

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

ORAL QUESTIONS

Policy Regarding Prescription Drug Plan

Mr. Tchorzewski: — Thank you, Mr. Speaker. I have a question to the Minister of Health. Mr. Minister, last Thursday in this legislature the Premier indicated that you had finally gotten the message that thousands of families are being hurt, both emotionally and financially, by your destructive changes to the Saskatchewan prescription drug plan. He, the Premier that is, at that time promised that a plan to help people deal with these catastrophic drug bills would be announced in a few days.

My question to you today is: what form will the catastrophic prescription drug plan take, and will it cover 100 per cent of the cost of the drug, and how many people will be eligible for the program?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, a couple of things . . . and first, by way of background, Mr. Speaker, just very briefly. The drug plan which we adopted and put into place on July 1 of this year was a plan modelled specifically after the plan which is in place, and successfully in place, in the province to our east, Manitoba. That plan is in place, and our plan is modelled after it with some improvements, with lower deductibles for seniors and some other people. That's number one.

Number two: in the Manitoba plan there is a program of special needs. I'm not sure what the term is . . . program of special needs which is in effect, the same special needs which are in effect in the plan which we put in place, in July, which deals with cystic fibrosis patients, renal disease, and some others. In our case that includes about 2,000 people who are covered; in their case it's about 1,500 people who are under that special needs category.

Beyond that, what we have been looking at, and what we have been watching very carefully, and the kind of - what has been termed "unique", and which I will continue to call unique circumstances, which may come up which we may not have been able to foresee - what we'll call unique circumstances. And we have been monitoring that from the day that it was put in place from July 1. Now that was the month of July and into about one-half for the month of August.

And members will also know, and this is the reason for it, that we had two months. We allowed people to buy two month's supply of drugs at the end of the former plan. At the end of the former plan we allowed them to buy two month's supply of drugs for the very reason that we would have some time to look at this, to deal with these, what I will call, unique circumstances.

What I will say to you, Mr. Speaker, in very specific answer to the question is that we are still looking and will

be for a few days. And the Premier has said that, I know, a few days. And . . . (inaudible interjection) . . . That's fine, the members will deal with it in their political sense and try to find this example and that example and so on.

What I will do, Mr. Speaker, what I will do, and what the public will expect us to do, is to look at this very, very carefully and know exactly the numbers of people and exactly the people who will be dealt with.

And, Mr. Speaker, regardless of the . . . Despite, notwithstanding the argument coming from the seats over there, people will not die as a result of this waiting - people will not die. This is the kind of thing that the member from Regina Rosemont is saying from his seat, that he's been saying in the public which is . . . That's not a legitimate comment for a member of the Legislative Assembly to make.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Mr. Speaker, in supplementary to the lengthy speech which we have just heard from the Minister of Health, Mr. Minister, you may have announced these cuts to the prescription drug plan in June, but you have had them under consideration since the first part of this year. Did no one understand the kind of life-threatening situations that these cuts would create? And if so, Mr. Minister, I say to you that, that's appalling - absolutely appalling.

But even more upsetting, my question, Mr. Speaker, even more upsetting would be if the minister did not understand these problems at that time as he is indicating in the House here today. I ask you, Mr. Minister, were you ignorant of the problems that you were creating, or were you determined to try to push through these changes regardless of the kind of hurt that they would create the people in Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, it's true that we looked at this plan for some time prior to the implementation of the plan. That's true. And that's as it should be - to look at just what will be the case and how will it affect the public in this province. That's the case.

We chose the Manitoba model and looked at it carefully. What are the problems in Manitoba? was the question we asked in the broadest sense. What are the problems there? Because the member uses terms like "life-threatening circumstance" and so on. I hear him using that kind of terms. I heard a couple of his colleagues use, specific examples, life-threatening circumstances.

