

They Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

NOTICES OF MOTIONS AND QUESTIONS

Mr. Mitchell: — Mr. Speaker, I give notice that I shall on Tuesday next move:

That this Assembly condemns the Government of Saskatchewan for cutting provincial funding for legal aid, and for its policy of imposing deterrent fees on the poor who need legal aid services.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Thank you, Mr. Speaker. I give notice that on Tuesday next I shall move:

That this Assembly condemns the Government of Saskatchewan for its unfair flat tax, and for thereby increasing the unfairness of the tax system in Saskatchewan.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Rise in Unemployment Rate

Hon. Mr. Blakeney: — Mr. Speaker, I'd like to direct a question to the Premier, and it has to do with the startling unemployment figures released earlier this morning by Statistics Canada.

These figures show that between June and July the number of unemployed people in Saskatchewan jumped from 32,000 to 38,000. The actual unemployment rate jumped from 6.4 per cent to 7.5 per cent. In light of these figures, Mr. Premier, do you propose to reinstate the Employment Development Agency and the employment development fund that you cut out of your budget just seven weeks ago?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well, Mr. Speaker, as the hon. member knows, actual employment increased by 1,000 over last month. And he knows, in fact, that the labour force is increasing very rapidly, particularly in the month of July, because farm labour dropped from May and June, so we have 1,000 more people employed than we did a month ago.

And as a matter of fact, Mr. Speaker, the number of unemployed this July was the same as it was a year ago. So he knows, it's cyclical. We have the third unemployment; last month it was the second unemployment best record in Canada. And despite wheat prices and potash prices and oil prices and anti-dumping cases and so forth, we still maintain a very, very enjoyable and preferable employment rate across Canada.

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. Mr.

Premier, the facts are that Saskatchewan has one of the worst job-creation records in Canada. Shortly put, are you aware that over the last 12 months Saskatchewan is one of only two provinces to see the number of people employed actually drop, to see the number of people with jobs actually go down over the last 12 months in this province, unlike every other province in Canada except one?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the Leader of the Opposition can play games with it if he likes. We are the third lowest unemployment in Canada. Last month we were the second lowest unemployed, so we had created a better environment, working environment and employment environment, than seven or eight out of ten provinces in Canada. Now he can go to other jurisdictions if he likes, he can compare them, but the facts are we are either number two or number three, and that's been the case across the last 12 months. In fact, it's been that way for several years.

So I just point out that because of our industrial economic activity, because of expansion in projects, despite difficult economic times, that we have maintained an enviable record with respect to employment. And we're going to continue to provide incentives for investment and economic development in diversification here in Saskatchewan to sustain the record.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. In the light of the Premier's remarks, could he explain why, in the last 12 months, Manitoba gained 2,000 jobs, B.C. gained 16,000 jobs, and Saskatchewan lost 2,000 jobs?

Do you, Mr. Premier, regard that as an acceptable performance on the part of your government? Do you not think that we could create as many jobs for our young people as are being created in other comparable provinces like Manitoba?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, when we provide incentives to invest in Saskatchewan, when we provide incentives to build new projects, when we consider building, and actually build things, like upgraders, or paper plants or packing plants, the opposition are against it. They're against every single, solitary project that we try to do which encourages employment.

They're against international economic trade. They're against trade with the United States. They're against uranium development. They're against the potash development that they've seen here in the province of Saskatchewan. And frankly, Mr. Speaker, every single solitary thing we try to do to increase employment, the opposition's against. When we rank number third in the country down from number two, then they say, well, maybe you should do something about development.

I think they should get their song sheet together so that at

least they're consistent - either create economic development and jobs, or not, Mr. Speaker. Our objective is to do that. We look at, in our province, the labour force has increased by over 8,000 - by over 8,000 since June. That's the fourth highest growth rate in Canada, and one of the highest growth rates in western Canada, Mr. Speaker.

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. The Premier has spoken of his proposals for economic development and job creation. I refer you, sir, to the 1985 provincial budget in which you announced your program, "Partnership for Progress", and promised to create a \$600 million, five-year employment development fund. That was a five-year plan to create jobs.

Mr. Premier, where is that five-year plan? Where is the economic development fund? And what happened to the plan - the five-year plan you announced in 1985?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the opposition knows that well over 19,000 people have been employed in Saskatchewan as a result of the new home program that we brought in in 1986. And the opposition obviously endorsed that program. They think it's a very good program because they proposed one similar, and they were going to provide, I think, 1.2 billion towards public housing in the province of Saskatchewan. Now that amounts to several hundred million dollars, Mr. Speaker, which is part and parcel of the entire employment program for the province of Saskatchewan.

At the same time, when we get outside companies prepared to spend 100 million, 300 million, or \$500 million, creating brand-new, long-run projects like a paper mill, for example, Mr. Speaker, that's 25 to 30 years of employment. An upgrader here, just short of a billion dollars, is 30 to 40 years of employment, not only in the city of Regina, but across the entire oil belt here in the province of Saskatchewan.

Youth Unemployment

Mr. Lyons: — Thank you very much, Mr. Speaker. I would like to address my questions to the Premier specifically about youth unemployment in this province.

Despite the Premier's political rhetoric, Mr. Speaker, the facts that were produced today by Statistics Canada shows the kind of social tragedy that his lack of long-term economic planning is bringing to the province. The figures this morning show that the number of young people working in Saskatchewan has fallen from 115,000 to 108,000. Now that's a drop of 7,000 jobs - 7,000 jobs for young people in one year. And at the same time, the youth unemployment rate has jumped from 13.2 per cent to 14.5 per cent - 14.5 per cent.

Mr. Premier, in light of these figures, how do you justify the fact that your government has cut youth job employment creation programs by 70 per cent, by 70 per cent in this year's budget? How do you justify that?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — The hon. member knows that the opposition didn't raise the questions with respect to employment last month because we did so well with respect to women and youth. I'll just remind the hon. member that the . . . with respect to youth, employment increased by 4,000 over last month, Mr. Speaker - increased by 4,000.

Saskatchewan had the third lowest unemployment rate in Canada, generally, for youth. Saskatchewan had the third lowest unemployment rate for women in all of Canada, Mr. Speaker. And as I just pointed out to the hon. member, obviously it had something to do with the seasonal variation with respect to employment in Saskatchewan.

If the hon. member would get outside of Regina once in a while and look at agriculture, he'll find in May and June and in the fall there is a large degree of employment, particularly among youth in agriculture in the summer holidays, and obviously between the spring and the harvest there isn't, and you will see that natural increase. And I would advise the hon. member to be aware of those kinds of information.

Some Hon. Members: Hear, hear!

Mr. Lyons: — Well, Mr. Speaker, I find it very odd that the Premier of Saskatchewan would stand here and advise members of the Legislative Assembly to take their vacations outside Saskatchewan. Perhaps he likes travelling to . . .

Mr. Speaker: — Order, please. Order, order. Order. Now the hon. member knows that preambles to supplementaries should be short, and certainly should not provoke debate, and I think he realizes that perhaps he was engaging in a little bit of that. Order, order.

Mr. Lyons: — Thank you, Mr. Speaker. My question, Mr. Speaker, is to the Premier. In light of the fact that, in fact, what he has done is cut the Opportunities '87 student summer employment program and the youth Access employment program, the two main job creation programs for young people that this government put forward, and he's cut them by 70 per cent - they've seen their funding drop from \$14 million to \$4 million; that's a cut of 70 per cent. I ask him again: how do you justify, how do you justify to the young people of Saskatchewan your cutting their opportunities for summer employment?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well, Mr. Speaker, the hon. member should know that the single, largest project in the history of the province of Saskatchewan and the largest project in the history of Regina is going on right now.

People in his riding, and people in the city of Regina, and youth across the province are being employed at the NewGrade upgrader being constructed in the province of Saskatchewan in the city of Regina, and it's the largest, single project that any administration has put together anywhere.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — And the member opposite has never seen a project like that; he's never seen that many people work on it, and he stands here in Regina and condemns this province for having the third lowest unemployment in Canada - sometimes the second lowest unemployment - when he's never seen economic activity take place in the city of Regina like that.

It shows, Mr. Speaker, not only does the member not get outside of Regina to find out what's going on in rural Saskatchewan, he doesn't even know what's going on in the city of Regina when he purports to represent the people of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Lyons: — Mr. Speaker, I have a new question to the Premier. The Premier just said several minutes ago that last month we didn't ask him questions concerning Saskatchewan's decline in employment rate in this province.

Well I want to tell him that on July 3 I asked a question in this House of the Minister of Labour, and I quote the answer from the Minister of Labour who said:

... we felt that the home program was a better alternative for creating youth employment.

Now the Premier has mentioned the home program here today. I wonder if the Premier will tell me how many young people under the age of 25 are employed as a result of your much vaunted home program?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well, Mr. Speaker, we know that in excess of 19,000 people are employed as a result of the program that we've put together to repair homes, and in every single community, rural and urban. And a large percentage of that is young people. So they're employed in Weyburn; they're employed in Lloydminster; they're employed in Saskatoon; they're employed in Davidson; they're employed all across the province as a result of this program.

And the young people, particularly, enjoy ...

Mr. Speaker: — Order. Order, please. Order. Order, please. Order, please. The Premier is answering the question. The Premier is answering the question; he is on the topic, and please allow him to finish the question.

Hon. Mr. Devine: — Mr. Speaker ...

Mr. Speaker: — Order. Order, please. Order, please. Order, please. The hon. members know that the question is being answered. The Premier is on the topic. They may not like the exact answer they're getting, but he is on the topic, and I will ask you to allow him to finish that answer.

Hon. Mr. Devine: — Mr. Speaker, I will just make the observation to the members opposite that under this

program a higher than normal percentage of young people are being employed because they're starting their own businesses. They're providing new economic entrepreneurial packages that are going and taking place all across the province.

So when you have a normal job creation project for the province of Saskatchewan under this particular one, there is more than the average number of young people employed and sustained new businesses that are going to be there for some time, even after the program is finished.

Some Hon. Members: Hear, hear!

Mr. Lyons: — Mr. Speaker, supplementary. The Premier has just said that there's a higher number of average of young people working. Simple question: how many young people under the age of 25 are working? Never mind the rhetoric. How many?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I told the member opposite that there are more than 4,000 people, young people, working this month than there were last month.

Now, Mr. Speaker, if we know that we have one of the best records in Canada and we've got jobs that are ... projects that are creating - 2,000 construction jobs right here in Regina, 19,000 jobs all across the province as a result of the home program. The youth in this province obviously are doing very well. It's not perfect, and we wish it was better, Mr. Speaker, but I'll say, compared to other jurisdictions, it's one of the finest records you'll find any place in Canada. And we're going to continue to provide economic incentives and investment so people will be able to build and construct and to have those kinds of jobs here in the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Changes to The Income Tax Act

Mr. Tchorzewski: — Thank you, Mr. Speaker. I have a question to the Minister of Finance. Mr. Minister, you have served notice that later today you're going to be moving first reading of a Bill to amend The Income Tax Act. Can the minister tell us whether this is the long-awaited amendment to The Income Tax Act which will finally make good on your 1982 election promise to cut provincial income taxes by 10 per cent.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Well, I believe, Mr. Speaker, that the hon. member should know the rules, that there's ample opportunity to debate the legislation when the legislation is before the Assembly, and that's the traditional practice. I simply remind the hon. member again and again and again ...

Mr. Speaker: — Order, please. Order, please. Order, please. This morning there's a little higher than average activity in the House, and I would like to ask you to allow the minister to finish his response.

Hon. Mr. Lane: — I know, Mr. Speaker, that the opposition opposite does not want to be reminded again that Saskatchewan is the second-lowest taxed province in Canada.

Mr. Tchorzewski: — Supplementary, Mr. Speaker. The minister is understandably embarrassed, and too embarrassed to comment on the Bill which he will be introducing later today - unless he has decided not to - on a Bill which is another in the long line of tax increases that have been introduced by this government.

Will the minister, Mr. Speaker, will the Minister of Finance then admit to the taxpayers of Saskatchewan that your election campaign promise to cut provincial income taxes by 10 per cent has gone by the way of your promise to eliminate the sales tax, your promise to eliminate the gas tax, and your promise to improve health care, and your promise to provide senior citizens with free telephone service, and that is, Mr. Minister, straight into the trash can of broken campaign promises?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, I remind the hon. member that there are several categories under the changes to the Income Tax Act in the budget this year of people paying no tax in the province of Saskatchewan. We have categories of people that are the lowest taxed people in Canada, Mr. Speaker.

