR. BLAKENEY: — Mr. Speaker, as the minister has indicated, this puts into law the policy already announced by the government, a policy with which our party has no quarrel either now or when it was announced, and accordingly, we will be supporting the Bill. We note that it is now of somewhat lesser application because interest rates now are low enough so that in most cases the formula does not kick in, but we acknowledge that that may not be the case in the future, and that the Bill provides a measure of security to persons who have mortgages with which we agree, and accordingly, we will be supporting the Bill.

Motion agreed to, Bill read a second time and referred to a committee of the whole at the next sitting.

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

DEPARTMENT OF EDUCATION

Ordinary Expenditure – Vote 8

Item 1 (continued)

MR. KOSKIE: — Thank you, Mr. Chairman. I want to at this time turn to some of the aspects of the government's policy as it relates to the expenditure policy of this government. I think if we . . . Over the past three years, it is our opinion that they have very seriously underfunded education and have indeed eroded the quality of education despite the long tirade by the minister last day.

In fact, last year for example, if we take a look at the delayed providing of the funding to the individual school divisions in this province . . . We finally got it after the House adjourned. As to what really were the funding going to be to the various divisions, we find that 34 of the 114 school divisions had their provincial grants actually cut. A further 36 divisions had grant increases less than the inflation rate.

And moreover, according to the school trustees association, under the Devine government provincial grants as a portion of the total school board expenditures, they have declined significantly.

Under the last three years of our government, the New Democratic government administration, provincial grants accounted for an annual average of 53.5 per cent of the total board expenditures — almost 54 per cent.

Under the first three years of the Devine government, grants have accounted for only 49.1 per cent of the total funding for education, a cut from almost 54 per cent to a total of 49 per cent. And yet they go around and try to make people believe that they have a great commitment to funding of education. Certainly less resource revenue from all companies, less provincial spending, but an increase under the PCs in education tax burden to the local ratepayers.

So I think, Mr. Chairman, before the minister and the Devine government begin to boast and brag too much about their recent realization that education is a priority, before they brag about their commitment to education spending, let them first try to defend or justify their serious undermining of education in the past three years.

I want to say that under the Devine government, the Devine government is very busy trying to boast about their promises regarding education funding, and so is the minister — promises for the future. But in order to assess their credibility, the credibility of those promises, we need to look at their previous promises and their previous performance. We have to judge them, Mr. Chairman, by what they have done, not by what they say they will do.

In 1982-83 this same minister, at another portfolio, announced a \$10 million job program. That's what she promised — 10 million. But what did she deliver? Not 10 million, but 2 million. A budgetary promise made; a budgetary promise broken.

Also in 1982-83 the then minister of education made promises about education spending. But you know what happened during the course of that year. He underspent the operating grants budgeted figure by about \$900,000.

And what about 1983-84? The Devine government's budget promised education spending of \$420 million. But when this minister reviewed all her promises and decided which ones to keep and which to break, she spent only \$415 million — underspent by \$14 million. And there wasn't sufficient funds at the time to meet the needs of a quality education. Fourteen million dollars underspent. A budgetary promise made and a promise broken. Fourteen million dollars not spent in '83-84. And it's obvious that education was not a priority to her that year, and I find it hard to believe that her priorities have changed.

It's obvious that she did not honour her budgetary commitments that year, and did not keep the budgetary promise. So Saskatchewan people are entitled to more than just a little scepticism. And now with the fewer still more budgetary commitments, still more promises for education, they have a right, I think, to judge the minister not by the rhetoric in the budget, but rather by the performance of this government in meeting the quality education during the past three years.

So far the minister and her colleagues have not done a very good job of selling or explaining or justifying this budget. Everywhere the news is the same. The perception of the budget is the same, a tax-increase budget, the biggest tax increase in the history of Saskatchewan.

And education hasn't escaped. Tax increases for education, tax increases for school support staff, provincial tax increases for local education, rebate ratepayers, tax increases for senior citizens who also lose their education tax rebate, and tax increase for farmers who also lose their home quarter education rebate.

The minister may want to boast about the increased funding for education promised in this budget. But you have to note that promise is not yet delivered, that increase of about \$33 million. If she didn't spend it in previous years when funding . . . speaking to any of the school boards or the educators throughout this province, indicated that there was an undermining of the education under this minister, under this government. And even then they didn't even spend all of the budget which was insufficient. Now they come forward expecting the people of Saskatchewan to believe that they're going to make a substantial commitment to education. I doubt very much, Madam Minister, if your credibility will reach very far outside of your caucus.

You know, if you take a look at the so-called new thrust in education, and you look at the one segment of our population, the farmers alone are losing more than that in education tax rebates. That is, she's indicating that she's putting another \$33 million into education. And you look at what the farmers are losing themselves by other aspects of the budget, you find that one segment alone is going to lose more than all of the extra commitment to education.

Farmers lose about \$20 million in property improvement grants. They're going to lose \$16 million in the home quarter education tax rebate. And she says \$33 million more in education spending is such a commitment. But she's just taken directly on those two cancellation of rebate programs, which were for the farmers to help pay for a part of the taxes imposed for education. She's taking about \$36 million away from one group alone of taxpayers.

Thirty-three million more in education spending, but if you take a look at it, there's a total of 100 million taken from Saskatchewan people in lost education tax rebates.

And other tax increases as well. Income tax and sales tax are increasing. On a per capita basis, it works out like this: increased education spending, about \$33 per person, or an increase of \$132 per family of four; increased provincial tax burden is \$187 per person, or \$748 per family of four.

Or we can look at it another way. A teacher, say, making \$35,000 who buys a \$10,000 used car as a second hand vehicle for his family will lose from this budget: income tax, 350; sales tax, 500; property improvement, 230. Over \$1,000, \$1,080 grabbed from the taxpayer of Saskatchewan. And they're leading us to believe that this is new money, new commitment to education.

(1500)

What they have done is cancel the benefits to the taxpayers of this province. The property improvement grant. Over \$80 million a year went back to business men, house owners, and to farmers — \$80 million. And they cancel it out. That represents something like 25 mills assessed against education — \$16 million of the home owners education tax rebate, \$16 million. And they cancel that out.

If you take another example like school support staff members, say, a secretary or a custodian making 20,000, and you take a look at what has happened. Say he buys again a 10,000 used car, because that's all he can afford to use. Well, he pays about \$200 in extra income tax; sales tax is \$500; property improvement grant, he loses \$230. Nine hundred and thirty dollars extracted on yet another taxpayer in Saskatchewan.

Mr. Chairman, the new Education Endowment Fund is to total 400 million over the next five years if we are to believe the words in the budget. It indicates it has two components: Education Development Fund, \$275 million; university development fund, \$125 million.

I want to say that essentially this is nothing more than smoke in mirrors. An empty and misleading way to package what is intended to appear as a commitment. I believe we should comment on this as little as possible except just to indicate to the public, who can believe them? I think basically all it is is an attempt to deflect attention away from the massive tax increases. And so what they've conjured up is a mythical plan so-called building on the four corners, including education.

I want to say that, can you believe what they say when you see what they've done? When you see the so-called promises made and those promises broken.

There are at least five items that may be worth mentioning. I believe that nowhere does government make an explicit commitment to picking up a specified share of school board costs from grants. In fact, the provincial share has, as I said, declined steadily in '82, '83, and '84. That is surely why, if one looks at the actions of the government during the previous three years, one has to come to the conclusion that there was a declining funding for education.

By its action in this budget and by the reference in the budget papers to the desire to work out arrangements for the concept of shared financial responsibility, it seems clear the government has rejected what SUMA (Saskatchewan Urban Municipalities Association) and SARM (Saskatchewan Association of Rural Municipalities) were indicating that they wanted, the idea that education taxes should be taken off the property. I wonder if the minister will, in fact, indicate whether she has had discussion with SUMA and SARM in relation to the removal of property tax from the property.

It's interesting to note that on page 13 of the partnership booklet, they say the government is seeking an agreement. This is rather interesting.

They are seeking an agreement that teachers will hold the line on salary increases.

A rather interesting little insertion into the so-called partnership for progress, working together to build a stronger tomorrow. And in the partnership for progress, I want to quote what it says. It deals with the next five years and it says:

The government seeks: (it seeks) an agreement that teachers and professors will hold the line on salary increases so that students themselves get the maximum benefit from the new funds.