Mr. Speaker, the communities of Winnipeg and Brandon and Minnedosa, and whatever communities you want, will have the same kinds of circumstance and the same kind of demographics as what we have in the province of Saskatchewan. And the papers in Manitoba are not filled . . . In fact, the papers in Manitoba have no examples of cases where people say the Manitoba drug plan is causing life-threatening circumstances. That's the case, Mr. Speaker.

What I'm saying here, Mr. Speaker, if there are - if there are, in fact, difficult circumstances, what the member calls life threatening . . . Some of the ones that they have trotted out into this legislature, and had some of their people trot out into the media and so on, have been about as much as \$16 a month increase in cost, that kind of number. That is not life threatening, Mr. Speaker.

But I will say that we will continue to look at it, and are continuing to look at it. No one will have a life-threatening circumstance as a result of this drug plan.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — New question, Mr. Speaker. We are concerned about the life-threatening situations here in Saskatchewan, Mr. Minister. It seems that you are not concerned, because in your recent publication in a Conservative newspaper called *ViewPoint*, you say to the people of Saskatchewan, in regard to the drug plan: "In revising the plan we are protecting the most in need."

Mr. Speaker: — Order. Order, please.

An Hon. Member: — He said new question.

Mr. Speaker: — Was that a new question?

An Hon. Member: — Yes, it was.

Mr. Speaker: — I'm sorry, I missed that. That's fine.

Mr. Tchorzewski: — You said in your publication to Conservative members, and whoever else gets this, Mr. Speaker, that in revising the plan we are protecting the most in need.

I want to give you an example of some of those people you are protecting who are the most in need. Weeks ago a family from Esterhazy, and this is weeks ago, wrote to the Premier and yourself about a need to spend \$6,000 a year to buy medication for their young son under your new plan. In late June, a Regina woman wrote to you to show that her monthly medication will now cost more than her entire monthly income. And quite some time ago . . . Finally, in my third example, you were made aware of the case of a Saskatoon man, Ross Reaney, who has decided to stop taking medication for a number of serious health problems, because to spend up to \$600 a month for his medication will leave his family without food or shelter.

When are you going to give these people and thousands more like them some answers, Mr. Minister? It's not good enough to say, sometime in the future. They don't want phone calls from your aides or letters saying, we're working on a policy. They need those answers now because they are being had pressed, and they indeed are in threatening situations.

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, the quotation the member uses where I have said, "And in development of this plan that we've talked about, those most in need would be covered," - that's the case. Those in special

care homes, they're covered under the plan as it existed before July 1. People on welfare, those most in need in this province, are covered as they were prior to July 1 implementation of this new plan.

As I outlined a few moments ago, those in need, as it relates to very specific and horrendous costs - cystic fibrosis drugs and some of those, diabetes, renal disease and some of those - those are covered as they were prior to the implementation of this drug plan. That's the case.

The member talks about specific examples. Those specific examples will come forward. And those are the kinds of examples that we wanted to come forward because if there are those kinds of examples . . . I do not agree that in every case that has been brought forward by the opposition opposite, for whatever their purposes, are in fact unique cases. Some may be. That's the difference, Mr. Speaker.

And what I'm saying is that we will develop this thing. You must admit, Mr. Speaker, and all members in honesty must admit, this program's been in place for one and one-half months. It's a program which is based on a program which has been successful and continues to be successful in a very similar province, next door to us to the east, and that's the program we have. And then they lay out numbers, Mr. Speaker, like whatever number it may be - \$2,000 a year, whatever number it is - that are onerous. That, Mr. Speaker, is an unfair number to bring forward because the amount of numbers . . . the amount of an annual cost that they bring forward, they lay it out, but they do not . . . they neglect to suggest that there is a rebate coming back. A rebate of 80 per cent of the cost to the individual is going back to them, and it's rotating on a monthly basis.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Supplementary, Mr. Speaker. Mr. Minister, most people in Saskatchewan do not live on cabinet ministers' salaries, and cannot afford \$600 a month up front.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — That may be okay for you; but it is not okay for the senior citizen living on a pension in this province.