We've brought in this year the first tax deduction for single parents, Mr. Speaker. We have removed the sales tax on clothing. We have the most exemptions of any province in Canada imposing a sales tax for individuals. Mr. Speaker, we have removed extra billing, something that the NDP refused to do, Mr. Speaker.

And so I indicate as well, and repeat again, Mr. Speaker, that the people of Saskatchewan are the second-lowest taxed people in Canada. The members opposite don't want to hear that. They don't like to hear that, Mr. Speaker. I happen to like reminding them, and I appreciate the questions.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Speaker, new question. I say to the minister that the only insignificant tax which certain people don't pay is the \$300 million a year oil royalty that the oil companies don't pay because of the policy of this government.

Some Hon. Members: Hear, hear!

Mr. Speaker: — Order. Order. Order. The member is being interrupted. He's having difficulty asking his question, so please allow him to ask his question.

Mr. Tchorzewski: — Thank you for calling the government members to order, Mr. Speaker.

Mr. Minister, the Premier keeps telling Saskatchewan people that these are tough times. And he keeps telling us about the need to keep our economy moving forward in a period of severe restraint. Unemployment statistics

mentioned in the House today show the result of taking out of the pockets of Saskatchewan consumers unemployment for young people.

Can the minister then explain why he thinks that the best way to keep our economy growing is to take hundreds of dollars more this year out of the pockets of Saskatchewan taxpayers and consumers with this further increase in the unfair flat tax - hundreds of millions dollars that will not be spent in the shops and the stores of our small-business people in Saskatchewan. How do you . . .

Mr. Speaker: — Order. Order. Order. I'm afraid your question got lost, but there was a whole series, and I was just wondering if you are finishing or not - apparently you were. But your final question got lost, so I'll give you the opportunity to repeat it if you so wish.

Mr. Tchorzewski: — Well, Mr. Speaker, if the final question got lost I'm not surprised, because the Minister of Finance seems to have been lost in all of the questions that have been asked so far.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Minister, I repeat again: how do you expect Saskatchewan consumers to spend more money to keep our economy rolling when you're taking somewhere in the area of \$300 million out of their pockets with your tax increases this year?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, it's quite interesting that the sales tax went on prior to July 1. It went on budget night. And yet the unemployment rate went down subsequent to that, Mr. Speaker, in the month of June. There was an overlap. His argument doesn't hold water, Mr. Speaker.

Again, I simply repeat to the hon. member, on the one hand they criticize us for giving tax incentives, tax incentives, and an opportunity for Saskatchewan people to invest within the province, create jobs, create opportunity, create new businesses, and then turn around and criticize us for putting taxes on which he says will slow down the economy. I wish, Mr. Speaker, that he would be consistent one day from the next.

Having said that, Mr. Speaker, it is abundantly clear that the tax increases that we are imposing still put Saskatchewan in the second-lowest taxed province category in the Dominion of Canada. Mr. Speaker, we will continue to use the tax system, as we have stated, consistently, as a matter of policy, to try and stimulate employment and job opportunity and investment in the province, notwithstanding the opposition of the members opposite.

Finally, Mr. Speaker, I think the hon. member knows full well that the sales tax is exempt for most basic commodities in the province, Mr. Speaker. I do not believe that any change on the retail sales tax from 5 to 7 per cent has caused anybody not to buy clothes which are exempt under the province of Saskatchewan, Mr. Speaker.

Mr. Tchorzewski: — Mr. Speaker, the tax bite of the flat tax only began to take place in the latter part of July, and already the unemployment rate has increased by 1 per cent in Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Minister, your own Local Government Finance Commission has stated in its final report a few months ago that Saskatchewan residents are taxed more heavily than people in any other province west of Quebec. That's your report, Mr. Minister. And that was before this new increase in the flat tax and the increase in the provincial sales tax and the introduction of your gasoline tax. This year's increases alone, Mr. Minister, are the equivalent of a 19 point increase in the personal income tax rate for the citizens of Saskatchewan. How can you tell Saskatchewan taxpayers that they are better off under those circumstances?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, the endless inconsistency . . .

Mr. Speaker: — Order, please. Order. Order, please. All hon. members know that the last few minutes the noise level has been rising by the decibels, and I would like to ask each of you to please allow the question period to continue in an orderly fashion, notwithstanding the fact that you might have opinions from your seats.

Hon. Mr. Lane: — The endless inconsistency of the NDP position . . . on the one hand today, Mr. Speaker, they say that they are so proud of their NDP cohorts in Manitoba because they've moved from third to second place, and they have imposed a 2 per cent flat tax, Mr. Speaker. So the inconsistency of their position to relate the two is rather strange.

Now the member from Regina North East wants to shout from his seat, Mr. Speaker. The fact is that Manitoba in their last budget, I think, had the highest tax grab of virtually any province in Canada . . . and they don't like to hear that, Mr. Speaker. Today they stand up and hold up the employment figures as something to be approved of.

Again, I refer the hon. member, as it's been debated on a couple of occasions and in the budget address of this province, Mr. Speaker, at page 54, and we put in the tables, Mr. Speaker, that overall, Saskatchewan has the lowest personal taxes and charges at the 20 and \$35,000 income levels and the second lowest in Canada at \$50,000 level . . .

Mr. Speaker: — Order. I think the minister has made his point. Next question.

Mr. Tchorzewski: — Thank you, Mr. Speaker. I think that the Minister of Finance obviously has spent too much time in Saskatchewan, and he should take the advice of the Premier and get out for a while.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — I remind the minister that the Manitoba tax is a tax that is geared to fairness and is geared to ability to pay and not . . .

Mr. Speaker: — Order. Order, please. Order, please. I think if we keep our supplementaries short and we keep our answers short, we'll get through this question period much better.

Mr. Tchorzewski: — Thank you, Mr. Speaker, but I could not resist the temptation.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Now, Mr. Speaker, I will get to my question. Mr. Minister, you may try to dismiss the findings of your own Local Government Finance Commission, and you might do that. You spend hundreds of millions of dollars on these commissions, and ignore them. But I wonder if you will dismiss the finding of your own buddies at the Fraser Institute.

I have here a Fraser Institute report, and this report shows that Saskatchewan people are more heavily taxed than people in New Democratic Manitoba. Is the minister aware of this report which shows that the total taxes of an average Manitoba family are nearly \$300 a year less than their counterparts here in Saskatchewan? And will you not admit, Mr. Minister, that the tax burden facing the average Saskatchewan family has been growing steadily since 1982, and the flat tax increase you will introduce later today will serve only to worsen that burden?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Again the inconsistency, Mr. Speaker. The New Democratic Party hates the Fraser Institute and then will selectively quote from it from time to time.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — And I would really have hoped, Mr. Speaker . . . The hon. member says that I should go away for a while. The more I see of the questions from the hon. member, Mr. Speaker, I think that the Leader of the Opposition is going to announce today that for the sake of his party he's going to stay on, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I suggest to the hon. member . . .

Mr. Speaker: — Order, please. I remind the hon. member from Quill Lakes, I remind the hon. member from Quill Lakes that he doesn't sit and holler from his chair as he likes to do, and I'd ask him to stop doing that.

Order. Order. Order! I'd also remind the hon. member from Regina Rosemont. The minister is answering the question, and I'd ask him to conclude his remarks quickly. But I do not want members hollering at the Chair from their seats.

Hon. Mr. Lane: — I've indicated now on four different occasions and I've recited to the hon. member and to the

House, because members opposite are wont to not read the budget address, Mr. Speaker, that Saskatchewan has the second-lowest taxes in the province. I know the member from the Quill Lakes, the member from Quill Lakes does not want to hear that, Mr. Speaker, but they are the second lowest in Canada. We are the second lowest. We have the broadest exemptions of the sales tax of any province in Canada. We are not intending to impose . . .

Mr. Speaker: — I think the minister has made his point.

INTRODUCTION OF BILLS

Bill No. 27 - An Act to amend The Income Tax Act

Hon. Mr. Lane: — Mr. Speaker, I move first reading of a Bill to amend The Income Tax Act.

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

Bill No. 28 - An Act to provide for the Postponement of the Tabling of Certain Documents (No. 2)

Hon. Mr. Andrew: — Mr. Speaker, I move first reading of a Bill to provide for the Postponement of the Tabling of Certain Documents (No. 2).

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

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Education Ordinary Expenditure - Vote 5

Item 1 (continued)

Ms. Smart: — Mr. Deputy Chairperson, yesterday in the House I referred to an order in council to the effect that the Saskatchewan Library was disestablished, and I was asking specific questions about this matter. I have the documents that I said I would table here today. But before I put them across for the minister, I want to just take a minute to address this issue, because for me it's quite serious in three particular areas.

One is: this disestablishment of the Saskatchewan Library is a direct result of Bill 5, which was the Bill that put for the Act to reorganize the government, The Government Organization Act. It's the Bill that we opposed so strongly last Christmas, saying that it would have a lot of really devastating effects on government organization, where departments can be amalgamated and disestablished by order in council without debate here in the legislature. And that's exactly what's happened to the Saskatchewan Library.

It's sad that it's happened. It's happened without people knowing about it. But it's particularly shocking that the

Minister of Education, under whose department the library has now been put, didn't realize or know that this had happened - wasn't aware of those orders in council. It raises very serious questions for me about what is going on with the Department of Education, and the Minister of Education, with the tremendous changes that have been made in education across the province - not just with the libraries but with the universities, the technical institutes, the community colleges. I wonder what else he doesn't know about in particular details.

And it's amazing for me to realize that he didn't know about it when he's the one that's pumping up the value of the information age, the value of knowledge, the fact that we must be informed about what's going on and how important it is. And here we have an example of a lack of information. And we have an example of the disestablishment of government services without anyone really knowing what's been happening.

May I now take these documents . . . I'd like to have these documents taken across to the Minister of Education so that we can discuss them in detail.

I've sent across a document signed by the Lieutenant Governor and by Grant Devine.

Mr. Speaker: — Order. I've asked members not to refer to members by name . . . by constituency or by position in the House.

Ms. Smart: — I apologize. It was signed by the Premier and by the Lieutenant Governor.

The order in council transfers and assigns the part of the public service and all moneys appropriated in connection therewith related to the administration of the Saskatchewan Library or to the administration of powers, duties and functions of the minister responsible for the Saskatchewan Library as the case may be, to the Minister of Education.

And the regulation in The Government Organization Act, quoting Section 4 (2):

The central library for Saskatchewan, known as the Saskatchewan Library and continued pursuant to The Public Libraries Act, 1984, is disestablished.

These regulations came into force on April 1, 1987.

My question to the minister is: what does he mean by . . . what is his understanding of the library being disestablished?

Hon. Mr. Hepworth: — I thank the hon. member for the documents and clarifying in fact what the hon. member was referring to. And just so that her mind is put at ease and any others in the library system . . . and in fact I think there is no confusion in the minds of the board members or the trustees or anybody else out there because I've met with them on more than one occasion.

And if I was to pick up the clause you referred to relative to disestablishment, in essence what it's saying there is

that albeit the central library for Saskatchewan, known as the Saskatchewan Library, and continued pursuant to The Public Libraries Act, 1984, is disestablished; what in fact it is saying is it's disestablished as an independent agency but continues to exist.

And as I said last night in this legislature, there's no need to fear, because it's business as usual. And although it's disestablished as an independent agency, it continues to exist under the umbrella of the new Department of Education. And in fact I would add to that, the strong, new Department of Education.

Ms. Smart: — There's a very great real need to be worried when you say that the library has lost its independence. That is one of the very corner-stones of a public library system is to have autonomy - autonomy of administration, autonomy of organization; not to be under a particular government department; to be able to stand on its own so that it can provide the resources for people on a variety of topics and in a variety of ways.

And it's the issue of autonomy, of self-government, of independence for the public library that is so very important and so very worrisome when you say it's been disestablished and amalgamated into the Department of Education.

One of the roles of the library, under The Libraries Act, is to act as the central library for Saskatchewan. You have taken away that role, you have put it under the Department of Education. What are the functions now, then, of the Saskatchewan library as you see it?