I'm wondering whether the minister feels that it's fair that teachers alone should be singled out to make a contribution to developing the quality of education. I would have thought that if we were going to build a quality education, that all of society benefits, and that all of society should, in fact, indeed make a contribution to the development of that quality education.

I'd like to know whether, in the process of so-called consultation, whether in fact the minister can indicate whether she is in agreement with that statement, an agreement that the Minister of Finance has indicated that he is seeking an agreement that teachers and professors will hold the line on salary.

And I'd like the minister to further address and to indicate whether or not that applies — that commitment which the minister speaks of — is a five-year commitment, because I think the teachers out there who are devoted to the cause of education would like to know whether it's in the context of the five-year plan that their salaries are expected to remain the same during those five years.

I think it's time, Madam Minister, to square with the educators across this province, because certainly within the document of working together you have the statement by the Minister of Finance.

It's rather interesting, you know, when you take a look at this minister. She comes forward with a ministerial statement here in the House, comes to the House, makes a ministerial statement outlining a major — what she claims is a 1985-1986 school construction program.

That's rather interesting because, you see, now we are launched in the first year of this great commitment to education, Mr. Chairman. Now we're going to really put the bucks to it, after we have grabbed it back from the farmers and the rest of the taxpayers in Saskatchewan. And they've changed the estimates so that it's all lumped together. The minister made a statement in respect to capital expenditures.

You know, in respect to the amount of capital expenditures that we had last year, in 1984, the amount of money allocated for the expenditures and capital works was 12 million, \$276 million. This year we're going to have a big commitment to education and a big thrust in respect to capital development. And I guess one would have assumed, Mr. Chairman, that that figure would have probably been larger than the year before. But the minister made the statement, and if you look at the total amount that she has allocated for capital expenditure, you find it to be 11 million, \$676 million — down from 12 million, 276 million, the year previously. And this is the great commitment, so-called, to education.

I've had a chance to look at the *Public Accounts* in 1983-84, and if you look at the estimates for Education, you find grants to schools. The estimates were \$13,640,000. The expenditures in '83-84 was \$8,789,999 — total of Education '83-84. Total Education budget, that is estimates, was \$429,431,156. And, if you look at the actual expenditures, you find \$415 million or approximately \$14.3 million under expenditure.

So all I want to say to the minister here, very clearly, that the promises made by this government in the past have not been kept, that the quality of education certainly was on the decline, because all of us will remember the headlines that were put forward by the school boards and others in respect to the commitment last year by this government, and I just want to review a few of them.

Tight money forces cut in education program. (This is in September 15th, '84). Budget restraints have forced public school trustees to drop a part of their program for the gifted children.

And that's what happened under this so-called government committed to education.

Reader's Viewpoint, *Leader-Post*, January 12th, '85:

Education cuts short-sighted. In 1984, the Regina public school system faced a cut of \$700,000. This cut, along with increased costs, were met, in part, by closing four schools, reducing teaching staff by 25 despite increased student enrolment; reducing central office staff; curtailing the replacement of industrial arts equipment; curtailing the purchase of educational films; phasing out or reducing programs at various schools. Cut backs would have been greater had the board increased the mill rate by 9 per cent.

And the story goes on. Last year — this is the same minister that's standing up saying she has a commitment to education. And in Saskatoon:

Thirty-four teaching positions to be cut from the Saskatoon school educational system. The public school board will cut 34 teaching positions from its employment rolls, despite an enrolment increase of about 200 students, when Saskatoon's 52 public schools swing open next month.

That is the record, and I think it's fair that the people of this province be made aware of the commitments in the past by this government. Here's yet another one.

Education quality eroded. Government's education funding causing tax hardship.

And the list goes on. And sure, the minister may stand up and say, well, we're talking about last year, we aren't addressing what it is this year. Well this year I have indicated, Mr. Chairman, that part of the great thrust was to be, I had thought, in capital expansion. And when you look at it, there's \$600,000 less in capital expenditure for this year than there was last year.

And the truth of the matter, of course, is where did she . . . Any increase that is provided, she took it from the ordinary taxpayers of Saskatchewan by first of all removing all of the rebates which went towards the payment of their share of education costs; 80-some-million in the property improvement grants; \$16 million taken from the farmers in respect to the home quarter education rebate; and on top of that, huge tax increases.

(1515)

So what I'm saying, Mr. Chairman, I ask the people of Saskatchewan not to trust this government because a lot of promises have been made in the past and have been abandoned. We have the removal of the sales tax, and what do we get? We get an increase in sales tax which will hit primarily those on lower income.

We were asked to expect a decrease in the amount of the income tax. And what do we find? A major increase in the taxation of the people of this province.

And so, Madam Minister, I'd like, if you could, to make a few comments in respect as to whether you think, whether you agree with the removal of the property improvement grant which went to providing some assistance to the people of this province to pay a portion of their tax, and whether you agree with taking off the home quarter rebate, and whether you think it's fair, and whether you think that there hasn't been certainly a transfer onto the backs of the Saskatchewan taxpayer in respect to the funding of education. I'd like to hear your general comments, please.

HON. MRS. SMITH: — Mr. Chairman, a few comments based on a very lengthy comment by the hon. member from Quill Lakes.

He made reference to the past several years and would have this Assembly, and everyone else

that's watching in on this Assembly, believe that underfunding took place in the past two or three years. Perhaps the hon. member needs his memory refreshed, or even put in place to being with.

If I go back the last three years — and the hon. member says, "Be honest." There's nothing more honest than actual facts that are tabled for the public by local school boards or by government in this House, that's held accountable for their honesty much more so than the paper that he presents today.

I go back to 1980-81, Mr. Member from Quill Lakes, and what do I see in that particular year, but I see approximately 11 per cent increase in the local mill rate — 11 per cent. That was 1980-81. In 1981, going into '82, I saw a 13 per cent increase in the local mill rate. And the member says that's inflation, that's inflation. A 13 per cent increase in the local mill rate, and the year following that when they were going to set that budget, it meant a 17 per cent increase in the local mill rate.

What do I find in 1983-84? I saw a 6 per cent increase as compared to 10, 13, and 17 per cent in the three years that he made reference to under the previous administration. In 1984-85, I saw a 5 per cent increase in the local mill rate, compared to the last three years of that government of 10 per cent, 11, 13 per cent, and the 17 per cent. Now he wants to talk about underfunding. There's a good indication of who wasn't funding when there should have been.

Now what are we going to see this year? . . . (inaudible interjection) . . . The member says, look at the headlines. Does the member ever do his homework other than through the media? I suggest he doesn't. Mr. Chairman, this year this government committed a 10 per cent increase into the kindergarten to grade 12 system, a 10 per cent increase — 5.7 per cent of that is on operating — absolutely, pure operating.

I would ask the member from Quill Lakes what he's been reading in the media lately. I would hope; that he would at least have the courtesy to reply that he knows of no school boards that are not going to have to raise their mill rate at all, and why, Mr. Chairman? Because the funding into the operating grant has been substantial. Now the member says, what about the capital programs — what about the capital programs? Well, I say to the member, what about the programs for the children? Because that's what the school is all about. But he's more interested in the capital budget — the capital projects — not the program, or the child, simply the capital project.

I would suggest to this Assembly that the benefits to taxpayers, when it comes to an increased benefit in education, is much higher than what it would ever be with a rebate program. And if the member from Quill Lakes with all his education, including his law degree, wants to debate that, then we will debate that in the House.

I listened to what he says and I think, surely the member isn't suggesting that children don't deserve some benefits. Children, a very major portion of our society, the adults of tomorrow, the future members that will be sitting in this Assembly, perhaps a future member to run his law practice for him, and perhaps a good conservative MLA from Quill Lakes to replace him down the road.

SOME HON. MEMBERS: Hear, hear!

HON. MRS. SMITH: — And he suggests, when he talks about the taxpayers not benefiting, that children do not deserve a portion of the benefit. They do. He knows full well that adults, including himself, access government programs in several manners.

But what do students do, Mr. Chairman? They have basically one access to taxpayer and government money, and that is the school system, whether it be the federal, provincial, or local level. That is their main access to benefits through government funding.

I would also suggest to him that Saskatchewan people feel very strongly about their education system and the benefits for their children, and that taxpayers are the moms and dads and the grandma and grandpa, aunts and uncles, the teachers and the students in university. Does he suggest that they do not benefit from such? Well, that's what he's precisely doing in this Assembly today.