Most Saskatchewan people have said to you, Mr. Minister, that they disagree vehemently with the priorities which you have set. And the last thing I say that any government should do is cut, to pay for its deficit, health programs that are essential to the health and well-being of any citizen in this province.

You knew that, Mr. Minister, when you put together your budget and your programs. You knew that there would be catastrophic problems created. You tried to get away with it, hoping that it would pass by without having to do something about it.

I ask you, Mr. Minister, why have you subjected thousands of Saskatchewan people to these long weeks of fear and hurt, and continue to do so without clarifying

what your new policy is going to be?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, we just heard an example. The member says, thousands of Saskatchewan people in, to use his terms, catastrophic problems. Several days ago his House leader used “tens of people” in the province, tens of people in the province are in the circumstances that he would call unique and difficult circumstances.

One, Mr. Speaker, and I will say this, if there are those kinds of circumstances, let's know exactly what they are so that as we set this down . . . (inaudible interjection) . . . That's true. let's set them down. That makes eminent sense. It makes eminent sense to any thinking person and to the public at large in this province. There's no question that that's true.

Mr. Speaker, the examples and the rhetoric that comes forward from members opposite and, in this case, the member from Regina North East, talking about “catastrophic,” and of “thousands of people” in this kind of circumstance, is not legitimate rhetoric for a member of the Legislative Assembly, unless he's try to scare the population at large. And I submit that's what he's trying to do, is scare the population at large. And that's not a legitimate activity for him to engage in.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. The minister has indicated that he has patterned this program after Manitoba. He well knows that Manitoba has two separate plans to supplement the regular drug plan - Pharmacare and one other. He did not announce either of those when he announced his program, effective July 1.

Will he at least announce that, effective today, the programs that exist in Manitoba will exist in Saskatchewan? That would be a far cry from what we had before. But will he go at least that far and announce that, effective today, the rules will be the same?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — The special circumstances, or the special plans, as the Leader of the Opposition lays out or suggests, that exist in Manitoba, one, is for welfare people. That's in place in Saskatchewan. One. Okay.

The second one is the one that I outlined earlier, and that is the special circumstance plan which deals with cystic fibrosis and some of those diseases. Now as far as my information goes, that is the case. That is the case.

Mr. Speaker, there is one other circumstance which exists in Manitoba. There is one other circumstance which exists in Manitoba, and that is a plan whereby they say to people, nothing will change in terms of what you are required to pay up front, or in terms of your deductible, but what will change is that you can apply to us for a special envelope of a different colour that you can send out, and then we'll send in the different coloured envelope to ensure a faster turn-around.

Mr. Speaker, in Manitoba the turn-around time is about eight weeks. Okay? And they ensure to these people who have the special coloured envelope that it's about four weeks. And our turn-around time has been about 20 days. Now that's not to say that it will be maintained there for ever, but we gave the commitment and continue to strive to make sure that that turn-around follows under the 30 days so that people can deal with the revolving nature of the rebate for next month's drugs and so on and so on.

Medical Deterrent Fees

Ms. Simard: — Mr. Speaker, my question's to the Minister of Health, and Mr. Speaker, Saskatchewan people are concerned when Tories start talking about improving medicare. And what I'm wondering is whether the minister has in his mind the kind of changes proposed by the PC Premier of Alberta.

As you know, Premier Getty plans to lobby Ottawa to change the Canada Health Act in order to make sure that doctors can charge deterrent fees on office visits. And the Alberta Hospital Minister says, and I quote:

One of the concepts we've been looking at for some time now is the ability to charge the patient a flat fee . . . A \$5-fee or something like that would be a great deterrent.

That's the Alberta hospitals minister, Mr. Speaker. He goes on to say that:

. . . an alternative to deterrent fees is the deinsurance of some medical services.

And which of these options, Mr. Speaker, is the Minister of Health looking at - deterrent fees or deinsurance of medical services?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, when this administration in Saskatchewan, when this administration decides to look at what is being done in another province, any of our sister provinces, and chooses to adopt something that is in place in another province, we will be very forthright and will say so, as is the case in the drug plan, for example, that we've just been talking about. We chose to go with a system that was in place in Manitoba and have been very forthright in saying so.