Hon. Mr. Hepworth: — The role is unchanged, and I can advise the hon. member as well that Saskatchewan has now joined the ranks of the nine other provinces and two territories that make up this great dominion, and that all . . . we now have moved to the same place as they have in so far as not having the library as a single agency.

Ms. Smart: — The fact that Saskatchewan has its library as a single agency was a point of real interest for everyone in North America. The library system in this province was a progressive and a very creative one. It fulfilled all the ideas that you had about having a real good information network, and people came from all over the country to see what was going on in Saskatchewan, and you are destroying that system. You are going backwards in time, not going forwards. You say the library is unchanged - why then did you disestablish it? What is it . . . why, if you say it is unchanged, have you disestablished it? Why didn't you leave it the way it was?

Hon. Mr. Hepworth: — The amalgamation, I would argue, strengthens the role and the ability of the library to function and to be part of a process that has this integration, as you so rightly pointed out in last evening's remarks.

Ms. Smart: — The amalgamation has wiped out the Saskatchewan library, and the fact that you sit there and you consult with someone who is not the provincial librarian makes my point even stronger. The provincial librarian is sitting on the other side, and you have not consulted with her about what you mean by the

disestablishment of the library.

The provincial librarian's position, I understand, has been demoted as a result of . . . As a result of disestablishing the Saskatchewan library, the provincial librarian's position has been demoted; is that not true?

Hon. Mr. Hepworth: — No.

Ms. Smart: — Formerly, she was a . . . the provincial librarian was at a deputy minister's status; that no longer exists, I understand; is that true?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, she has the same status as she has had previously.

Ms. Smart: — When you disestablished the central library, and yet you say things are unchanged, one of the roles of the Saskatchewan library was to act as co-ordinating agency for public libraries within Saskatchewan. Why . . . I still haven't gotten an answer to my question as to why you have disestablished the central library if you say it has remained unchanged. That's a very important role for the regional libraries, acting as a co-ordinating agency. Why have you taken that out of the Act?

Hon. Mr. Hepworth: — Well perhaps an analogy that might, with a few words, describe what we believe is happening as a result of moving from a single agency to under the umbrella of the Department of Education. And we view it more as a marriage, and a very good marriage, as opposed to divorce, which I think is the picture that you would . . . are trying to paint.

Ms. Smart: — I could probably make some comments on that analogy of marriage, but I don't want to explore it any further.

One of the things that happens when the library is disestablished is that the library no longer presents a separate annual report. That's another example of a lack of autonomy and a lack of self-government and a lack of providing information specifically related to the public library for the people of Saskatchewan to understand.

(1045)

Will there still be an annual report? Or has that been discontinued?

Hon. Mr. Hepworth: — Well I don't know as there's a definitive decision been made one way or the other. It may well be that there'll still be an annual report. I guess I can say there's been no decision not to have an annual report.

Ms. Smart: — Has there been an annual report printed for '86-87?

Hon. Mr. Hepworth: — It's at the printer's now, Mr. Chairman.

Ms. Smart: — The Saskatchewan Library Trustees' Association, in a brief to you, expressed their concern that the cheques to the regional libraries were no longer

issued by the provincial library but by the Saskatchewan Department of Education - that being another example of the lack of autonomy, when the funds that were controlled by the provincial library are now going through the Department of Education. That's another example of what's happening when you disestablish this particular body.

And I still don't think that I've had a clear answer to my question as to what your plans are for the Saskatchewan Library, now that you've disestablished it. Can you please be more specific as to why you've disestablished the library?

Hon. Mr. Hepworth: — I guess I want to give - in answer to this question again, because I would like to put to rest the member's fears relative to what's happened to the library - and I will give you my sense as the minister, I think, which is obviously what you're interested in and, I think, what the people are interested in.

As I sit back and watch what's been able to happen since Saskatchewan libraries and the K to 12 system and advanced ed are ... have all been united under the one new strong department, my sense, very much so when it comes to the libraries, is that we've got the best of all that we had, with it as a single agency.

And I have this very, very strong feeling from what I see in terms of what my neighbour who lives down the street two doors from me, in terms of her role as provincial librarian in this province, I see her very much involved, and with her, I suppose, that entire library system very much involved in the mainstream of a department that now doesn't deal with merely 5 or 6 or \$7 million budget, but now a three-quarters of a billion dollar budget.

And I've been very heartened, I must say. And I share this with my officials. I've been very heartened to see this synergistic relationship, how they're pulling together, how it's operating as a team, and how my Provincial Librarian is in the mainstream and the forefront of some of these initiatives. And we talked last night about literacy and the dimension and the perspective and the leadership role that the librarian is showing in that area. I see nothing but good coming out of it. And I think maybe the hon. member is getting tied up in some legalistic, jingoistic stuff - section 3, subsection (2), part (a), part (b) . . .

An Hon. Member: — You certainly wouldn't understand it.

Hon. Mr. Hepworth: — And the hon. member, Regina Centres, talks about how I wouldn't understand that legal stuff, and he's quite right. Because what I understand is what the people want us to understand and that is that this library system is as fine as you'll get anywhere in Canada. It's been made stronger, I would argue, by being pulled into this new department where there's really access to some resources that just weren't available in a six or \$7 million budget in isolation.

I'm very excited by what I see, and I think if you could sit in my chair - and perhaps in 20 or 25 years you'll have the opportunity - you would be equally excited, I'm

sure.

Ms. Smart: — Well I find it quite amazing to hear a Minister of Education refer to legal matters as somehow not important, or a mere detail. That's what we're about here in this House, is deciding on the legislation that governs institutions in this province. It's a very important issue and one that we should well question you on.

My question to you yesterday had to do with the Saskatchewan Library Board and what the relation of the board would be to Saskatchewan Library, since Saskatchewan Library has been disestablished. I want to go back to that question and see if you can be any more clear to me about the role of the Saskatchewan Library Board.

Hon. Mr. Hepworth: — It has been in the past an advisory body to the minister, and it continues to be an advisory body to the minister.

Ms. Smart: — Well I have been advised that the part of what has been superseded when you superseded the Saskatchewan Library was the section in the Saskatchewan . . . in The Public Libraries Act that allowed for you to appoint advisory councils and advisory committees. So presumably you now see the Saskatchewan Library Board as the equivalent of an advisory committee, one that will not have the same powers then as it has in The Library Act as it exists now. It's to be merely an advisory board, rather than one that would act as a board overseeing an independent organization, such as the Saskatchewan Library used to be.

I would like to find out, please, if you could tell me, the staff complement of the Saskatchewan Library from 1985 to 1986. Can you tell me how many staff were at the library in all of those years?

Hon. Mr. Hepworth: — This year's blue book would show 41 positions . . . person-years rather. And last year the same number was 45, and this excludes the Provincial Librarian and office administrative staff that she might have.

Ms. Smart: — I asked for the figures going back to '82.

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, I think you referred to '85 and I'm sorry I didn't pick that up. We don't have '85, '84, '83, '82 with us, but we can get them for you and provide them as soon as possible.

Ms. Smart: — Thank you, I would like to get those figures.

The cut from 45 staff to 41 staff for this year excludes the Provincial Librarian and the office staff, I understand, and it also adds on to it the staff from the bureau of statistics. Is that correct?

Hon. Mr. Hepworth: — No, this doesn't include that branch.

Ms. Smart: — I would like to go back, I think, to questioning a bit more about the role of the Saskatchewan Library because of its real co-ordinating and facilitating

inter-library loan co-operation between the regions.

I'd like to understand how that will be connected to the regional libraries and also working through the Department of Education with the school libraries. How do you see that library being able to continue the amount of work that it was doing in the past with the cut-backs in the staff and the amalgamation in the Department of Education, which to me suggests that you have some roles for the library, the central library, as it used to be, connected with literacy and distance education which may well cut back on the co-ordinating role and the inter-library loan facilities that they had with the regional libraries.

Hon. Mr. Hepworth: — Well in response to the hon. member's question, Mr. Chairman, it seems to me, in terms of co-ordination and in collaboration and the facilitation, the words that the hon. member used . . . I mean what better way to have Sask Library hooked into what's happening in the K to 12 system or what's happening in the post-secondary system or the literacy initiatives or the \$3 million fund in the distance education, than if we're all under one roof and one big happy family and the Provincial Librarian part of the executive team. I mean, the very words you used - co-ordinating and facilitating. It seems to me what we have done meets every index that you might establish for improvement and for bettering the system, not only in so far as it's independent nature, and in that role, but also in terms of its collaborative role and the leadership role it can provide in some of these other areas.

As you yourself will know, for example, the Regina Public Library system has been very proactive in literacy. Well, now we've got a chance here with this literacy initiative in the post-secondary education blueprint to have our Provincial Librarian play a very much a leadership role in developing that initiative, along with all these other volunteers and professionals and organizations that I've mentioned earlier.

So by every measure that one could use in terms of concrete measurements, I'm very excited by what I see. But more than that, as I said earlier, I'm very, very excited about what I sense in an intangible way as far as how I see the team working.

Ms. Smart: — Do you have a plan to develop a publication policy for Saskatchewan government documents?

Hon. Mr. Hepworth: — Mr. Chairman, hon. members, it's not under consideration by our department at this time. I'm advised that that sometimes is roles of legislative libraries and/or other departments on occasion, but we certainly don't have that kind of plan under consideration at this point in time.

Ms. Smart: — Having a publication policy for Saskatchewan government documents is an issue that's been important to librarians for some time. They would like to see the documents printed with the basic information, like the year in which the document was printed, the person that was responsible for it, and the identification of the department that's printed it.

You are not in charge of all the libraries, I realize, but we're talking about libraries here, and I want to put that issue on the Table to alert the government that there's a concern about that. And with the amalgamation of government departments that's been going on, there's a concern about keeping up the government libraries in each department, close to people's work places, and I'm asking if you have any idea about what's happening with the other government libraries.

Hon. Mr. Hepworth: — Well the library and resource centres, so far as I'm aware of, across the departments - and obviously I can't speak with great authority - but my best advice is that the libraries and resource centres that's in departments are all alive and well. And I think, in fact, the hon. member herself would make the observation that if you have 15, 16 ministries as opposed to 36 you can have just that much better library and resource centres within each department because you're not spread so thin.

Obviously, you can do for 16 what you probably can't do for 36, a point I think you yourself made last night in this House, relative to what one can do for Regina and Saskatoon, maybe one necessarily can't do for some of the smaller centres.

Ms. Smart: — Well it sounds like a good idea, and I certainly hope that the libraries will remain alive and well. The fact that you've cut the funding for the Legislative Library, and you've already referred to that as being one library through which the government documents can be processed. And that library's been cut.

(1100)

The Saskatchewan library's been disestablished. I really wonder how much your commitment to keeping the libraries alive and well is based on reality and isn't just something that you're saying to me here because you think it's going to stop me from questioning you.

I have one more question related to the regional libraries, and that is: I want to know what your plans are for the resource centres that the regional libraries are supposed to have operating in the smaller centres like North Battleford, Moose Jaw and Prince Albert?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, I'd have to refer the hon. member to individual boards in the various regions for what plans they may have. It's up to the regional boards.

Ms. Smart: — I would like to just take a minute to go through the Act here because my understanding is that the regional library resource centres . . . the major libraries in those centres were to be resources for the regions. Is that not true?

Hon. Mr. Hepworth: — Yes.

Ms. Smart: — Well if the government plan is to make those resource libraries resources for the regions, what are you doing to strengthen those centres financially?

Hon. Mr. Hepworth: — Well we've been working closely with them, I'm advised. Things like helping out in terms of collaboration, some training initiatives. If you're going to ask me if there's been some specific money, the answer is no.

Ms. Smart: — Well specific money is very much what they need. The new library in North Battleford has had a 50 per cent increase in circulation since it opened, and it's a very nice resource centre, but it's not going to be able to manage without the funding. And without the funding, the concept of having libraries as information centres is not going to exist.

You've said that you want to have . . . exit it into the 21st century and the information age. But nothing that you've said in answer to my questions about libraries gives any reassurance that you understand the complexity of libraries, public library systems, the need for people to have access to free information across this province on many subjects, not just connected with education, Mr. Minister.