He makes reference, we don't keep our promises. The promise is not kept. Well, let's spend a little bit of time talking about Saskatoon and Regina on last year's budget. Last year, Mr. Chairman, the Saskatoon School Division board received approximately an 11 or a 12 per cent increase, last year. Now that didn't relate to everything that they would have liked it to relate to.

First of all, they were going through reassessment. And secondly, we had a little line in the formula that was there under the New Democratic government, called debt retirement, that was slowly eating operating. So the Saskatoon board didn't come out as well as what they should have, even with a 12 per cent increase.

But I would suggest, even given that, if the member were to look at Saskatoon's mill rate last year, he wouldn't find under his previous three years anything close to being that low. It wasn't 17 per cent, it wasn't 13 per cent, and nor was it 11 per cent.

I also want to point out to the member from Quill Lakes that for 1984, to date 90 boards have reported on their budgets. And out of that 90, 64 increased their surpluses in the year 1984. And yet that good hon. member from Quill Lakes would have the taxpayers of this province believe that school boards were cut, cut, cut last year.

I would like to address the issue of capital budgets this year, Mr. Chairman. the member is absolutely right. There is \$600,000 less, approximately, than last year's budget. And let's talk about that. The reason for the decrease, Mr. Chairman, is first of all, we have tighter guide-lines on the building; and secondly, most projects, if not all projects last year, came in under their estimate. So boards fared very well when it came to their capital construction.

If I take a look at the capital programs for the last three years, I see a very stable level for capital funding, right around the 12 million down payment per year. Now what did I see? The three years previous to that I would see 6 million this year, seven, and then come an election year I see 12 million. But what you've seen under this government is 12 million per year, because it is just like nursing homes. They were not looked after, and now you're in a catch-up position.

The member also suggests to this House that the capital projects were a major thrust of our budget. That is not true. It was never intended that capital projects in schools this year would be a major thrust. The major thrust was on the government increasing its share on the operating grants, which we did, from 51 to 54 per cent, and we had no intentions of putting any more money into capital projects for this year.

He wants to know my opinion on the rebates. If I go back to the '60s when it was put in, I would suggest that the member from Quill Lakes do his homework and have a look, and he will find that education K to the university system lost approximately 50 to \$55 million. And what happened? Well, the mill rates went up, but the government looked pretty good that year because they sent a nice fat cheque out to the taxpayers. Mind you, it was their money to begin with.

Perhaps if it had of been given to education, the mill rate wouldn't have jumped up. But it did, and many people, many people, Mr. Chairman, made representation to the NDP government of the day, myself included as a chairman of a school board and president of the SSTA (Saskatchewan School Trustees Association), asking the government of the day to do away with the property rebates. They were nothing but a political football, and as long as the government

persisted in maintaining that kind of fraud with the taxpayers' money, the mill rates would continue to climb, climb, climb, to the point where you would see pressure become severe enough that people would begin to demand that education be taken off that tax base.

Well, that was six, seven years ago, Mr. Chairman, and precisely that prediction has happened, because they didn't take it off, they wouldn't take it off. And I recall the minister of the day, at that time the Hon. Doug McArthur, saying to me, "I maybe agree with you in principle, but it can't be done politically." And I said, "why? All you are doing is taking the taxpayers' money at that level, pulling it in, mailing it back, and letting another level of government fund the increase to make up for this cheque that you're mailing back." It was that simple.

To this day, I maintain that it is a political football, and pure and simple, it is like playing a checker game of fraud with the taxpayers' dollars. However, I do have some sympathy for the low-income senior citizen. I don't suspect that the member from Quill Lakes will ever get to that point, and that is the low income, the low-income senior citizens. And this government has taken that into consideration.

If I look at the commitment on the two age categories, one to students in the school system and one to seniors, I would suggest to you that the previous administration couldn't even begin to match the commitment in terms of the increase that has gone on to SIP (Saskatchewan Income Plan), and now what we are doing with education in this province.

MR. KOSKIE: — I'd like to ask the minister: was she a part of the government and cabinet at the time that they instituted the home quarter rebate program, and what was her position at that time, whether she was in favour of putting that into effect one year and then suddenly it becomes silly because you want tax grab. That's what you're after. Here's what you did, Madam Minister.

(1530)

You voted for your government to put into effect a further rebate beyond the property improvement grant, the home-owners grant, home quarter grant. And this year you are taking both away because what it is is a tax grab. Could you stand up in this legislature and indicate whether you were in favour of instituting the home quarter education rebate program, and what changed your mind?

HON. MRS. SMITH: — Mr. Chairman, my position last year when it came to the farmers of this province, because I come from a farming area, the south-west corner of this province, was first of all recognition that many of the farmers in this province were having a tough time because of drought in the south, and we had floods in the north, plus we had various other factors in dealing with the farm community, and we needed something to put cash immediately into the farmers' hands in one form or another. And we knew that it was short term when it was done.

MR. KOSKIE: — Assuming that the mill rate in respect to a farm remains the same this year, what amounts of money will, in fact, be taken back from the farmers? Just assuming the mill rate was exactly the same as last year . . . (inaudible interjection) . . . A lot to do, Mr. Deputy Premier, a lot to do, because what you're doing here is stealing from the assistance that we were giving to the farmers, to the business men, the taxpayers of this province. We were taking the oil resource revenues and distributing it to them to help them pay for the education costs. That's what it was about. And I want to ask the minister; assuming that the mill rate on a given farm was exactly to remain the same, exactly the same, no mill rate increase, would she indicate what basic funds would be taken from that particular farmer paying taxes this year as opposed to last year?

HON. MRS. SMITH: — Well, Mr. Chairman, that depends on a lot of things. Assessment, being one of them — the ability to pay. If it's in reassessment, that's another factor. Perhaps the member would like to wait until the end of the month when the mill rates are set, and then he

can check in his own constituency.

MR. KOSKIE: — Well obviously the minister refuses to answer, but taking her position, each individual farmer is going to be losing his property improvement grant. He's going to be losing his home quarter rebate. And, I'll tell you, that's over five to \$600 you're taking from every farmer in this province. That's precisely what you're taking and you can't deny it.

And what you have done is heaped upon the individual taxpayer a very substantial burden to pay for education. Not only have you wiped out the rebates . . . and it wasn't a transfer of taxing them on one hand and giving it back to them in a cheque.

I'd remind you what we were doing is transferring the resource revenues. We were not giving the massive breaks to the oil companies that this government has established . . . (inaudible interjection) . . . We have the member from Saskatoon South. He never gets an opportunity to talk because he embarrasses his caucus when he gets up. And so they send him over because they need a zoo for him to keep him contained.

I want to make it very clear to the minister that the rebate that every individual farmer got under the property improvement grant was \$375, that in addition on the home quarter that they got a rebate in the neighbourhood of 200 to \$225, somewhere in that neighbourhood, and, depending upon the assessment of the land, it could be as high as \$300. And what you have taken is five to \$600 of rebates which were directed to paying the education tax of farmers and business men across this province, you've taken away. And what you have done is instituted massive tax increases in order to now fund education. And the reason is simple: you haven't taken it from the resource companies, and so you have to take it from the people of this province. And that's what you're going to be doing.

I mentioned also in the so-called *Partnership for Progress*, *Partnership for Progress*, Madam Minister, and it says:

The government seeks (and the bottom paragraph on page 13, if you want to refer to it); . . . (inaudible) . . . An agreement that teachers and professors will hold the line on salary increases so that the students themselves get the maximum benefit from new funds;

I want to ask you whether you were aware of that statement being inserted, and whether you support that proposition.

HON. MRS. SMITH: — Mr. Chairman, I am well aware of what was in the Minister of Finance's material that he tabled in the House on budget night. I guess what the member opposite is doing is, first of all, putting blinders on, and when he sees somebody asking teacher for a commitment all he thinks of is salary. I want him to know that there is much more to the teacher and to the quality of education than simply dollar and salary. And when we talk about a commitment, we are talking about a commitment for a renewal improvement and a commitment to excellence in the education system in this province.

I want to share with the member opposite a letter. And it says:

Dear Pat: I want to express my personal thank-you for your efforts to secure education as a corner-stone for the future. This is a major event in Canadian education this decade and, in my estimation, will be the turning-point to secure the future for our young people.

You have accomplished much. The federation will do all in its power to face the challenges which lie ahead as we made Saskatchewan education the best in North America.

And that is from the president of the Saskatchewan Teachers' Federation, Mr. Chairman.