As it relates to the comments that the member is attributing to the Premier of Alberta, and then I believe some subsequent comments to the Minister of Hospitals in Alberta, I have not . . . I don't adhere to those kinds of plans, if those in fact are the plans that they have. She says . . . the Premier in Alberta has suggested the abolishment of the Canada Health Act. I will say to the hon. member it was this government, this Conservative government in Saskatchewan, which banned extra billing in Saskatchewan, not those guys who now sit over there.

Some Hon. Members: Hear, hear!

Ms. Simard: — A new question to the same minister, Mr. Speaker. Mr. Speaker, Saskatchewan people have trouble believing this minister's statements when in a government statement, when it comes to medicare. They've been misled too many times before. And I'm asking the minister if we recalls ads in the *Meadow Lake Progress*, his own constituency. And these campaign ads and promises, and I quote, say that, "There will be no fees in the medicare system in any way, shape or form." It goes on to say, "The present fees on the drug plan will be removed."

Instead, Mr. Speaker, they have undermined the best prescription drug plan in North America and created hardships for many people in Saskatchewan. And I'm asking the minister, is it any wonder Saskatchewan families can't believe him now.

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, in the plans which we have brought forward, and in the drug plan which we implement. And I have said this on many occasions, in the drug plan which we have implemented, which we picked up from the province of Manitoba, it was to address a very specific and very ... and a circumstance which should be concerning to all members of the legislature and to all citizens of the province.

The fact that the cost of the drug plan - the protection drug plan that needs to be in place in this province - was reaching the \$100 million mark in an annual basis - \$100 million, Mr. Speaker. In this jurisdiction, in this jurisdiction, we ... (inaudible interjection) ... No, this jurisdiction, this government, that government, whoever it would be on this side of the House, over a long period of time with a trend-line going like that, could not afford the kind of drug plan that was in place.

Mr. Speaker, the drug plan that we have put in place is one there to protect the people, and it is the most generous drug plan that exists in this country today. It's the most generous drug plan that exists in Canada today, and no one, even those people with the rhetoric that they choose to bring forward here, can dispute that fact.

Some Hon. Members: Hear, hear!

Possible Changes to Saskatchewan Assistance Plan

Mr. Goodale: — Thank you very much, Mr. Speaker. My question is for the Minister of Social Services. We already know, Mr. Speaker, that cabinet recommended, and the minister approves of the imposition of deterrent fees on the legal aid system in Saskatchewan, and that move is typical of how this government is fighting its deficit on the backs of the least fortunate members of our Saskatchewan society.

In addition, Mr. Speaker, to that assault upon Saskatchewan poor people, will the minister now confirm that he is also about to impose or increase user fees in other areas within his jurisdiction; that he is about to slash the Saskatchewan assistance plan by some \$30 million over two years; and at the same time, that his budget is actually being increased for administrative costs

related to the property management corporation, the early retirement scheme, and severance pay for those his department has fired. Will the minister confirm that all of that is now in the works?

Hon. Mr. Schmidt: — Well, Mr. Speaker, the member opposite and I were classmates, and when we were classmates he was more accurate in the things that he said and the information that he gave in law school. And certainly I wish to point out, Mr. Speaker, to the independent member for Assiniboia-Gravelbourg, that cabinet did not recommend fees in legal aid, that legal aid proposed these as a possibility. Cabinet has not rejected them. I'm not sure we could reject them or impose them, but we have not rejected them. And we will see how it works and whether they are reasonable.

I do admit that there have been some management resignations in my department, and we are trying to improve the department with new people who have a new outlook. And we expect that we will continue with welfare reform.

Mr. Goodale: — Mr. Speaker, specifically to the same minister. I am not now referring to the legal aid issue, but other issues within the minister's jurisdiction for Social Services.