And that's a topic that I haven't yet touched on, but one that I do want to mention briefly, is the fact that when you amalgamate the library into the Department of Education, and you make it function as a resource for the community colleges, the universities, the technical schools, the literacy programs, the distance education programs, you also have a lot of people in this province who've always used the public library for the kind of information that people need in their day-to-day lives and in their personal lives. And that is not frivolous information.

In Saskatoon Public Library one of the areas of collection that's used the most are the books on health and medicine. That's an area where people use the public library for information that can be particularly important to them in leading their lives and going about the business . . . I've already mentioned business, for example, with the resource centres that the library has - information for business, information on child care is another big area. And people have to have access to a public library system that provides them with those resources. It needs an autonomous public library system that provides them with resources on a variety of topics in different points of view.

And when you suck everything into a Department of Education, focused on the needs of K to 12 and the formal institutions, you're in danger of losing a very important aspect of public library systems where they have access to information on a variety of topics.

The cut-backs in libraries continue to be a very great concern to many people across the province, and particularly in the rural areas, where with the failure of the municipal libraries to get the kind of public government provincial support so that they can be resource centres to the other libraries, with the failure to provide funding for the resource centres in cities like North Battleford, Moose Jaw, Prince Albert, you're cutting back on the services to people in the rural areas because you're destroying the one library network system that existed. You've disestablished it; you've sucked it into the Department of Education. I can't get a clear picture about where you're

going with it. And I find it very distressing.

Now one of the final things I just want to briefly mention what's happening at the University of Regina, because I know that's been an important development for you. You've mentioned it very often, the fact that the librarian there is able to get \$200 million worth of books on microfilm, and now another grant from the university development fund for the new technology to automate the library there. And that's important development, of course.

But books on microfilm are useful only if you have the technology to read them. You have to have microfilm readers and printers. It's not a technology that lends itself to easy disbursement to a number of people. It's a technology very dependent on . . . it's an information source very dependent on technology, and when you talk about the new information age, that's one of the things that we really have to take into account, the fact that new information is only available to people who have access to the machines to read it and to access it.

The Saskatoon Public Library has expressed its great concern about the fact that the province can be divided between people who are "information rich," and people who are going to become more and more "information poor." And I'm very worried about that as you suck the library into the Department of Education, and as you promote the new technology without a realization that you must make this information available to everyone, that you should respect the work that's been done over the years in Saskatchewan - long, hard years of work to set up that public library system. You are destroying it. I started out early by talking about what happens when libraries are destroyed, what happens to people when they lose those accesses to information that's available to everyone. The public library system is a relatively recent development. It doesn't deserve to be treated as badly as you've been treating it.

The education system doesn't deserve to be treated as badly as you've been treating it. And I really want to express my grave concern about what's been happening - my fear that you're not going to consult with the people in the country and the rural areas about the development of libraries, that you're just going to tell them what you're doing without consideration for their needs. And I want to express my very grave concern about the kinds of answers you've been giving me here today and last night, in terms of the future of libraries in Saskatchewan.

Hon. Mr. Hepworth: — I thank the hon. member for her glowing comments and observations about the good things that are happening at the University of Regina. It's the fruit of the \$1.6 million effort to get the microfilm there. And of course the more recent announcement was the whole business of not only the increase in the acquisitions but making those acquisitions available to people across Saskatchewan. In the recent announcement that we've got the computer and the proper equipment, you can do this catalogue accessing from anywhere in Saskatchewan. I think that's a great step forward, and I join you in offering my congratulations to the University of Regina for their innovation and

creativity as it comes to their library system.

Mr. Shillington: — Thank you very much. I don't intend to take a long time in this Assembly. I want to add my voice to the comments made by the member from Saskatoon Centre.

I've watched, Mr. Minister, with growing annoyance over the last day and a half as the member from Saskatoon Centre has brought to your attention legitimate concerns. You, members of your caucus and, I regret to say, on occasion, members of your officials have sat and, I think, taken the comments of the member from Saskatoon Centre with something less than the gravity with which they deserve.

I believe, Mr. Minister, that when you have the kind of cuts in your budget which you have, the matter ought to be treated seriously. And members of government caucus ought not to be making light of this matter.

Mr. Minister, I want to just briefly review to you what has happened to libraries under the stewardship of this government. I want to, Mr. Minister, just for a moment, compare your first budget and your latest budget. I happen to have that first budget with me, *Estimates* for the fiscal year ending March 31, 1983.

Mr. Minister, from that budget to this budget, the amount you have spent on the provincial library has decreased. It's now 73 per cent of what it was in 1983. You're spending 27 per cent less in absolute dollars now than you were five years ago . . . six years ago.

During that period of time, Mr. Minister, the inflation has gone up by a little under 35 per cent. And just in case, Mr. Minister, I get from you this tiresome song and dance about how badly the world is treating you and your Minister of Finance, let me remind you that your budget has . . . your spending has gone up by 32 per cent during those five years, but your spending on libraries has gone down 27 per cent. Now that adds a great deal of credibility to the comments made by the member from Saskatoon Centre. It's evident, looking at these estimates, that you people don't care about libraries, and you don't appreciate libraries for what they are. They're the cutting edge of education, of adult education, Mr. Minister.

Mr. Minister, your grants to libraries hasn't fared much better. In your first budget you allocated \$4.7 million. In your budget five years later, in '87-88, you allocate \$4.8 million. The increase is actually a little over 1 per cent. As I say, that's during a period of time when your total government spending has gone up by 31 per cent, the rate of inflation has gone up by 35 per cent, and the funding to libraries has been virtually frozen.

Mr. Minister, I get more letters complaining about the funding to education than I do about any other single subject. Mr. Minister, I could keep you here for the next week reading the letters which I have got from teachers and from schools and principals and trustees complaining about the cuts in education. I have got more . . . I get more correspondence complaining about your department than I do about any other - bar none. That includes, Mr. Minister, highways . . . that includes such

sore points as highways and social services. Your department, Mr. Minister, leads the pack in terms of public complaints.

Mr. Minister, yes, you have had some new initiatives. You sure have, Mr. Minister. Mr. Minister, your . . . (inaudible interjection) . . . Well the member from Regina Victoria wants to talk about . . . the member from Regina Wascana wants to talk about day care. We'll have an opportunity to talk about day care when the right department comes. And I'll be interested to see what the member from Regina Wascana has to say about day care.

Getting back to the estimates from the Department of Education . . .

Mr. Chairman: — Order. Order! Order. I would ask members to allow the member from Regina Centre to make his comments.

Mr. Shillington: — Thank you very much. Mr. Minister, the libraries are beginning to show the effects of the neglect . . . of your government's neglect. I note the comments by the Regina and Saskatoon libraries about what's going to happen to the services they provide.

Mr. Minister, if the cuts in the funding to libraries generally has been catastrophic, the English language is almost inadequate to describe what has happened to Regina and Saskatoon during the period of time you're in office. It really has been serious.

(1115)

Mr. Minister, I want to refer your attention to a letter written by the chairman of the Regina Public Library, Ron Yeo, to yourself, with copies to other members of the Assembly. Given the fact that there were copies to the other members of the Assembly, it was hardly a private letter.

I won't read the letter in total. It's dated June 26. He makes what I think is an incontrovertible argument. He states that the board, on April 25, 1985, wrote to the government concerning library funding. The reply was from the then minister of Finance, the member from Kindersley. The member from Kindersley stated that the government was awaiting the report of the Local Government Finance Commission and would be acting on that report.

The Local Government Finance Commission report, when received, pointed out what was obvious to anyone who has any interest in the subject, and that is that there was a serious imbalance in funding between the regional and the municipal libraries. The report was . . . and here I'm reading directly from the letter. The report was unequivocal in saying that funding proportions between municipal and regional libraries were seriously out of balance, and immediate action was needed to achieve equity.

What has happened, what has happened of course is that your government has galloped in the opposite direction. Your government has aggravated that inequity. The cuts in funding to the Regina and Saskatoon libraries has been

reduced by . . . is 30 per cent less than what it was. They were frozen out, for whatever reason, they were frozen out of the \$500,000 special grant to buy books.

Mr. Minister, the headline in the June 30 edition of *The Leader-Post* says it all, "Province stiff's city libraries." That's exactly what your government has done.

Mr. Minister, I would be interested in your comments. I would be interested in what you think you are doing to libraries in general in this province, and what you think you're doing to the municipal libraries. If there is any excuse for this behaviour apart from the fact that you don't hold any seats in Regina, and you don't . . . and apart from the fact that you hold very few seats in Saskatoon and Regina and have no hope of picking up any additional seats, if there is any other explanation for your behaviour, I would be delighted in hearing it, Mr. Minister.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Well I thank the hon. member for the sermon. I also would point out that he once again exhibits a trait not uncommon to the NDP party, and that's selective amnesia.

And you can talk all you like about budget numbers and pick certain budget numbers to make some limited case and fail to ignore, and fail to ignore, what has happened in the K to 12 system as it relates to libraries and resource centres; and fail to mention what has happened with the universities; and fail to mention the half-million dollar special fund; and fail to mention the fact that there has been a 29 per cent increase in grants since 1981 - a 29 per cent increase. And the focus has been - and this is where the NDP have the real difficulty, Mr. Chairman - the focus has been on strengthening the libraries across this province, not some central government agency, if you like.

That's the difference between the NDP party and the Progressive Conservative Party. We are interested in fairness. You guys who pay this lip-service to fairness. And I want to talk specifically, because he mentioned the examples of Regina and Saskatoon.

What would he have said, Mr. Chairman, if we hadn't - if we hadn't put a special fund in place to top up northern library book budgets and rural book budgets in rural Saskatchewan, given this information, given the fact, as I pointed out last night, that one-third of the population in this province had a \$1.9 million book budget, and two-thirds of the people had access to a book budget of 1.3 million. Is that fair?

The hon. members like to talk so much about fairness. The NDP think they have the stranglehold on fairness. They are the ones that - well the NDP are the ones that talk about giving to those in need, and I happen to subscribe to that view, too. But when you give to those who have the most need, the people in northern Saskatchewan and the people in rural Saskatchewan, what do they say? Oh, you're picking on Regina and Saskatoon.

Well what is the story on Saskatoon and Regina libraries this year? Well I am advised that in 1986 Regina's budget was 7.6 million, and in '87, is it down? There's this horrendous cut the hon. member talks about. Well if he is right, is their budget somehow gone down? What are the facts, Mr. Chairman?

Well their budget has gone from 7.6 to 7.75 million. And in Saskatoon it's gone from 5.3 to 5.8 million. Now how does he square that? Nothing but lip-service, nothing but distortions, nothing but fear mongering. And he speaks against the very things I thought his party stood for - fairness and providing for those who have the greatest needs.

An Hon. Member: — You don't know what fairness is.

Hon. Mr. Hepworth: — The hon. member from Prince Albert talks about not knowing what fairness is. Well you stand in this House and tell the people of Saskatchewan that we ought not to have given a \$3,000 book grant to the northern libraries, that we ought not to have given \$1,500 to the other branches across this province, because Regina and Saskatoon - and I want to acknowledge the great work that they've done in spreading their resources across this province, and this system - when they already have several millions of dollars and access in resources at their command that other provinces don't have.

So the issue becomes one not of somehow picking on Regina and Saskatoon as the hon. member has talked about, but it becomes a question of fairness and giving more to those who have greater needs and of strengthening our regional libraries system, a province-wide system of accessibility.

That's what we're talking about here, is accessibility across this entire province. Look beyond Regina and Saskatoon, I say to you. Look beyond this narrow NDP notion of everything must happen in government, everything must happen in Regina and Saskatoon. I say to you, look beyond that - look beyond that, or your party will stay where it is for ever.

Mr. Shillington: — Yes, Mr. Minister, I quite intentionally did not discuss K to 12 education, or kindergarten, or the University of Regina, or the University of Saskatoon. That has been done very ably by the member from Saskatoon University and the member from Prince Albert.

The point . . . the topic under discussion at the moment is libraries. And I say that your government has no idea what libraries are all about. And the funding which you have given to libraries shows that.

Mr. Minister, you accuse me of picking figures here and there. I'm not picking specific figures; I am picking the total funding which you've given to libraries, and I've used the figures rather fairly; I think that's evidenced by the fact that you never referred to any figures in your comments.

The fact is, Mr. Minister, funding for the provincial library is down 27 per cent. Grants to libraries has been static; it's up 1 per cent. That's during a period of time, Mr. Minister,

when your total budget is up by 31 per cent.