The hon. member from Quill Lakes makes reference to professors. And it's interesting to note, what the president of the University of Regina said:

I'm very pleased and excited about the five-year plan. For the first time ever, the provincial government is willing to look at the education system from a long-range point of view.

This is probably even more significant than the actual increases for education announced in this budget since it signals, Mr. Chairman, an attitude change. That is an indication of the willingness of the educational community to move into an endeavour in giving of time and effort to improvement of education.

MR. KOSKIE: — Well, I suppose you can go around and circumvent the question which I asked you. But I'm going to ask you again. In here it says, in this, your document, and what you're asking a commitment, the government seeks an agreement that teachers and professors will hold the line on salary increases so that students themselves get the maximum benefit. Now, is that the policy of your department? Is that the policy of the government — that the teachers' salary, and the professors', be in fact frozen, as it says here: teachers and professors will hold the line on salary increases, will hold the line on salary increases. I'd like to know how you interpret that, and what your view is.

HON. MRS. SMITH: — Well, Mr. Chairman, my interpretation of that is simply one of having a commitment from all partners for five years. The member full well knows that public service bargaining is on. Teachers fall within that realm, and, I think, any further bargaining on salaries would best be done at the table, and not in this Assembly between the member from Quill Lakes and myself.

MR. KOSKIE: — Well, if that's the position, then it's rather strange that one group would be singled out to make a commitment to education over and above, as I said before, the doctors and lawyers and business people and so on— all are partners, I would think, in the process, in the process of building a quality education. And I want to ask you then, why have you singled out— and this is what the teachers are asking me — can you, in fact, get a clarification of why the Minister of Finance, with your concurrence, as you have said, why have you singled out . . . (inaudible interjection) . . . Well, you have. You don't say there's a commitment from others. It should be understood that if you're going to build a quality education, that it would be built by all in society.

And so what I'm asking is, and the teachers want this clarification, is why the Minister of Finance has, in fact, singled out the teachers and the professors in respect to holding the line on salaries and not addressing it just in a general way of financing education through the contributions of all. Can you explain why they have been singled out?

HON. MRS. SMITH: — Mr. Chairman, first of all we are talking about a partnership for progress. The day is gone when government is going to do it all by themselves, or think they're going to do it all by themselves. The day is gone for the teacher to do it all by her or himself. And the day is gone that the school board does it all by themselves.

That, in fact, there is, indeed, a shared responsibility in there, a very serious, shared responsibility, not by only those three that I've named, but by the community at large, and whether that be the parents, non-parents of the community, and yes, including business organizations in the community in dealing with the education system.

The document that he refers to is, one, a partnership for progress. And we were talking about a commitment towards excellence. I've already said to the member from Quill Lakes, he knows full

well that there is much more with teachers than simply dollar or salaries. And that's what the intent was over the five-year period of time.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, I understand your position to be, to use your words, that teachers should be asked to hold the line on salary increases so that more money would be available for educational improvement. Could you tell me what other classes or groups of people in society have been asked to hold the line, similarly?

HON. MRS. SMITH: — Well, Mr. Chairman, to the Leader of the Opposition: his has; for example, MLAs . . . (inaudible interjection) . . . Well it isn't phoney. I beg to differ with the member from Quill Lakes. He asked a serious question, and I'm giving him the answer the best way that I know how. And it's not in a phoney manner.

MLAs have been asked at zero. The public service, all those bodies that for all intents and purposes are classified into public service, because government is the major bargaining partner at the table, and because it's provincial-level salaries.

I told the member from Quill Lakes, public service bargaining, zero per cent is on the table. There's no secret in that. That's been known for some time. And there's nothing more and nothing less in the statement that's in the document.

HON. MR. BLAKENEY: — Thank you, Madam Minister. And it's clear that public service is given the widest possible definition — those who get basically their money from the provincial government, whether or not they are employees of the provincial government. That's what you have now said.

Does that include the Saskatchewan Medical Association and members of that body?

HON. MRS. SMITH: — I would suggest that he ask the Minister of Health.

HON. MR. BLAKENEY: — Madam Minister, you have just told me what MLAs did. You are not the minister in charge of MLAs. You have just told me, you had just told me that is true with respect to the public service. You're not the minister in charge of the Public Service Commission. Why are you reticent in answering my questions with respect to members of the medical profession?

(1545)

HON. MRS. SMITH: — Mr. Chairman, when I refer to the public service, and I said for all intents and purposes, for these two reasons, these two reasons, and I'm talking about teacher bargaining . . .

MR. CHAIRMAN: — Order, order! It's very difficult to hear in here with all the chatter going across the floor. I would ask the members to allow the minister to answer. The Minister of Education.

HON. MRS. SMITH: — Teacher salaries are put in the realm of public for two reasons. Their salaries and some other benefits are bargained at the provincial level. And secondly, the government — the government — with five people versus four on the government trustee team, make up that provincial bargaining team. In effect, the government controls the bargaining team because they have five versus four.

It is for those reason that I put them into what is classified as public, with a small "p," service.

HON. MR. BLAKENEY: — Thank you, Mr. Chairman, and Madam Minister. You have identified the qualification for public with a small "p", whether the bargaining is province-wide and

whether the persons representing — I will use the employers as a general term — are a majority government. That is on all fours. It's exactly the case with governmental bargaining with the SMA.

What I'm asking is: when you bargain the fee schedule with the SMA, are you taking the same hold-the-line position that you are, you have told me you are taking, with respect to the public service, for which she is not the minister but for which she answered, and with respect to the medical profession, for which you are not the minister but for which you answered?

HON. MRS. SMITH: — Well, Mr. Chairman, it would be nice if we could get to education, but let me just say that I gave you an answer based on three categories that I am aware of. One was MLAs, the civil service, and the teachers' salaries, which are in the realm of public service for the two basic reasons that I mentioned. And from SMA and the health, the leader in the opposition is going to have to ask the Minister of Health.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, if you are saying that the salaries of teachers, and how they compare the policy of the government with respect to teachers' salaries, and how they compare with other groups in society, is not an educational issue, then I would suggest that you misconceived your duties. I would say to you that it is your obligation to see that teachers are treated fairly in relation to other groups with which the government deals. That is the question that I am asking you: do you feel that teachers are being treated fairly in relation to some other major groups?

And we've identified the public service, and you've answered that. We have identified the Saskatchewan Medical Association, and you won't answer that. And I ask: why you are willing to compare treatment of teachers with the public service and are unwilling to compare the treatment of teachers with respect to members of the medical profession?

HON. MRS. SMITH: — Well, first of all, Mr. Chairman . . . (inaudible interjection) . . . Great. From my personal knowledge as an MLA, and because I am responsible for teachers' superannuation and all the things that go with teachers' salaries, and because I have 200, 300-and-some public servants in the Department of Education, I don't have personal knowledge of the budget or of the negotiations that are taking place in regard to the Minister of Health.

I would also add for your benefit, yes, I think teachers should be treated fairly. But I also think that when it comes to bargaining there is more than simply salaries. As you well know, there's other items on the table. For instance, last year, Mr. Chairman, this government, this government put on the table an early retirement package. That request had been on the table for years from the Saskatchewan Teachers' Federation, and they never got anywhere with it until this government came into power.

Now that early retirement clause is costing the province approximately \$1.7 million a year — that early retirement. That is part of the provincial bargaining scene. The Leader of the Opposition was once a minister of education, and he will well remember that increments play a part, and that costs this province about \$3 to \$6 million a year, and school boards, and that's part of the package also. So it is a little more than simply salary.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, the minister is obviously not willing to give any commitments that teachers are to be treated at least as fairly as members of the medical profession, so I will move on to another item.

Madam Minister, I'd like to turn to the position of the Saskatchewan Human Rights Commission, who have called for a comprehensive affirmative action program to improve school conditions for native students in the province. And you will, I think, be familiar with that. You will be familiar with the discussion paper which is circulating and, indeed, circulated by the Department of Education, which states that fewer than one in 10 native students who complete grade 6 go on to complete grade 12. I would ask the minister whether or not those figures are correct, that fewer than one in 10 native students who complete grade 6 go on

to complete grade 12, and if that figure is correct, how it compares with non-native students. Can you give me comparable figures?