Will the minister weigh his words very carefully and confirm now to this legislature: that he is about to impose user fees in other areas within his jurisdiction other than in the case of legal aid; that he is about to slash the Saskatchewan assistance plan by something in the order of \$30 million over two years; and that his budget is increasing on the administrative side for the property management corporation, the early retirement scheme, and the severance pay for fired employees in his department. Will the minister candidly admit that those things are now in the works in his department?

Hon. Mr. Schmidt: — Well, Mr. Speaker, most of those matters will be covered in the estimates of my department. I did indicate that we are considering further welfare reform, and we'll make announcements as we proceed.

Mr. Goodale: — Mr. Speaker, will the minister at least confirm that instructions to his department, to the effect that I have just described in this House, were in fact delivered by means of a memorandum dated June 29, from the secretary of the treasury board, addressed to the minister's deputy minister? Will the minister confirm the existence of that instruction?

Hon. Mr. Schmidt: — I really don't know which instruction he is referring to with respect to a private government document. Is he going to table it? I would consider the matter.

Excess Space in Government Offices

Mr. Shillington: — Mr. Speaker, my question is to the minister responsible to the property management corporation. On August 5, Mr. Minister, you offered, as an excuse for your incompetence in leasing space at \$12,000 a month for three employees, you offered the

following excuse:

. . . it seems logical to me that when we were down-sizing government . . . there would be some excess space.

Here is the important words:

There is excess space in places other than the credit union building.

The question, Mr. Minister, is how much excess space? How much is your incompetence costing?

Hon. Mr. Taylor: Mr. Speaker, the member from Regina North asked a question a few days ago about the lease to the Credit Union Central. I'd be more than pleased to provide that information to the Assembly today in regard to the answer of the question of the member from Regina Centre.

We do have a lease with Credit Union Central, one that has been in place, as the Leader of the Opposition would know, since 1976, renewed again in 1981 and 1984. It's for 880 square metres of office space, and it runs to November 30, 1990.

We're presently in negotiation with Credit Union Central, who feel they could use the space - it's good space - and seeing if we can end that contract. If not, we will probably bring some organs of government into the area.

The reason that we have not vacated the space in entirety . . . The member mentioned something about three employees, and that is correct. Those are people who work in what was in the Co-op computers, and of course we have not been able at this time to relocate the computers into the new space.

We will have vacant space, as do all governments across this country. basically the Government of Saskatchewan in the last few years has been running at about a rate of 4 per cent vacancy. And if you consider the amount of space that is leased and owned by this government, I think that's a very admirable situation.

MINISTERIAL STATEMENTS

Report on Review of Social Assistance Files

Hon. Mr. Schmidt: — Thank you, Mr. Speaker.

I rise today to report to the House on the review of 508 social assistance files following the June postal strike.

And as the members are aware, that in the month of June Canada Post held rotating strikes throughout the province. And rather than jeopardize the necessary delivery of cheques to recipients of social services, we arranged clients to pick up cheques in major centres. All those clients capable of picking up their cheque were asked to pick up their cheque. People who were handicapped had home delivery, but could make other arrangements to have friends pick up their cheques for

them.

With respect to the cheque pick-up process, because we had never done this before, there was a bit of a line-up and, should this happen in the future, we will try to organize it so that there will be shorter line-ups. But in any event, this first process turned out some interesting statistics: 590 clients (that's not individual people, but client cases) did not appear to pick up their cheque. Of those 590, 88 were located and did not understand the procedure and we found that their cheques were in order and they picked them up later. That left 508 cheques totalling \$203,721.75 not picked up for unknown reasons. Thereafter my department immediately began a review of those files and tried to contact the people involved. They were able to contact 286 out of the 508 people, and the following is a list of the circumstances in the 508 cases.

First category is that 36 people were not aware of the pick-up procedure. They were entitled to their cheques and they received their cheques. Thirty-seven people had a change in circumstances, and their benefits were recalculated. Eighty-two people had their assistance cancelled due to employment or other types of income that we were not aware of. Sixty-seven people had their assistance cancelled due to ineligibility for other reasons. Of those 67, 31 had moved back home or out of the province or back to the Indian reserve; 15 had a change in marital status; seven were found to be in jail; eight had other non-incomes or non-employment incomes such as, they had now qualified for a pension or old age security or something of that nature; three were now receiving child support; and three were in an alcohol or a drug treatment centre.