Now that, Mr. Minister, suggests to me, and I think suggests to a goodly number of the public in Saskatchewan, that you people don't know what libraries are all about.

Hon. Mr. Hepworth: — Well what your observations tell me is you haven't looked at the issue, which you admit you haven't. Because the reality is this, and I say it again and I said it before, and you referred to the fact that I didn't mention numbers. I mentioned specific numbers, and I'll mention them again: grants have increased 29 per cent since 1981, and the focus has been on strengthening libraries across this province, not some central government body.

Now I know that's an alien notion for the NDP, and I'll give you another fact, hon. member, because I know the critic for this division is aware of these numbers, having worked in the library system, having worked in the library system. If you look at the western provinces in terms of grants per person, per person served in '87-88, how does Saskatchewan stack up amongst the western provinces?

Well here's the record, Mr. Chairman, and I put this for the hon. member's information, because I am getting sick and tired of fear mongering and distortion, and there's no other words for it, Mr. Chairman. This is the reality.

Saskatchewan, grants per person served, '87-88, \$5.79 - it's a funding level; Manitoba, NDP Manitoba, espousing the same kind of commitment to libraries and to education in general as their party did when they were in power here in Saskatchewan; what's the number? Is it more than \$5.79, Mr. Chairman? Is it 6 or is it 7 or is it 8 dollars? No, \$3.35, \$3.35! Alberta - \$5.16; British Columbia - \$2.38.

And I'll tell you why those numbers are so stark and so contrasting and why the Saskatchewan library system and all its trustees and all its staffs and faculties can hold their head high, is because Saskatchewan has one of the best systems across Canada, Mr. Chairman, bar none.

And he can pick and snipe away at it, and somehow suggest that all the people that have worked in that system for years and years and years to create the strong kind of system that we have, that they are decimating it and ruining it and sniping and gutting it and all the rest of it. It's hollow rhetoric, Mr. Chairman. It's hollow rhetoric coming from an NDP, because in Manitoba they spent \$3.35 and in Saskatchewan we spent nearly double that amount, Mr. Chairman.

Those are the facts. He cannot dispute them, and they would have been raised by the hon. member, I'm sure, for Saskatoon, but the fact is, why put something so glowing as that on the table because it's an embarrassment for NDP across this country, Mr. Chairman. And that's a fact; that is a fact, Mr. Chairman.

And he doesn't want to talk about our library initiatives in the K to 12 system. You know why, because when the NDP were in government, Mr. Chairman, there was never put in place a special fund for our schools to draw on to

update those libraries.

And when they were in government, Mr. Chairman . . . They don't want to talk about universities either. You know why? Because they starved the universities of funding. They absolutely starved them. And I'll tell you what. He can bring his blue books forward, and he go back as far as he wants. I wish he would, because what he would find out, Mr. Chairman, is when the NDP were in government, that the funding curve for the universities - it's as clear as day and night - whenever there was an election coming, it went like this: whoop! The funding took a bit of a bleep that year, up. Then it would be starved again for three years. Whoops, another election coming, '78 - up it went. And the hon. member from Saskatoon Riversdale nods his head and says, that's exactly what we were doing. Starve them three years out of four, and then give them a little lip-service.

And that's been a trademark of the NDP for years and years in this province, Mr. Chairman, and that's why they sit in opposition. That's why we sit here. And that's why we, along with the rest of the people in this province, can hold our heads high when it comes to the issue of education and libraries, no matter at what level. And I'm proud to say so on behalf of the people of this province, Mr. Chairman.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Thank you. Mr. Minister, I'd ask you to table the document you just read from, because I don't think it's accurate. I think those figures are inaccurate. Table it.

Some Hon. Members: Hear, hear!

Mr. Chairman: — Order. Order. I would ask members to rise when they're making comments. When they're making comments from their seat, they don't go into the record. So I'd ask members on both sides of the House, if they have anything to say, they'll have all kinds of opportunity to enter into the debate. And I would ask members to make their comments from their feet.

Hon. Mr. Hepworth: — I will table the document I read from. I have several copies of this document. The one I was reading from . . . I had scribbled some of my own notes on and I would prefer to keep them. But the statistics I related as it relates to the \$5.79, the 3.35, etc., I will send across to the hon. member.

Mr. Shillington: — Mr. Minister, you read some figures with respect to the grants, the total grants to Saskatchewan libraries. It's the figure which is now subvote 39. I don't have that right, subvote 38. You read off some figures. It's that that I want.

Mr. Minister, I would admit that the funding in Saskatchewan to libraries is generous by comparison to other provinces, and that is because the NDP and CCF have been in office since the war.

Some Hon. Members: Hear, hear!

Mr. Shillington: — The only reason, the only reason, Mr.

Minister, that we spent more on libraries is because you people haven't been in office since the '30s. And that's the truth.

Some Hon. Members: Hear, hear!

Mr. Shillington: — We have a good library system because the Douglas government spent generously on it. Mr. Minister, the funding . . . the level of increase since you people have been in office has been negative. There's been a negative increase since you people have been in office. You're spending less now than you were when you came in. That has not happened in this province since the '30s. Mr. Minister - not coincidentally the last time you were in office.

Mr. Minister, I say that . . . I will admit the funding in Saskatchewan is generous. That's because you haven't been in office very much. That isn't something you people initiated. That was something that was in place when you came into office, and the cuts in funding which have taken place since you've been in office have not entirely destroyed the system. But that's the best I can say for your administration, is that you haven't entirely destroyed the system.

(1130)

Mr. Minister, the figures I want are the figures you read. I want a copy of that document. I don't want it read again; I want a copy of the document you read from - your briefing note with respect to the grants to the libraries in Saskatchewan - because the estimates give a very different story than what you just read.

Hon. Mr. Hepworth: — The hon. member has suggested . . . He has now admitted, in fact, that yes, under our Premier and the Progressive Conservative Party of Saskatchewan, libraries and the library system has continued to move forward. In fact the record will show, Mr. Chairman, and which I almost couldn't believe myself, but the hon. member has admitted that we are generous. And I thank him for that acknowledgement.

When he was faced with the facts, Mr. Chairman, he had to retreat to the truth. He had to retreat to the truth, and that's a rare happening over there. But he went on further to say the reason that it's so generous is because of the base, in his words, and the history of the NDP party and the legacy it left our government. Well I want to refresh his memory again with some more facts, Mr. Chairman.

This will be quiz time for the hon. member from Regina. When your party was in government, did you have in place a special fund for schools to buy library books and video tapes and videos - that kind of thing? Did the NDP . . . This is quiz time for the hon. member. When the NDP, in this great legacy that they somehow left us, was there this special fund that our school boards and our teachers and our children could have access to, to buy books, to update resource centres and libraries, to get video materials, those kinds of things? In this great NDP legacy, was there that fund, Mr. Chairman? The answer is no.

There was no legacy like that. There was a legacy of starvation in the system. There was a legacy of school

libraries run down, a legacy of equipment and libraries run down at the university level. That was the legacy they left us.

Second question, Mr. Chairman, then. When the NDP, in this great legacy that they left us in the library system, did they leave in place a fund that our universities could draw on to update their libraries, and to computerize the accessibilities and the card-cataloguing systems, and to put in place microfiche and some of the new technology in terms of library materials? Did they put in place a fund, or did they leave us a fund like that for the university to draw on, Mr. Chairman? Once again the answer is no.

Every time you examine the question of the NDP funding in education, in libraries, in resource centres, and in new technology, you come up empty-handed, Mr. Chairman - empty-handed every time.

And I myself am not going to stand here and take credit for all the fine things that have been happening, because - I've referred on numerous occasions to why these great things are happening - because we've got a Provincial Librarian that's got a vision; we've got people like Ernie Ingles over at the University of Regina that's got a vision; we've got people like the people at the University of Saskatchewan who've got a vision, outlining the future in their *Issues and Options* paper.

And we've got strong library trustees across this province; and we've got a good library board advising myself and my colleagues; we've got a sound system; we've got a fine system. We've got a system that's increasingly accessible; we've got a system that, increasingly, is meeting the needs of the northern part of this province, Mr. Chairman, and I am proud of it, and I am happy to hear what the hon. member has to say, because he's right. Given the difficult times, the funding has been generous.

Mr. Shillington: — Given the overall level of funding, the funding for libraries has gone down, and that is the incontrovertible fact, Mr. Minister. Don't give me this tripe about all the bad luck, and all the hard luck you've suffered from, and all the people who have been unfair to you, and the prices of all the commodities have gone down.

The fact is that during the five, six years you people have been in office your funding has remained at the same level in constant dollars. Inflation has gone up by 35 per cent; your funding has gone up by 31 per cent, Mr. Minister. Your spending has remained about even in constant dollars. But the spending on libraries has gone down in absolute terms. In absolute dollars, your funding on the provincial library is 27 per cent less; your funding on regional libraries in the same.

Mr. Minister, I want to read to you a comment from the final report of the Local Government Finance Commission, September 27. Members of the commission were Ray Clayton, chairman; John Wright, commissioner; Lol O'Shaughnessy, commissioner; Herve Langlois, commissioner; Nick Volk, commissioners; Bob Linner, commissioner. Their comments, contained on page 275 . . . The comment was as follows:

Mr. Minister, if I could have your attention, if you could quit chatting for a moment, and if I could have your attention . . .

An Hon. Member: — Has he put down the comic book yet?

Mr. Shillington: — Yes, if you could set the magazine down that you were reading a second ago, Mr. Minister. Put that aside. Listen to this, and I'd ask you for your comments on this conclusion drawn by the local finance commission which spent some two years studying these issues. The commission also reached a number of conclusions and made the following recommendations regarding the finance of libraries:

That relative to regional libraries, Regina and Saskatoon's municipal libraries receive insufficient provincial funding and that, as in interim measure, provincial grants to these municipal libraries should be increased by approximately \$3 per capita.

I ask you, Mr. Minister, for your comments on that recommendation from the board which you established.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Well as I said before in this House, one could always use more money. But the rationale for why we targeted our additional funds, first to the North, and then secondly to the regional system as opposed to Regina and Saskatoon, was a question of fairness and providing to those who had the greatest need.

And certainly one can argue that we could always use more everywhere. But the reality was the North had the least resources, and rural Saskatchewan, second, had the least resources. And I've read the numbers into this record before about the resources available to Regina and Saskatoon. Not that they've been . . . not shared those resources with the rest of the province, because they have, and we must underline that because they have a great tradition of serving the rest of Saskatchewan, if you like.

And I absolutely do not - I want to underline to you again - that this is somehow, in this funding initiative, somehow not trying to penalize Regina and Saskatoon. It's a matter of helping the rest of the province play catch-up to some degree.

Mr. Shillington: — Mr. Minister, you've patently failed to deal with the question, and that is to comment on this report.

Mr. Minister, I think it's obvious to all concerned, the reason why you have not only not redressed the imbalance in the funding to Regina and Saskatoon, but indeed you've grossly aggravated it, is because you don't hold many seats in Regina and Saskatoon - you're likely to hold four fewer after the next election - and that's why they haven't got any additional money, Mr. Minister.

Some Hon. Members: Hear, hear!

Mr. Kowalsky: — Mr. Minister, I want to ask a couple of questions also regarding libraries. Our concern is the direction in which libraries have taken over the last three or four years.

I speak from personal experience of having sat on a library board for several years, Mr. Minister. And I know that when we were sitting in our library board meetings, in our regional meetings and our consultations with other regions, that we found that we were having to cut staff in some cases, or cut programs, or to cut hours, because slowly, year by year by year, with costs going up but no *pro rata* costs coming towards the library boards, we found that even this year that the board was considering that they would have to shut down for some time during summer - shut down the libraries in the rural areas or shut down . . . and in some cases the small towns.

Now, Mr. Minister, with view of your record of not increasing funds at the rate of the cost of living increase, I want to ask you: is it your intention to slowly starve library boards so that they will eventually have to implement user fees?

Hon. Mr. Hepworth: — The hon. member made reference to his time and experience on the regional board, and I believe that was the Lapiti board - Wapiti board rather. Well what is the funding history of the Wapiti board, Mr. Chairman? What is the . . . and I think you sat on that board through some of these years.