HON. MRS. SMITH: — I'll give you the two categories of the drop-out rates: grades 7 to 12 for all students is 18.6 per cent; that's all students. Okay. Native students is 43.2 per cent; and non-native is 15. That's basically it.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, I'm a little confused by those figures. I refer you to some newspaper reports, which may or may not be accurate, which say that fewer than one in 10 native students who complete grade 6 go on to complete grade 12. It follows therefore, Madam Minister, that the drop-out rate, if that fact is true, if that statement, in fact, is true, then the drop-out rate between grades 7 and 12 for native students must be greater than 43 per cent.

Would you care to comment on that and indicate that the news report, which was widely circulated and attributed to the study released by the Department of Education, was inaccurate?

HON. MRS. SMITH: — The figures I gave you were the annual rate, so that was grade 7 has an annual rate, grade 8, grade 9, grade 10. Now the figures that are for over the 7 and 12 are the all students is 52.3 per cent. The native students is 90 per cent, and the non-native is 40 per cent. And those figures are just for Regina and Saskatoon. Yes, in those inner-city schools that were studied. You didn't have all the schools studied, only certain ones.

HON. MR. BLAKENEY: — Yes, Madam Minister. I think that the figures, at least so far as natives is concerned, will be not too dissimilar if all schools in Regina and Saskatoon were all high schools, or division 3 and 4 schools were considered, because of the fact that a very large proportion of the students of native origin attend the so-called inner-city schools. I think we'll not quibble about the numbers because the trend is clear. The question which I ask you is: what programs do you have, are you mounting, in order to reduce that 90 per cent drop-out rate?

HON. MRS. SMITH: — Well, as I recall, we discussed to great detail last year in estimates the problem with some of the native students in our school system. Let me go over all the programs for your interest. There are approximately 12 of them: the community schools, \$2 million or a little more; the SUNTEP program, and of course you also have NORTEP program. The Saskatoon native survival school is \$197,000. Through the five-year action plan which was adopted by this government in principle last year, we have the Indian and Metis curriculum development at \$126,000.

We also have IMED, which is the Indian and Metis Education Development program for \$100,000. And that is simply to provide funding for the development of local programs in the area of home and school liaison in Indian languages in particular. We have the Regina and Prince Albert alternative programs for \$50,000. NORTEP is at about \$1.2 million.

We have some in-service on Indian and Metis awareness, and that was in response to the five-year action plan. Saskatchewan Education developed and delivered to over 80 teacher leaders an in-service package on the Indian and Metis awareness. And now these teacher leaders are delivering the in-service within their own jurisdiction. We plan to carry out some more in-service work in 1985-86 on this particular issue.

We have what is called IMCAC which is the Indian and Metis Curriculum Advisory Committee and that, too, was in response to the five-year action plan. Plus I gave a commitment, and we have kept that, in ensuring that Indian and native people are included on all committees set up in the department, including curriculum committees.

We have the 1985 materials development, and this is materials for divisions one, clear to four. And that is being prepared in conjunction with the Gabriel Dumont and the Saskatchewan Indian Federated College. Plus, the latest one we had, and that, too, came about through the five-year action plan, and that was an Awareness program. And you may have saw a portion of it. It was called the child division. It's an awareness project consisting of school materials and a television commercial which is aimed at providing a very positive image of Indian and Metis children in a school setting. And that has been extremely well-received from both Indian, Metis, and whites.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, I want to focus on two aspects of what you said, two certainly major aspects. The first has to do with SUNTEP, and two questions with respect to SUNTEP.

Have you been approached, or has your department been approached by students who are SUNTEP students who say they have a great deal of difficulty getting money in order to live while they are taking a SUNTEP program? And here we're talking about living allowances for SUNTEP students.

And the second question I ask with respect to SUNTEP is: are you able to give me any indication of what has happened to the graduates of the SUNTEP program. And I will have a few follow-up questions when you have that one answered.

(1600)

HON. MRS. SMITH: — My office nor the department has not been approached on the issue of assistance for students, but I understand that Advanced Education has been.

Out of the 24 graduates out of SUNTEP, our information says that all but one is employed, not necessarily as teachers in the school system, K to 12; it might be community college or another related, but all but one. And the same applies . . . Approximately the same figures for NORTEP.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, would you agree that a good number of the SUNTEP graduates have gone to the North, and that not as many of them are employed in urban native programs as one would have hoped?

HON. MRS. SMITH: — If I were to give a figure as to how many would go to the North, it would be unfair because we really don't know. We do know that, yes, there are a fair number that have gone north and not stayed south, or what we call south, for employment. But I don't know the numbers.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, I am simply relaying the information that I've obtained, and I don't know necessarily whether it's strictly accurate, and I ask you to comment. First, people tell me that the SUNTEP program is going well, at least to the point of graduation. Secondly, that the number of openings in urban schools is relatively small; that a number are going north in order to get jobs, a number are employed as teacher aides, and not very many of the graduates are, in fact, in regular teaching in inner-city schools, or other urban schools with substantial native enrolments, and I am wondering whether that information conforms with the information you have, and whether or not you feel any steps are available to you to open up some more spaces in some of the inner-city schools where I suspect you and I would both agree it would be a good thing if we could have more teachers of native origin employed?

HON. MRS. SMITH: — Well, Mr. Chairman, to the Leader of the Opposition, I think the problems are many. First of all, you're quite correct. Urban positions are very competitive for all graduates coming out of university; in fact, most students probably have to begin in a rural division. However, that doesn't take away the need in terms of the inner-city schools with the

high native enrolment.

I suppose some of the steps available in service would be one of them, which I ran by two programs, where that is very useful. I'm not aware of large numbers being employed as teacher aides. In fact, people in the department that work with some of the Indian, Metis people informed me that sometimes the problem is reversing, that they put them into a high level job such as a consultant, and they foreseeably would have difficulty with that, which is also understandable.

I'm also informed that the SUNTEP management committee is looking at that specific problem to see if they can devise some ways in order for students, particularly the city schools, to make the entry into the school system perhaps easier than what it has been.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, some people view the situation pessimistically — and I'm not sure I number myself in those ranks — suggest that there is a high degree of urgency in getting some teachers of native origin in core schools and community schools in the inner cities because of the likely sharp increase in native enrolments, and the need, the pressing need in order to have better retention rates for division 3 and division 4. I share that, in part, and would like very much for the department to do whatever it could to see that in schools such as are in my constituency — Albert School, and Kitchener School, and Herchmer School, and Sacred Heart School where there are significant native enrolments, Wascana School. But the first four are even particularly significant native enrolments that we could have some more teachers of native origin who are familiar with the culture. I'm not here to suggest that there's been any flagrant failure on the part of your department, but things haven't moved as rapidly as people might have hoped, and I make that point.

I now ask you about the Saskatoon survival school, what your assessment of it is as a device for improving the numbers of students of native origin who stay in schools and whether . . . Well, I'll ask you that first.

HON. MRS. SMITH: — If I could just back up a bit from the survival school and the Saskatoon Separate, while I recognize that perhaps there are those that are somewhat frustrated with slow changes, I guess that I'm not one that would become pessimistic over it. As you well know, we are dealing with attitudes and that of everything that holds in society in dealing with human people. It is precisely attitudes that are the slowest, and sometimes the most difficult, to change.

I have had some very preliminary discussions with school board chairmen and directors, and equity employment or human resource development or affirmative action, whatever you may want to call it, and I will continue to have those discussion and consultations with the board chairmen and directors over the next little while and into the year if need be.

The Saskatoon survival school, as you are probably aware, there's a three-party agreement to that, and that is the Saskatoon Catholic board, and the parents, and the Department of Education. And I think in general terms the department is quite satisfied. I know the Saskatoon board is, I think, like any alternative program, one must continually have an assessment of it to ensure that, in fact, the programs in place are first of all the best, and suited to the needs of the students that are coming into those particular schools.

HON. MR. BLAKENEY: — Mr. Chairman, and Madam Minister, are you aware of any proposals for a similar survival school in Regina under whatever name?

HON. MRS. SMITH: — We are into some discussions not only with Regina, but also Prince Albert, and are not quite into the formulating stage of such a school or program yet.

MR. KOSKIE: — Thank you, Mr. Chairman — deputy, deputy chairman. I want, Madam Minister, to turn to the aspect in the *Partnership for Progress* as delivered by the Minister of

Finance. And in dealing with it, he says he deals with it under the heading of, "The next five years," and indicates that parents, students, and educators, and government must all be involved in the process. And I don't think anyone will disagree with that.

But I want to ask you, in establishing the outline for the next five years and the Educational Development fund, would you indicate to the House what consultation you had with the teachers or their organization, with the school trustees, with parents, and educators, students throughout this province in evolving the next five-year plan as enunciated by the Minister of Finance?

Could you briefly outline, because I am under the impression that you were going around the province indicating a particularly different story to the educators, saying — and so did the Minister of Finance — that the increase would be zero increase, and I wonder how that particular information, and in fact, we had the trustees and the teachers themselves putting ads on the radio having a great amount of concern in respect to what the funding was going to be. I would like to ask you during what period or process, and did you, in fact, prior to the general format being outlined here, what discussion you had with the various groups.

HON. MRS. SMITH: — Well, Mr. Chairman, let's refresh our memories on the zero per cent increase, and in all fairness to the Minister of Finance, let's remember everything that he said when, several months ago, he indicated that for this budget year government would be looking at the possibility of zero per cent on third party grants. However, he added that did not exclude cabinet from setting some government priorities where there were special needs for the public.

(1615)

Now that second part of what the Minister of Finance said at that time seemed to have gotten lost in the wind. The ads that I saw on TV is not the first time that I have seen such ads, whether it be for general support of children, students, and teachers, or simply recognition of the job that teachers do in the class-room.

I did have some pre-consultation before budget. The first one I had was with the Saskatchewan Teachers' Federation, their vice-president, their president, their executive director, and, I believe, one other member of their staff. While we could not talk specific budget terms, we laid out what we thought was possible for the improvement of education in Saskatchewan, and we were, at that point in time, seeking some opinions and input from those groups.

The second meeting I had shortly after that one was with the Saskatchewan School Trustees Association and their table officers and their executive director, Mr. Jake Volk. And the same format was used that we had done with the Saskatchewan Teachers' Federation.

Both of them, I might add, were pleased to hear that the moneys were going to be there. And they also thought that in terms of the development fund and the priority areas listed, that that was probably the way to go, because as the member from Quill Lakes will remember, those were outlined in the report entitled *Directions*, to do with the gifted education libraries, learning resource centres, and several other categories.

Now we set up some regional meetings before budget in order to talk to the boards and their directors of education, and once again we could not talk specific figures, but we told them what we wanted to accomplish.

First of all, Mr. Chairman, we wanted to ease the pressure on the property tax, and we wanted to see the government increase its share. And we did that, from 51 to 54 per cent.

Secondly, we wanted a commitment on excellence towards education and definite improvement in certain areas.

Thirdly, we knew that the greatest challenge in this province, when it came to the delivery of the education system, was for rural Saskatchewan. So we discussed with them how can we best see that dollars go into some specific areas for rural education without infringing upon the right of the urbans to have their fair share of the pot.

So that was, in general terms, the discussions that took place, I might add, we had them in four locations in the province — Prince Albert, Swift Current, Saskatoon, and Regina. And at most meetings we had 100 per cent representation of each board and their director.

We also, the day or the evening of budget, once again met with the various educational partners, including STF (Saskatchewan Teachers' Federation), SSTA (Saskatchewan School Trustees Association), home and school, the parents association for gifted children, ASBOS (Association of School Business Officials of Saskatchewan), which is the organization for secretary treasurers, LEADS (locally Employed Administrators and Directors of Education) was in, which is the association for directors of education, and several others that I may have missed. So the consultation process was fairly extensive.

MR. KOSKIE: — I'd like to ask the minister whether any of the specifics of the Educational Development Fund was discussed prior to establishing a given figure, and establishing the parameters of the use of that fund.

HON. MRS. SMITH: — Once again, Mr. Chairman, I just stated we did not talk specific figures. You know, the issue of budget and confidentiality was there. We did talk about the principles, though — the principles of the fund.

And we asked them for their input, first of all on the principles — principles such as ensuring that local autonomy was kept in place, ensuring that, given any kind of a provincial thrust, that there remained the flexibility for a school board to determine the kinds of needs that might be in their division.

For example, take the member from Shaunavon. His division might have computer programs in, but not have a program for the gifted. So instead of going for computers, they could opt for the gifted program. And we wanted that kind of flexibility in there.

We also threw by them some ideas that we had, and we made it very clear that we wanted their input. And as a consequence of their input, there were some minor changes made in terms of our thinking on what kind of issues should be addressed in the Educational Development Fund, but not specific figures.

MR. KOSKIE: — Well, in arriving at the commitment of \$275 million over the next five years, can you outline how you arrived at that figure if you didn't have the input from the trustees and from the educators and from the parents and from the students and from the various groups when it comes to specifics? Because you have a specific figure here, and I just would like, for the clarification of the people of Saskatchewan, the process that you arrived at the figure of 275.

HON. MRS. SMITH: — Well, Mr. Chairman, once again I did not use specific figures when I had my pre-consultation. It was on programming and the principles of such a thrust. Like any other process when it comes to government setting its budget, I don't think it's been that long that the member from Quill Lakes can't remember how figures are arrived upon.

This particular year we did some calculations, first of all, on what would be required on the side of the operating grant in order for boards to be able to maintain and, in fact, in some areas, improve on within just the operating grant and keep the mill rate stable. Now we recognized that, regardless of what kind of figure you use, you're always going to have those school boards, because of declining enrolment or assessment changes, that don't meet kind of a status quo or

the majority of boards. So that was number one that we looked at.

Secondly, we looked at what teachers and school boards have been saying in terms of need in the school system. For instance, we heard some time ago, through public consultation, that libraries and library resource centres, particularly in rural areas, needed a boost. Now you could continue the same plan, a few dollars here this year, a few next year. But we weren't going to catch up. And when you look at what our students are facing for the future, then it became imperative that we try and do something. So we did some calculations on what that would cost for a movement towards an improvement in that area.

Secondly, the issue of technology. We know that some school divisions have managed to put together some pretty good computer programs, and students have access to computers in the school. But we also know that many schools have not been able to go computers, whether it's because of low numbers or whatever. They simply haven't moved into that area. We felt that in this day and age, and particularly in the immediate years, to be literate in the field of computers will be as important as being able to read and write if our children in Saskatchewan are going to be able to compete with the rest of the world when they come out of the school system. So we had an approximate cost on that area.

Secondly, this government believes that when there is a commitment towards excellence. This government believes that when there's a commitment towards excellence, that is excellence for every individual child, based on their own ability. For years in this province, they did not recognize the gifted as having the same right of access and being recognized as an individual, being able to be taught, and learning to their capabilities and abilities. And we said that if, in fact, one of the goals in Saskatchewan is that every child be able to learn according to their ability, then the gifted must become recognized.

We looked at other factors. Native education was one of them, and the North, what was happening.

That is in essence. There might be a few more areas. But we did calculations on those areas and came up with some round figures of what it would take to make a substantial improvement. We felt that in order for it to be done in the most effective, efficient manner, it had to have a long-term strategy, not a short-term.

The day is gone when you ask boards, which are usually the major expenditure in any constituency, at least the rural constituencies — the major employer, the major banker. We felt that long-term planning had to come into play with it. And if we were to not look at a five-year, three-year, seven-year — anything but a one-year — then we would be doing a disservice to the future of this province, and that is our students.

MR. KOSKIE: — Well, Madam Minister, you indicated that you looked at the general principles in arriving at the amount which is set out in the document by the Minister of Finance — \$275 million. In answering, you indicated that one of the things that you looked at in putting forward funding from the Educational Development Fund and generally funding education was the operating grants to maintain basically no increase in the local mill rate.

I want to ask you whether that is a principle which you have placed within the five-year plan that is a continuation and commitment that one of the things that you're going to be looking after with this five-year plan is that you're going to seek the position that operating grants will be such as to not require any increase in the local mill rate. Is that the general principle that goes through the commitment to education, since you have grabbed millions of dollars from the ordinary taxpayer, and supposedly put it into the fund?

So what I'm asking you: is that a five-year commitment that you're giving to school boards and educators, as you indicated that you are doing in respect to operating grants this year?

HON. MRS. SMITH: — Well, Mr. Chairman, the issue on the operating grant, an increase in the government share, was addressed on the operating grant for this year and a commitment given of the minimum amount that would be there for next year and the subsequent three years after that. Obviously there's some factors that come into play in looking at the next four years, to do with the operating grant. If we knew what salaries were going to be next year and the year after and the year after that, and if we knew what the capital program was going to be, then you might be able to set a five-year operating, if you knew what inflation was going to be and all those factors.