In 1981 the budget there was 1.15 million. Now if the hon. member's arguments are correct, and that somehow it's been . . . not had the funding increases and resources made available to it, could he explain to the legislature how then their budget this year, or their proposal, given all this hardship that somehow the NDP think that has been thrust upon them, could he explain to this Assembly then how is that the budget in 1981 under the NDP was 1.15 million and today it's 1.7 million. Could he explain that half a million dollar discrepancy for the House, Mr. Chairman?

And maybe he wouldn't want to, because the history is, if my memory serves me right, in 1978 when the NDP were in government, what did they do? They went to the RM's in the area, they off voted their problem in to the RM's in the area and said, double up the ante, boys. That's what their history was.

And I don't know whether the hon. member was sitting on the board at that time or not. Maybe, perhaps, he'd like to explain to us their actions in the NDP days and explain to this House how, when the NDP were in government, the budget is nearly half of what it is today. Could he explain that for us please?

Mr. Kowalsky: — Mr. Chairman, my question dealt very specifically with funding to prevent the eventual possibility of having to implement user fees. When I sat on that board, we had board members that came up and said, look, we're so stuck for funds because of the increasing demands on a library; we're going into the proverbial information age; we should be setting up some

computer system; we may have to implement user fees. I want a commitment from the Department of Education that we will never, never, ever have to set up user fees in Saskatchewan libraries.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Now the hon. member, Mr. Chairman, did a good job of smoke and mirrors in getting away from trying to explain, because he couldn't explain it and not make this government look good. He couldn't explain the generous funding and not put us on the back.

Well let's read it into the record again. In the board that he sat on, Mr. Chairman, the funding went from 1.15 million in terms of their budget. In 1981 to this year, I'm advised, 1.7 million - a generous increase.

And I'll tell you what, Mr. Chairman, it's a tribute to the people of that area that they want to make those commitments to this resource in their area. And as it relates to user fees, if the hon. member was in the House last night, I'll say it again now: (a) the Act prohibits it; and (b) we have no intention of putting user fees in place in this province.

Mr. Kowalsky: — For the record, Mr. Chairman, the increase in budgets came largely from increases of assessments given directly from property taxation in the municipalities.

I want to ask one more question regarding libraries. I'll come back to this in a moment here. I want to ask another question regarding the direction of libraries. The question regards the future direction with respect to computers and computer implementation at the provincial level. The people . . . there's an increasing demand, an increasing need, people wanting to have access to data systems and a complete data base with respect to . . . so that they could use it in any particular district and have easy access in libraries. It's very difficult for each library region to go on with their own computer system without having a centralized computer system that they could go to.

I would like the minister to comment on what type of initiatives they're taking to set up a provincial on-line computer system so that regional libraries, or libraries in the regions, could have access to. And will they have access to the University of Regina library computer system?

(1145)

Hon. Mr. Hepworth: — The hon. member, Mr. Chairman, has attempted to make the point that we ought to undertake this initiative, essentially, because the boards, of their own volition, and on their own initiative, aren't likely to undertake it. And just for the record, and for his information, I'm advised that Wheatland has automated on their own, and I congratulate that board for that initiative. Chinook is, in fact, in the process of automating. I may stand to be corrected, but I believe there are other boards that are contemplating similar moves.

I know the NDP would typically like to have everything

dictated from Regina and from government, but I think we can see here another excellent example of regional boards, with autonomy, carrying the ball and doing quite well, thank you.

Mr. Shillington: — Thank you very much, Mr. Chairman. Mr. Minister, I went out to the lounge for a cup of coffee, and while there I heard you exploding with pride about what you were doing for northern libraries. Mr. Minister, I want to read back to you the briefing note which you gave me:

The grants to regional libraries were cut 10 per cent in 1987 (so the document says, it's a quote). Grants to Regina and Saskatoon libraries, cut 30 per cent. Northern grants unchanged.

Mr. Minister, how do you pretend to have done such wild and wonderful things for northern libraries when you've frozen their grants? About all one can say is that you haven't devastated their system quite as badly as you have ours.

The document contained one other interesting statistic which I didn't have:

In 1986 (and listen to this) provincial grants represented 58 per cent of regional library revenue and less than 8 per cent of city library revenue.

Mr. Minister, the Legislative Assembly has become somewhat numb to your approach. There is so much information which is inaccurate. I'm striving to make an accurate statement without contravening the rules.

Mr. Minister, you have given this Assembly so much information which is patently inaccurate. It is inconsistent with the facts, and often inconsistent with what you said 10 minutes ago, that the members of this Assembly have become somewhat numb to your approach.

But, Mr. Minister, when you give us your briefing note, we wish you would at least stick to the facts in your briefing note. The fact is that northern grants are unchanged.

Now, Mr. Minister, if you'll be kind enough to give me the briefing note which I asked with respect to the library grants in total, which you haven't given us, that might prove equally interesting.

Hon. Mr. Hepworth: — Well I'm glad the hon. member has read the briefing note and, in fact, wants to explore what's happening even more fully in our northern library services - and in fact the correct phraseology here would be our northern library services improvement.

He read correctly, Mr. Speaker, from the briefing note. That much he can do. What he failed to acknowledge is that yes, the funding is unchanged for the libraries that are there, the individual libraries. What he failed to acknowledge is that we have more libraries. We have two new libraries opened. Okay. Yes, the funding is at the same, but we've expanded the number of libraries which

is, I think, something that makes northern people very happy.

So I'll just detail for the Assembly what in fact we're doing in terms of improving northern library services. Work has begun in the development of a federation of the north involving school, public, and community college resources. Book budgets are increased at \$3,000 for each library for books. Two staff positions, strictly for the North, established since our government came into being.

And matching grants. Now this is one that will interest the Assembly, Mr. Chairman, and will certainly interest the NDP member. Matching grants have been increased to \$15,000 per library. And what was the number there, the similar number in 1982 under the NDP, Mr. Chairman? Was it 15 or 14 or 13,000?

Well he said inflation was 30 per cent over those years, Mr. Chairman - 35 per cent. Well I ask you then, was the NDP commitment to the northern libraries just reduced by the amount of inflation? So that would say, if we were giving 15,000, were they giving \$10,000? The answer is no.

Well what is the answer? What was the NDP commitment in 1982, Mr. Chairman? - \$2,000. Today, \$15,000. The NDP years, lip-service to the North, and rightly so. The heir to the throne, the member from Saskatoon Riversdale, sitting, head down, in embarrassment about the NDP record in northern Saskatchewan - \$2,000. A \$2,000 grant in 1982, and today the same number is . . . Mr. Chairman, I think I've hit a nerve. I think I've hit a nerve.

Two new libraries open, Montreal Lake and Beauval, and greater emphasis on staff training and development. Now that's what I call performance in northern Saskatchewan. And I'm happy to see it, Mr. Chairman, and I congratulate all the people involved. And I'm sorry the hon. member from Saskatoon Riversdale has to leave at the mention of all this fine activity, Mr. Chairman. We're proud of it. Our record stands, and I would encourage the hon. member to read further from the briefing notes. We've got more good news coming.

Mr. Kowalsky: — Mr. Chairman, I had asked the question earlier about computerization, and the minister answered indicating that there were some computerization starting. I believe that the computerization that had been started in these regions deals with book processing and payroll.

My question was, a computerized database system that would be available for regions to tap into for purposes of . . . for reference purposes largely. Could you comment on that? Is there any initiative on the part of your department on a database system provincially based?

Hon. Mr. Hepworth: — In so far as the issue of a data base and making existing data bases available, my understanding is that Toronto has a data base. We are hooked into that. Given that many regions aren't automated and computerized, etc., etc., but might want access to the data base, if you like, we have a microfilm service to help get that database information out to the

regions.

Mr. Kowalsky: — I want to turn now to a portion of estimates from dealing with K to 12 education, Mr. Minister. I want to thank your staff who has been here diligently day after day from the provincial library. I expect that we will be spending the rest of this day's session on K to 12 matters.

Hon. Mr. Hepworth: — I thank the hon. member for their questions relative to the provincial library, the Saskatchewan Library, and the library system in general, and if we need the officials forward again . . . And at the time the initial introductions were made and we started the estimates I don't think Karen Adams, our Provincial Librarian, was formally introduced, who is sitting to my left. And I would want that to be on the record, and I thank her for her advice and guidance to the question period. And she will be happy to make herself available for further questioning, if such is the case.

Ms. Smart: — I also would like to add my thanks to Karen Adams, the Provincial Librarian, for being here for so many times waiting for the libraries to come up. I appreciate her involvement in the discussion, and I certainly am looking forward to seeing that the Saskatchewan Library is strengthened so that we can enter the information age in the way in which we ought to be doing it. So thank you to Karen Adams.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Thank you. I would simply add my comments to those of my colleagues who have thanked the officials for coming. I just wish, Mr. Minister, you'd give those very competent officials some resources to work with.

Mr. Kowalsky: — Mr. Chairman, when we're dealing with K to 12 education, the school boards in the province, we all know have been hit with a triple whammy by this government.

First of all, they got the 1 per cent cut in the operating grant. Secondly, there was a cut to the promised five-year EDF (educational development fund) plan. The promise was broken, turned around, and turned into a ten-year plan. And then more recently, of course, the gasoline tax that was added, which adds to every budget . . . to the school board's budget.

I want to ask the minister whether he consulted with any school boards prior to their cut on their EDF fund - the breaking of the promise - whether they consulted on it? And I know that there was considerable consultation prior to bringing the EDF in, and that was a result of it. I wonder if the same type of consultation went on as they were going to bring in the cuts? And I want to know what the rationale was for the plan, extending the plan, whether there was any other rationale for extending the EDF plan, other than just cost cutting?

I want to bring to the minister's attention what some of these cuts have done to school boards. Here is a letter that I have from Rockglen School, from a principal of Rockglen School, as one of many examples. He said in his

letter:

We will lose 2 teachers from our school. One position is from Division 1 and the other position is from division III and IV. The overall staff reduction is from 17 teachers to 15.5.

Then he talks about, a little later in his letter, he also indicates another problem. And this one is about:

Presently (he says) the grade one class is split into two rooms. This class will (now have to) be combined next year with around 30 students. Their ability range in this room is extreme - we have students who are gifted, to average, to learning disabled . . . I sincerely doubt that we will be able to meet their individual differences . . .

Now that was an example from Rockglen School, the principal of Rockglen School, as an example of some of the difficulties that are faced with, not just at the school board level but at the school level, and of course will have an impact on their students.

From Moosomin, a portion of a letter written to our caucus from the McNaughton High School staff:

We are very concerned about how the cuts in education(al) funding will adversely affect student opportunities in our school.

. . . our staff will be decreased by an equivalent of 4/7 of a teacher.

And later on in the letter they say:

Saskatchewan Studies has been dropped from grades 10, 11 and 12.

So we've had program drops as well as increases in pupil/teacher ratio. Some subjects have been combined in this school.

Another letter from Moosomin, from a division of the Saskatchewan Teachers' Federation in Moosomin:

. . . we believe the cutbacks in education funding will make it virtually impossible to maintain the existing level of programs in our jurisdiction.

From Centennial school in Regina:

Reducing teaching staff will result in increased class sizes, more split grades, and ultimately will result in an inability to maintain the quality of education in Saskatchewan.

The list is endless, Mr. Chairman. I could bring piles and piles of letters. I've simply selected a couple for the record so that I could bring to the minister's attention the graveness of the concerns that are in the Saskatchewan public.

Now what has happened as a result of those cuts is that the percentage of educational expenditure that is borne by school boards and borne by property taxes has

changed considerably. The record shows from '75 to '86 that the percentage of school grants - grants as a percentage of school board expenditure - has gone from a rounded figure of 56 per cent to a rounded figure of 44 per cent in '86. From '75, 56 per cent. And it was in the 50's, in the 50 per cent range, from '75 to '81. That is, the provincial government covered over 50 per cent of school grant expenditure until 1981. Since 1981 it's been lower than 50 per cent, and in 1986 it went to a new low of 44 per cent. What has happened is that the local taxes now have to pick up 342 million of the total grants . . . total grant of the expenditure, operating expenditure, and the province now picks up 330 million, which is a drop of 3.3 million.

(1200)

Now it is our view, it is the view of the members on this side, that that is going in the wrong direction. It is the view of the members of this side that the provincial funding to education should be increasing, not decreasing, as a proportion of the total expenditure. I want to ask the minister how far does he expect to go with this obvious tax shift?

Hon. Mr. Hepworth: — A number of points there. The first one I think I would address is the question of the education development fund, that excellence fund that was established by our government under our Premier. And the hon. member asked if there was consultation relative to that issue.

What I can say to him, there was consultation to a degree that the budget process allows for. I had met with some of the executive members, certainly the president, on a number of occasions before the budget. Because as you know, there was a white paper, an economic statement made by our Minister of Finance that laid out some broad guide-lines that cabinet was going to use in its budget preparation - things like the zero and zero salary guide-lines, about what school boards and municipalities might expect for grants.

The reason we put that out there was to initiate that kind of dialogue and consultation. And once the president, for example, of the SSTA (Saskatchewan School Trustees Association) and his officers had seen that, I visited with them and they said, well, we see what you're saying. I think for the most part . . . In fact, I visited with him yesterday, I think they've intimated to me that they can live with this pause, if you like . . . (inaudible interjection) . . .

And the hon. member for North East says they're not impressed, and I think he probably hasn't talked to the president of the SSTA. I would doubt that the member has once talked to the president of the SSTA since the budget came down. I would doubt it, Mr. Chairman, but he chirps from his seat and that's his case. He can do as he wishes. Maybe he'd like to get into the debate.

Anyways, before I was . . .

Mr. Chairman: — Order. All members get the opportunity to take part in this debate. I would ask members . . . Order. I would ask members to allow the

minister to give his answer.

Hon. Mr. Hepworth: — Well as a result of that economic statement, the dialogue that one would expect would be forthcoming and the meetings were there. As I recall the discussions in my office, in fact, what the direction was from them, as they said this: as you go about your budget process, and given what we see in the economic statement, the strategy we would recommend to you is, above all, preserve the base grant or the operating grant. Above all, preserve that as best you can. And if you have to find some slack, or use something as a shock absorber, use the education development fund. And, of course, that's what we did.

But to back up even one step further in history, the year the education development fund came on stream, or the second year it was on on stream, and a very proactive year in so far as consultation was concerned, many school boards and trustees were expressing the concern that with this fund, as generous as it was and as fine as it was, they needed more planning time and more lead time on some of it. They didn't want to have to rush into the projects.

And as a result of those discussions, and in fact as a result of their suggestions, the fund was essentially moved from a five-year one to a six-year one then, Mr. Chairman. Certainly stretching it to 10 changes some planning, I am certain. But the important thing is, is that the dollars, the total commitment to the fund, is still there, and school boards acknowledge that and they feel comfortable with that.

I mean, I suppose, one can debate whether it should have been stretched from six to eight, or six to seven, or six to nine, instead of six to 10. But the bottom line is the commitment is still there to excellence.

To pick up the second point the hon. member raises about that somehow during the NDP years the amount of money that local school boards had to raise, exclusive of the provincial grants to education, that that share was somehow better, the provincial share was somehow larger than it is today.

Once again, the hon. member is being very selective in his analysis, very selective. Because if one compares the funding, exclusive of what the school boards raised on their own, that they received from the province, what do we find? We find numbers like this, Mr. Chairman, and these numbers are . . . I will read into the record this year, and I'm sure my predecessor, my hon. colleague from Swift Current, read them into the record when she was minister, because they're the same numbers we use from year to year to year.

If we look at grants, the provincial share is percentage of actual or final budget expenditures with the education development fund into these numbers, the grants as a per cent of total actual expenditures. Now if we buy the NDP logic, Mr. Speaker, what we should find as we review these numbers is that the provincial share was higher in the NDP years than it is in the Progressive Conservative years. Well what does the record say? Well let's pick a couple, three, four years, and I can read all of them in the

record if they so wish - 1972, 1973, the NDP were in power, the per cent of provincial share at that time was 48.8 and 50.9. The last year of the years they were in government, '81, it was 53.9; '82 it was 52.6, okay? But what do we find this year, 1987, if this is somehow he is making the argument that we're off-loading onto the . . . off-loading our responsibilities onto the local school boards, onto the local taxpayer, what is the same number? Well it's 52.4 per cent.

Now by my arithmetic, Mr. Chairman, in 1972 and '73 and even '82, 45 and 48 and 50 per cent was the share of the provincial government in the NDP years, and today it's 52.4. Is that not higher than 45 or 48 or 50? And granted, there was some years where it was higher in the mid '70s, but certainly the record and the legacy that we were left was not such the case. And one of the reasons, Mr. Chairman, that the numbers are that way is because when the NDP were in power there was no excellence fund, this education development fund, that my colleague established. There wasn't that kind of attention to the special needs of our school boards.

I think one could . . . Another index that one can use that rebuts the arguments of the hon. member is that if you are . . . if we were being stingy with the provincial dollars to school boards, then one would expect that they would be running deficits, or certainly not surpluses in their budgets.

Well what is the record there? What is the record? In 1981, at the end of this torrid funding initiative, apparently, by the NDP, the school boards across the province had accumulated surpluses of 30 millions of dollars, Mr. Chairman. Now if his logic is true and we've been stingy with our funding, then you would expect that the surpluses that have accumulated in the school boards across this province would have gone down from 30 million, or maybe even the deficit situation.

Well is there, in the accumulated surpluses of the school boards of this province, across this province, this very day, Mr. Chairman, is there more or less than 30 millions of dollars? To use his logic, he would suggest that we've been stingy with our funding, the surplus probably shouldn't even exist, or if it is, it should be lower. Well what's the record, Mr. Chairman? Well the record is, the surplus in 1981 was 30 million, and this very day it's 57 million - almost double. Now could the hon. member square that for us in his logic?

Or let's use another index. If we have somehow been stingy with our funding and forced the taxpayers, the municipalities, to cough up more, and the land tax, etc., etc., was the increases forced upon the local burgess through the land tax greater in the NDP years or greater in the PC years, Mr. Chairman?

The number again, once again, would suggest the increases were the greatest during the NDP years. The local landowner, property owner, the tax increases were enormous, Mr. Chairman. They've been very low since the Progressive Conservative Party came into power.

Now I make all these arguments to buttress the fact that we consider education a priority; we're not off-loading

our responsibilities. But I don't for one minute want to leave the impression that somehow education couldn't use more money, because it always can. What I'm talking about here is the record that's clear in terms of this government's commitment. A 60 per cent increase in funding to the K to 12 system in the last five years, Mr. Chairman - a 60 per cent increase. And by the hon. member from Regina Centre's own admission, the inflation rate during that same period was 35 per cent - so K to 12 funding went up 60 per cent in that same period, much higher than the rate of inflation. That is patently, absolutely true. Do you want me to table those numbers for you? I've hit a nerve, Mr. Chairman. I've hit a nerve again.

I've put this in the record before . . . And I'll give you one other fact, Mr. Chairman. I'll give you one other fact. Not only has funding increased by 60 per cent, but the number of children in the system went down from 204,000 to slightly less than 200,000 - more money, and even less children. And I'm proud of our record here, Mr. Chairman.

Mr. Kowalsky: — Well, Mr. Chairman, if everything that the minister said was true I guess that the surplus should continue to be increasing. The fact is that I've had board members tell me, and I know my own school board, my own employing board, had to go into a deficit situation this year and they had to dig into their surpluses . . . and that's why I'm asking the question about what the direction is that we're taking.

I want to shift now, Mr. Chairman . . . to ask a question regarding the cost of busing to rural school units. Now the figures that I've received from the Saskatchewan trustees association indicate that there are 359,000 kilometres of road that buses travel annually during school days. And if you average it out over 190 days per year, a total of 68 million kilometres, and then we go further. If we assume that you burn up a litre every 2.5 kilometres, it comes out to about 27 million litres of gasoline that they use. If you add the seven per cent gas tax, this comes out to very close to \$2 million in additional cost to the Saskatchewan educational system to be borne by school boards.

My question is, Mr. Minister, in view of this transfer of taxation from the provincial level to the school board level, will you be giving a rebate to school boards as well as the same type as promised to individuals?

You know that if it isn't this, it will result in one of two, one of three things: either additional deficits on the part of school boards, or program and staff cuts, or an increase in property taxes. So the question is: will you be setting up a rebate program for school boards, rural school boards?

(1215)

Hon. Mr. Hepworth: — The hon. member, in the opening of his last statement, talked about the deficits of particular school boards. Well I'm advised that we only know of one school division that's in a deficit financial position, one school division, and it has a \$26,000 deficit. And so, as I say, I think to put that in perspective, the reality is across this province, the surplus situation has gone from 30 to 57. And that's only a measure, one

measure of the health of our school funding.

The other question that the hon. member raised, Mr. Chairman, is: was our government aware of the hardship that the 7 per cent a litre gas tax could impose on rural school divisions who have to run buses, and the answer is yes. And in fact we were so aware of it that we made sure that it was looked after come budget day. We were aware of that, that that might be a potential tax increase there. We recognized the hardship generally in rural Saskatchewan and the hardships on those taxpayers. And so here is what we did, Mr. Chairman, to make sure that that wouldn't be a surprise to them and in fact would be dealt with and would be dealt with and not have to get into rebates and all the other kind of thing.

The annualized cost to school divisions, that is to say the cost of the 7 cent a litre tax to school divisions for an entire year, our numbers would suggest - and there is some variance with the hon. members numbers, but it's not that great. I suspect we probably had access to better numbers than the hon. member, just because of the nature of the ministry, but the yearly cost is 1.6 million. This year of course, Mr. Chairman, given the date of the gas tax, the cost to school boards, because it is only applicable for a part of a year, the cost is 665,000.

So what I'm saying here, Mr. Chairman, is the 7 cent a litre tax this year meant an additional cost to operate the buses across this province of 665,000. And the hon. member is saying, are you going to put a rebate in place to handle that? And I say, well, we had some sense, because I happened to sit at the cabinet table, of what some of the tax decisions might be. And so we allowed for this before it got to the point that the hon. member might have suggested it would have got to. So what we did, Mr. Chairman, to offset this increase, is we increased the rural transportation per pupil rate by \$3 or 2.7 per cent, now up to \$114. And we also increased the rural transportation kilometre rate by \$4 or 3.2 per cent.

Well by increasing these . . . the recognition of these costs, for rural transportation . . . Mr. Chairman, what this means is that the school boards across this province, the increased recognition of the costs, is at \$900,000. That's what this increase in those two areas means in the formula, Mr. Chairman. So a \$665,000 increase, on the one hand, is offset very well by a \$900,000 increase in the formula.

So I think one could argue, quite frankly, that the school boards will come out ahead. One could argue that they come out in this instance nearly \$300,000 ahead.

So the hon. member's asking me: will school boards suffer any economic hardship because of the gas tax? The answer is no. It's been looked after in the transportation grants, in the kilometre rate, and the per pupil rate, because we didn't want to impose any hardships on these local school boards, these rural school boards, Mr. Chairman.

Mr. Kowalsky: — Mr. Minister, one of the difficulties that was caused here was that the . . . many school boards had already set up their budgets prior to hearing about the 7 cent gas tax increase. And maybe you had set up these

increases; I would assume that they would have other increases just due to cost of operating, in addition, and the 7 cents seemed to sort of hit them over and above. And as a result, they're having to find money after having set their budgets.

Another question relates to your department's intentions about helping out with tax collections. As you know, there used to be a property tax rebate system in this province that the previous NDP government had, and your government cancelled it. And we get repeated, we get repeated requests about a return for the property tax rebate. One of the . . . Of course, we know that it helps every home owner.

But the other concern is on the part of people like school boards and like municipal councils. In a letter addressed to me from a school board, they asked whether - and this was prior to the October election - they said they are concerned with the dramatic increase of tax arrears that occurred in '85 and at the rate tax collections were proceeding in '86. It certainly appears that the elimination of property tax rebates has removed any incentive to prompt payment of taxes.

I want to know whether his department is giving any consideration to reimplementation of the property improvement grant.

Hon. Mr. Hepworth: — Mr. Chairman, no.

Mr. Kowalsky: — Mr. Minister, with respect to the teachers' superannuation fund. You will know the history as well as anybody, Mr. Minister, that there used to be one teachers' superannuation fund, known as the formula fund.

This was . . . In '78, there was another plan instituted. It was a funded plan. The first plan was not a funded plan. And the reason for instituting the second plan was because of the threat to the teachers' superannuation fund, the threat of increasing the liabilities. The government at the time negotiated with the teachers and set up two plans.