So in response to the member's question: no, it is not for the five years, it is for this year. But there is a minimum. And the rest is subject to the negotiations that take place in any given year on the operating grant, whether it be inflation, teachers' salaries or other factors.

MR. KOSKIE: — Well, to have a comprehensive approach to sharing the cost of education, is there built in to your calculations here, of your educational fund . . . Some of those factors that you mention are rather difficult to determine, but at least you can know what the inflation is. At the present time you know that — the trend in respect to wage increase throughout the province, are any of those factors built in within the framework of arriving at this Educational Development Fund?

I know you can't deal with precision, but can you give the guarantee to the public that you have looked at inflation, and that if inflation increases substantially — that you have built into the development fund — a greater amount of revenue will be provided to the local school boards? Have you, for instance, taken a look and if inflation increases — naturally people will be looking for some increase in salaries in order to keep their position relative to where they were previously — are any of those built into arriving at this, and how, to what extent, have you built them in?

(1630)

Have you done a calculation and taken an average of inflation over the years? Are you indicating to the school boards that your operating grants will be no less than the rate of inflation? What guarantees have they that once the election is over that you suddenly forget about your commitments, because you haven't given them any? Can you be specific in indicating what basic commitments you're giving to the school boards and the teachers and educators in the province?

HON. MRS. SMITH: — Well, I'm pleased to hear the member from Quill Lakes recognize that after the next election, whenever it may be, that this government's going to be back in government again. He just . . .

Let me make it clear for the hon. member. The Educational Development Fund has nothing to do with the operating fund, or the ongoing operating fund. The Educational Development Fund for this year will receive an extra \$10 million; the subsequent four years after that, it will be \$35 million. It has nothing to do with teachers' salaries. It's broken into three categories: learning resources, efficiency grants, and program initiatives.

Now the learning resources, those funds are to be used for libraries and resource centre acquisitions, computers, and other technologies that boards may get into. I guess in essence the money for that area would be for non-recurring nature items.

Approximately 25 per cent of the Educational Development Fund — now it's 10 million for this year — would be allocated towards the learning resources. That's about \$2.3 million for 1985. Now next year it will be 25 per cent of \$35 million.

The second category to do with the efficiency measures. Now this would be available for efforts that would result in same or better service for fewer dollars — sharing of services, perhaps maintenance, energy conservation programs, transportation, perhaps an incentive for school boards to look at conversion of their buses to natural gas or propane, or at least do a study to see what kind of savings are in there. You could very well see some efficiencies gained in the area of purchasing.

The third one, the program initiatives . . . Oh, I'm sorry, Mr. Chairman. I might add that 20 per cent of the fund, \$1.8 million for 1985 will be put into that category, and of course that becomes 20 per cent of 35 million for next year, and another 35 million for the year after.

The program initiatives is the one that I view as key when it comes to a commitment towards children and the improvement of the quality of education. The implementing of school effectiveness and some of the *Directions* recommendations will be coming out of that. We will be encouraging school boards for development of improvement in the area of basic skills. We have suggested to them that they attend to programs to do with career and guidance counselling. The gifted child comes under this category. We have suggested under this category that they pay attention to improving their drop-out rates and also school discipline and truancy, such matters that come with the overall discipline of the school. They could also be looking at some programs to do with community input, with teachers, students, and parents involved together.

I have also asked boards to table a public plan outlining their objectives to do with the Educational Development fund and how they are going to address the issue of improvement of education. The plan would have such things as the cost implications, the program content, and an evaluation component would be expected, simply, you know, where the dollars are spent and the kinds of improvements that come out of it. And they would be doing that with their own constituents or their own public in their local jurisdictions.

Now this category has about 55 per cent of the fund, or for 1985-86, \$5 million, and of course it becomes 55 per cent of \$35 million next year.

MR. KOSKIE: — I'd like to ask the minister then . . . if you read the document, and she says, operating grants has nothing to do with the five-year plan, that they will be maintained. And she indicates that this \$275 million over the next five years to provide improvements to the education system in kindergarten to grade 12 is not tied anyway to the maintaining of the operating grants, or tied in any way to guaranteeing that there won't be massive increases in local taxation. She, having cleared that, I think it will be of interest to the taxpayers of Saskatchewan now that there have been removed from their pockets a very substantial amount of money, and major increases, to be left hanging bare and dry to the whims of the minister in any subsequent budgets, providing she is successful, which I doubt she will be in the next general election.

But let's just, reading through this here document then, you indicate that this year then you're going to be providing . . . 10 million will be allocated in the fund for new initiatives. And then you go on and say that, in future years, 35 million per year will be allocated to new initiatives.

So I guess what I'd like to do is . . . Can you provide to us a breakdown of your projections of how the 275 million . . . Because obviously you're offering to the educators and to the people of this province details of this massive so-called fund of \$275 million in the development fund. And I was wondering whether you could provide us with the breakdown of how the particular fund is going to be used, and the allocation of those funds for each year. Because if you just read here, you got 10 million this year from the fund. I want to know what additional costs you perceive will be needed for the next year to maintain those new initiatives.

In future years you have 35 million per year will be allocated to new initiatives. Can you give a

breakdown of subsequent costs? Because if you take the new initiatives you come to \$150 million. And I'd like you to give the allocation of the remaining balance and how you expect to add for the continuation of those initiatives as they're brought in.

HON. MRS. SMITH: — Well, Mr. Chairman, for the year '85-86, what we have on operating is \$25 million, and 10 million into the development fund. For the year '86-87, that 25 million stays in the operating fund, plus you have 35 million going into the development fund. The year '87-88, the same thing.

What I said to the member from Quill Lake is, after this year there are obviously some factors that have to do with the operating grant — inflation, costs, salaries, whatever. But the 35 million for the four subsequent years is the development fund, not on the operating grants.

Now let me deal with the allocation of the development fund for this year, the \$10 million. I indicated three areas: learning resources, efficiency efforts, and educational improvement are program improvement initiatives. The learning resources is 25 per cent of the fund, approximately \$2.3 million. Now that will be allocated on a per pupil basis by division, utilizing a formula that compensates smaller school divisions for their lower enrolment.

For instance, for those divisions with 3,000-and-over students, they will get \$8.70 a student. For those divisions for 1,000 to 3,000 students, they will get \$10.70 per student. And for those that have 500 to 1,000 students, it's \$12.70 per student. And from one to 500 students, it's \$14.70 a student.

I guess an example of the kinds of moneys that would go — let me use the Arcola School Division No. 72 — on the learning resources. They have an enrolment of 1.913 students. The total in this category is \$23,469 for the Arcola School Division. The Regina School Division No. 4 — that's the public who has an enrolment of over 23,000 students — will see a gain in the learning resources of \$216,000.

Now the efficiency grants, 20 per cent of the fund, they are allocated on a per pupil basis, and utilizing the same formulas that I just went through in trying to address the issue of the low enrolment divisions, if I were to take the same two school divisions, Arcola will have \$19,000 out of that category for this year, and Regina School division, 161,000.

The program improvement initiatives is on a different formula than the other one, and the funds will be allocated to school boards on the basis of the equity provisions of the existing foundation grant formula. How that affects Arcola and Regina: for program initiatives, the Arcola School Division would have access to approximately \$52,000, and the Regina School Division would have access to approximately \$2398,000, in that area. And I trust that answers the member's question.

MR. KOSKIE: — I was wondering, since the minister has at her fingertips the divisions and the allocation of the funds relative to the Educational Development Fund, I wonder if she could provide the opposition with a copy as it relates to the various divisions, and if not, why not?

HON. MRS. SMITH: — Well, Mr. Chairman, all I can provide him a copy with are four divisions that we pulled out as examples from small to large, and the remaining hundred-and-some boards have not been completed into one list yet. But when that is completed, and when the boards have been informed, I am more than happy to share the information with the member.

MR. KOSKIE: — When do you intend to allow the board to know? When do you intend to get the information to the board? Normally, they set their budgets at March 31. We are well into April. I think there is a great desire to get that information to them.

Could you give me an idea as to when you would have the basic information, and I also would

appreciate you following through with your commitment to provide us with the full details, and if you could provide us with the four that you have, I would appreciate that.

HON. MRS. SMITH: — Mr. Chairman, the development fund had nothing to do with the setting of school board budgets for this year. They received, including the debt retirement, a 7 per cent increase that is over and above the Educational Development Fund. So they can set their budgets and their mill rates, excluding the development fund.