And at the same time, they also set up a program that teacher contributions put into the plan, and also the interest raised on the part of the teacher contributions would go into the plan. Legally, 7 per cent was the amount that the government was to put in. The government, from '78, I believe, until year previous, was putting in additional moneys that were earned by that teachers' plan.

Your government instituted a different policy last year. It started pulling the money over and above 7 per cent and putting into general revenue of the province. I want to know, Mr. Minister, is that practice something that you're going to continue this year? I want to know, Mr. Minister, what the rate of return was for the entire plan this year, and how much of this was turned into the general funds for the province? How much of this was credited to the teachers' superannuation fund?

Hon. Mr. Hepworth: — Sorry for the delay hon. member. What I am advised is that it continued to meet the

minimum requirements as expected of us, and to answer your question specifically as to the rate for year '86-87, not yet known. The year end was just the end of June, but I can tell you that for '85-86 it earned 16.82 per cent.

Mr. Kowalsky: — In '85-86 the fund earns 16.82 per cent; 7 per cent of that money was turned into the teachers' superannuation fund; the remaining was put into the general revenues for the province. In '86-87 then, the rates may be down slightly, but we would expect them to be in the vicinity of . . . perhaps 14 per cent may be a fair estimate. And so half of that again would only be going into the teachers' superannuation fund.

Mr. Minister, the concern of the teachers, of course, Mr. Minister, is that the spirit of what was started in '78 has been broken. We have heard many lectures, of course, about fiscal responsibility on the part of the province, and the difficulties that everybody has had to contend with as a result of the mismanagement of the government, of getting \$3.4 billion into debt.

Now the teachers are very conscious of this particular move as well, because they also want to have a fully funded pension plan, not only for the people on the new funded plan, but the people also on the formula plan, so that they can eventually all get in on the formula plan.

It is the opinion of the members, and it is our view here, Mr. Chairman, and Mr. Minister, that we should be aiming in that direction - that that fund should become totally funded, and that the negotiations can properly take place so that the teachers can have the choice of the plans that they want. And unfortunately, removing the total of the money earned by that fund will simply slow this process down and put the teachers' fund . . . keep the teachers' fund at risk longer than it should.

(1230)

Is it your intention, Mr. Minister, to bring this to your Minister of Finance with the view of extracting that total portion from him and putting it into the teachers' superannuation fund where it rightly belongs.

Hon. Mr. Hepworth: — Two points for the hon. member, just to correct one of his statement there, in so far as the disposition of the 16.82 per cent. I think your suggestion was that everything over 7 per cent was put into general revenues, but that was not the case. That would have been our minimum but there was more than 7 per cent left in, if you like.

As relates to the unfunded liability, and the old plan, and what are we going to do about it, I think as the hon. member well knows, this is only one instance of a pension plan in Canada with this situation. And I suspect because of it that was why the thinking on creating the new plan in the first place, to exactly get around the problem that had been created.

Mr. Tchorzewski: — Thank you, Mr. Chairman. I have some further questions on this subject of the minister.

Mr. Minister, you mentioned just now that in 1985-1986 the fund earned 16.82 per cent, and then you mentioned

that something in excess of 7 per cent was left in the fund, but you didn't mention how much was left in the fund, and how much was taken out. Can you inform the House how much was left in the fund on the interest earnings, in total dollars, and how much was taken off and put into the general revenues of the province to pay for the deficit, at the expense of the teachers' pension fund, in total dollars?

Hon. Mr. Hepworth: — We allowed the fund to earn 18.2 million more than the required 7 per cent.

Mr. Tchorzewski: — You must not have heard my second question. The second question was: how much was taken out of the fund from the earnings and put into the general revenues?

Hon. Mr. Hepworth: — I think to answer the hon. member, the question here is not so much about how much we took back. The issue is: here was our minimum requirement, and we met that, and then some - to the tune of \$18.2 million - and I don't know what more I can say about the issue. I think you're coming at it from one end, and we're coming at it from the other end.

Mr. Tchorzewski: — Well, Mr. Minister, I'm coming at it from the same end as you are. I know what the minimum requirements are, and so do the teachers and the trustees of Saskatchewan, and the government, who make a contribution to the fund. That's not at question here.

At question here is: how much in '85-86 did the fund earn in interest? You say . . . You didn't answer that. You only gave us the percentage, which is fine. You say that \$18.2 million was left in the fund out of the earnings. My question was - I thought, quite clear - how much was taken out of the earnings in total dollars and put into the general revenues? Not a very difficult question to answer, I'm sure.

Hon. Mr. Hepworth: — Well I'm advised that the earnings track, if we look at the last . . . '83-84, '84-85, '85-86, has not been all that much different. In '83-84 the fund had . . . the number that I gave you earlier for '85-86 at 18.262 million; the same number in '83-84 was 16.9 million; the next year it was 16.75 million; and in '85-86 was 18.262 million. The contribution over and above the 7 per cent were clearly meeting more than our minimum expectation.

Mr. Tchorzewski: — Mr. Minister, since you don't want to answer the question, let me ask it of you in a different way. How much did the fund earn in 1985-1986?

Hon. Mr. Hepworth: — I don't think the numbers are any surprise to the hon. member, and in fact he probably has in his office the annual report, '85-86, Saskatchewan Teachers' Superannuation Commission . . . page 42, teachers' superannuation fund, investment incomes reads, 83,655,354 - \$83,655,354 is the investment income of the teachers' superannuation fund.

Mr. Tchorzewski: — Now, Mr. Minister, what you have told us here is that in '85-86 the fund earned \$75.4 million. You now have also said that you retained in that year - well that's what you said, if I misunderstood, I'll give you an opportunity to correct me - but you just said

that the earnings were \$75.4 million, and you also said that you retained \$18.2 million.

Now I'm not going to - until I get a clarification - accuse you of anything out of giving you some fair opportunity to correct what you have just said, but will you please clarify what you had meant?

Hon. Mr. Hepworth: — What I said is in the annual report, '85-86, the Saskatchewan Teachers' Superannuation Commission, the investment income was \$83,655,354, and I'll get a copy of that page for you.

Mr. Tchorzewski: — Okay. So you're saying, Mr. Minister, then the funds earned 83 million - I'll round it off - and you retained only 18 million, is that correct?

Hon. Mr. Hepworth: — No, it is the seven per cent plus the 18.2 million in change.

Mr. Tchorzewski: — You retained 70 per cent of what?

An Hon. Member: — Seven per cent.

Mr. Tchorzewski: — Seven per cent of what?

Hon. Mr. Hepworth: — The fund earned at 7 per cent and we let it grow by the additional 18.2 million.

Mr. Tchorzewski: — What is the amount of the 7 per cent in dollars?

Hon. Mr. Hepworth: — I just would point out to the hon. member that clearly, as it relates to the operation of this fund, the government is meeting its statutory obligation as bargained, as you know, and then some. And the then sum last year was \$18.2 millions and change.

Mr. Tchorzewski: — Mr. Minister, you're not being helpful at all by avoiding the question. And I wish . . . I think, as the minister in charge, you have an obligation to the people who make contributions to this plan to give them the information that they ought to have.

An Hon. Member: — It's in the report.

Mr. Tchorzewski: — Well, it may be in the report. I want you to put it on the record of this House what the situation is. Can you tell me . . . Mr. Minister, I'll come back to my original question, and then if you don't answer it, we'll want an explanation of why you refuse to answer. The question simply is: how much of the earnings . . . (inaudible interjection) . . . As soon as the minister is listening, I will continue, Mr. Chairman.

Mr. Minister, my question is this: how much of the earnings of the Saskatchewan teachers' superannuation fund was taken out of the fund and put into the general revenues of the province in 1985-1986? I know what was announced.

It was announced by the former minister . . . by the Minister of Finance last year that he was going to take out \$30 million. And in questioning in this House during estimates and during the question period in that last session, he admitted to the \$30 million. And so did the

Minister of Education.

I ask you, Mr. Minister, what, in fact, was that figure? Did the government take \$30 million out of the teachers' superannuation fund earnings? And your officials are there; they'll know. Or did the government take out more or less, and if so, by how much?

Hon. Mr. Hepworth: — My officials have calculated for you, the 7 per cent - and this is an approximation, but not that rough an approximation - the 7 per cent equals approximately 25 millions of dollars.

(1245)

Mr. Tchorzewski: — Thank you. Thank you. I'm surprised that that figure just wasn't right there and that there had to be a calculation.

Mr. Minister, the 7 per cent is what you left in the fund from the earnings - that's \$25 million. What is the 7 per cent out of? What's the total that the 7 per cent is out of?

Hon. Mr. Hepworth: — Turn to page 44 of the same report. At the year end, the minimum balance of the fund was determined to be 428 million . . . Oh, for this is . . . Sorry, then, 1985 is \$371.012 million.

Mr. Tchorzewski: — Mr. Minister, that wasn't the question. The question was this: you retained 7 per cent of the earnings, interest earnings, of the fund. You said to this House . . . A little over 7 per cent. You said to this House that amounted to \$25 million. I want to know what was the total interest earnings of the fund that you calculate this 16.82 per cent to be. The interest earnings was at the rate of 16.82 per cent. What amount of dollars is that 16.82 per cent?

Hon. Mr. Hepworth: — I think the hon. member had . . . there's some confusion, I sense, in his questioning. Let's start this thing over again.

What is the government obliged to do here: (a) match the teacher contributions; secondly, meet the pension payroll; and thirdly, allow it to earn 7 per cent. Okay? That's our obligation. That is bargained, and that obligation the government clearly meets.

But we've gone beyond that for the concerns that were raised, in part, by the member from Prince Albert, relative to this whole issue of what's happened with previous pensions and pensions across this country and unfunded liability, etc., etc. So because we recognize that, and in good faith, not as though it was bargained or not as though it's part of our statutory obligation, but because of that we go farther than our obligation. We go farther than merely matching the teachers' contribution, farther than merely meeting the pension payroll, and farther than just merely allowing it to grow by the 7 per cent.

Last year, as we had in years previous, as I mentioned earlier, allowed it to grow by an additional \$18.2 million. I don't know if I can . . . or that was '85-86 rather. I don't know if I can be any more clear than that. So in terms of commitments and obligations and bargains and, in fact, even going farther, just out of good faith and as a part of

internal government policy, if you like, that's what we are doing. So if you're asking, is the commitment being met? the answer is yes, and then some, because we, too, recognize the dangers out there, the white water, if you like, of pensions past.

Mr. Tchorzewski: — Mr. Minister, you may talk about the so-called legal commitments, but there are also moral commitments. From everything that you have said here today, you show . . . you have shown that what the Minister of Finance said last year in his last budget was wrong. Now you can correct me if you wish, but the Minister of Finance said in the last session, in his last budget, that he was going to take out \$30 million out of the earnings of the teachers' superannuation fund, which has a huge liability now, and indeed, from the figures you have given us, the Minister of Finance, with your agreement, has taken out something near to \$40 million.

Now that's stealing from the teachers' pension fund, Mr. Minister, whether you like it or not. Whether it's legally possible for you to do that, is irrelevant. The fact of the matter is that this pension fund, which has an unfunded liability, earned more than the 7 per cent, and you, instead of considering the interests of the people who contribute to the fund, and in the interest of the unfunded liability, agreed to let your Minister of Finance take out of that fund something like \$40 million . . . (inaudible interjection) . . . Now the member back . . . speaking from his seat thinks that that's okay.

I want to say to the minister, Mr. Chairman, that's not okay. That's not okay . . . (inaudible interjection) . . . It was never done, I will tell the member opposite who is interrupting, Mr. Chairman. That has never been done until 1985, 1986 under this government, and it's wrong. You're stealing from the funds. And the only people who agree to that is you, Mr. Minister. The Saskatchewan Teachers' Federation, on behalf of the teachers it represents, has objected to it strenuously, has met with the Minister of Education and the Minister of Finance and has stated very expressly, last year, that it had no satisfactory answers.

Now I ask you, Mr. Minister, how can you justify . . . how can justify taking out of the earnings of the teachers' superannuation fund \$39 million or \$40 million of earnings to pay for the deficit which you have created when that fund already has got a massive unfunded liability?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — I move we rise, report progress, and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 12:54 p.m.