Now we will be having some meetings and it should be within the next month that board will be informed and will being the process of planning for the Educational Development Fund. So they can set their budgets and their mill rates, excluding the development fund.

Now we will be having some meetings and it should be within the next month that boards will be informed and will being the process of planning for the Educational Development Fund, and they will be informed of the moneys that will be assessable for them.

MR. KOSKIE: — Can you indicate . . . You indicated the basis of the formula is based partly on the population, and it increases as the population of a school goes down. Can you indicate, in respect to the release of those funds, whether they are conditional or unconditional funds so far as the school boards are concerned?

(1645)

HON. MRS. SMITH: — Well, Mr. Chairman, the funds are targeted in the three areas that I laid out. And boards will be asked to table a public plan, a long-term plan, that outlines their objectives for educational improvements in their division, the cost implications, the program content, and where the money was spent. Once they have submitted the plan in those three targeted areas, which still allows them a great deal of flexibility to base it on local needs and priorities, then the money will be released to them.

MR. KOSKIE: — There's nothing wrong with asking the boards to come forward with a plan. I wonder whether you're providing them any additional money to establish and develop their boards, because you're asking them for a pretty detailed analysis. Perhaps they have those plans pretty well put together. But I'm wondering whether you're making any additional money available for putting together their plans.

HON. MRS. SMITH: — You're right, there are some boards that would perhaps have some difficulty in laying down a long-term plan and doing it in a relatively short period of time in order to access the funds. As I stated earlier, we will be meeting with board sand discussing some of the options open to them. There is nothing to prevent a small board that does not have access to a lot of consultants and research units —such as Saskatoon or Regina — in using some of the development money in the first year, for instance, release time of a principal. It is our hope that the planning will take place closest to the local school, not necessarily central office. It could, but we would also hope that it would be in collaboration with the schools, including the staff, parents, and anybody else that would be interested in it. So some boards could conceivably have some release time for principals to do the planning within that local school, along with the director of education, or the director's assistant.

MR. KOSKIE: — Well just for clarification, you may have mentioned this, but is any money going out to any of the boards in respect to the \$10 million allocated from the development fund prior to them submitting their plans to the government? I'm somewhat confused because I thought you indicated that smaller boards that don't have the sufficient funds could use some of the development fund to finance that. Is it true, then, that moneys from the fund will only be paid after the plan has been submitted to your department?

HON. MRS. SMITH: — Well, the money is not going out beforehand. The money will go out when the plan has been tabled with their public and they have let the department know.

MR. KOSKIE: — How do you feel that there's going to be a continuation of self-autonomy at the local level when you set up a fund and you have to approve the plans before you will pay

out to any of the divisions? Because you have set as a criteria to getting money, and no money is going out yet. It's a conditional grant, and it's not going to be paid out until a plan has been submitted. Is that not really, in fact, you set general guide-lines, but what you did is to specify the particular areas that they must, in fact, address their planning to?

And what I'm saying is that what I perceive here is a continuation by your government, which you claim is consulting, but really what in the end will happen, as it has in British Columbia, is a massive control of the autonomy, self-autonomy of the local government boards. What guarantees are you building in here that you are going to allow local autonomy of the boards in so far as the perimeters of which they want to use the development fund?

I had always thought that, in general, the basic self-autonomy in local boards could probably best — not probably but could, indeed, best set the priorities. And I always thought that the boards, the teachers, and the parents, and the students were, in the past, seeking excellence in their educational system. You seem to assume that you're reaching some new heights, and I think you're undermining what has been done in the past by the boards who had a considerable amount of self-autonomy.

And the fear that I have here is that we're shifting on the old course of the Bill Bennett approach to education that is in British Columbia. And all I can say, Mr. Chairman, God help us if that's the hidden agenda of this government to take major control of the educational system. Here we have school boards having to come forward with a specific plan, specific plan that has to get the stamp by the Minister of Education.

Why can't there be an allocation of money on the requests of the board to meet their individual needs, and grants be made to them on an unconditional basis? Why have you gone to more of the centralized control by the government? That's a fear. Perhaps it's not justified, Madam Minister, but there are people who are concerned. Certainly, in British Columbia you will know that school boards' budgeting has been centralized and controlled by that right-wing Tory government of British Columbia called Social Credit.

And what is to protect our educational system from another very right-wing, reactionary Tory government here in Saskatchewan? And I think you have to make it pretty clear that you, in the disguise of greater funding and in the clichés of excellence which we've had in the past, that you're not, in fact, grabbing hold of the educational system, and that you're going to, in fact, tie the hands of the autonomy of the local school boards. Can you give us some assurances why this will not happen here in Saskatchewan as it has under your brothers and cousins over in British Columbia?

HON. MRS. SMITH: — If the member from Quill Lakes wasn't so out of touch and out of date, it would be laughable.

With all due respect to the hon. member from Quill Lakes, I want to remind him that he's talking to somebody that's spent a decade on a school board, with over half of that as chairman of the board, and at that time had some rows with the government of the day over loss of autonomy.

I think the member from Quill Lakes would agree that programs like community schools that came in when he was in power, shared services, French languages — perhaps there's a few others — were, in fact, conditional. A program conditional. You didn't have an option of one program or another, but it was specifically that one. So if he wants to talk about conditional funding, we can talk about conditional funding.

I would never for a moment undermine the job the teachers have done in this province. But the member should take a trip around this province into the local schools, and he should hear what the teachers are saying.

They are saying we lack libraries, library resource centres. We need technology and computers to bring our children up to date. We need career and guidance counselling. We need programs for the gifted. We need some help in putting them together and delivering them because we haven't been able to do it because the funding had not been there. It's that simple.

Now I had explained to the member from Quill Lakes that there are three targeted areas, and if the member's interested at all, three targeted areas that allow a great deal of flexibility for a board of education to set their own priorities within those areas. It's that simple.

I would also like to remind the member from Quill Lakes, the consultation process that took place before this, and I would also remind him of what teachers said during *Directions*, whether he's interested or not.

MR. KOSKIE: — Mr. Chairman, I want to look at one of the areas that the minister says that the school boards must focus on. And the second principle that's set down here is the promotion of efficiency measures for the use of incentive mechanisms in areas such as consolidation, or sharing of services, program cost reductions, and energy conservation.

It seems to me that there is an assumption that is being made here. And the assumption that has been made is that the school boards were not running an efficient educational system. And so what I want to ask the minister: is that the premise on which this here item is brought in, is that there was no efficiency?

And is that the same type of approach that you're taking to health care where you're going down in the United States to get Collver to come back and ration health care?

And now we have the same procedure here. What you're going to do is to ration out the efficiencies in the educational system. And you're going to determine what are the efficiencies. And you are, in fact, stating to the people of this province that the school boards were running an inefficient operation. And as soon as you do that on that assumption — and you have to make that assumption to have this one as your criteria — you're going to say you are not capable of administering that money. We are going to dictate to you the direction and the use of the funds that we give you.

And I predict and I say, Mr. Chairman, God help us if they ever get elected again, because we are going to see a direction in education exactly the same as it is in British Columbia. I was down there. And what happened when government stuck their nose into running the educational system and setting the budgets of the local school boards? I was in British Columbia, and thousands of parents and teachers and students were meeting, not rejecting the centralization of education under the guise of improvement. And that, I tell the people of this province, is what they must fear, because they're setting up mirrors and screens and misconceptions here.

AN HON. MEMBER: — Jiggery-pokery.

MR. KOSKIE: — Jiggery-pokery, is as my colleague indicates.

And I'll tell you that the direction that you're going is to control and to take away the control of the local autonomy of the school boards. I suggest to you, Madam Minister, that's a wrong direction. And your assumption is wrong. Your assumption is that there was no efficiency, and that if they send in the budget to you that you're going to create efficiencies. The only way you can do it is to take control.

And you're talking about consolidation. What does that mean, Madam Minister? Are you telling the school boards out there that have schools in various communities that they are going to get more money if they join and close out the small schools? That is the direction that they're going, Mr. Chairman, to destroy the local autonomy of the school boards and undermine the job that

they have been doing, and the excellence which they have developed in our educational system in Saskatchewan.

I want to continue this, Mr. Chairman, and, it being 5 o'clock, I would ask that the committee rise and report progress.

MR. CHAIRMAN: — Order. It being 5 o'clock, I do now leave the chair until 7 p.m.

The Assembly recessed until 7 p.m.