The next category, there were 81 clients who were not at their addresses. Their whereabouts are unknown, and we cancelled their cheques because we couldn't find them. And then there were 205 clients who couldn't be found at all; we don't know if they exist or not. But we cancelled those cheques for the 205 people because we could not find them in any way whatsoever.

In total then, my department has cancelled 435 cheques out of the 508. We will try to continue to locate the 286 people for whom we can find no address or no knowledge of them, and if we do locate any of them, we will try to ascertain as to their circumstances. But so far we have been unsuccessful. If evidence of fraud is discovered in these investigations, we will turn the matter over to the RCMP or city police for further action.

It should be remembered, Mr. Speaker, that of the people surveyed, only 2 per cent were unaccounted for or were cancelled on welfare. So the great majority of people are in need and are giving us accurate information. I wouldn't want this to reflect on all people who collect welfare cheques, but I wanted to report to the House on those that could not be found.

Mr. Hagel: — Mr. Minister, I find your last statement to be the most intriguing of what you said today. It would seem to me that as you've dealt with this particular set of circumstances and many others, Mr. Minister, that you have done as many things as you possibly could to cast

aspersions on the honesty of Saskatchewan people in need.

Now you and I both know that on any given point in time it is really quite an amazing set of circumstances that there was less than 1 per cent of those cheques that were picked up. You know, Mr. Minister, that simply as a matter of course at any point in time, as people are moving out of the province, either because they're not able to find employment here, or they're moving in order to gain employment, that there will always be a roll-over of social assistance case-loads, Mr. Speaker. And so it's not surprising at all that there will be some cheques that are not picked up.

I suppose it's really, if anything, a mark in favour of the honesty of Saskatchewan people and the integrity of Saskatchewan people in need, that the number would be as small as it is, because you readily admit, Mr. Minister, that there is less than 1 per cent of the case-load that did not pick up their cheques.

And I find it interesting as well, when you attempt to imply in this House, to cast aspersions on Saskatchewan people in need, Mr. Minister, when you drag out the figures that there are 67 people you discovered who were ineligible. That represents less than one-quarter of 1 per cent of the entire case-load.

I would suggest, Mr. Minister, compared to a lot of other programs that are put forth by this government, financial assistance in programs, not the least of which is the home improvement program, that you would be hard pressed to find anywhere a set of circumstances in which there was less than one-quarter of 1 per cent potential abuse of those income subsidy kinds of programs, Mr. Minister.

And I would . . . And I point out as well that as you even draw on that minuscule amount, that by your own words some of those people were ineligible because they're now participating in drug treatment or other kinds of similar programs.

Mr. Minister, I think the Saskatchewan people have come to know you, not as a person in that cabinet opposite who defends the needs of Saskatchewan people in need. And I think it is appalling it's in Saskatchewan today that the person who should most be defending the needs of Saskatchewan people, people who are suffering, is the one who is leading the attack, either directly or indirectly. And I personally, quite frankly, Mr. Minister, find your statement today appalling.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 29 - An Act to amend The Legal Profession Act

Hon. Mr. Andrew: — I move first reading of a Bill to amend The Legal Profession Act.

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

POINT OF ORDER

Mr. Shillington: — Mr. Speaker, before orders of the day, I wish to raise a point of order with respect to the answer given in this Assembly by the minister in charge of the property improvement corporation. And I would invite Mr. Speaker to check the record in today and on August 5.

On August 5 the minister got burnt by a question from the member from Regina North and has presumably been smarting about it ever since. Today when I asked a question, he did not direct himself to my question but he stood up and said: I was asked a question by the member from Regina North a few days ago; I want to respond to that question. And he did. He made no pretence at answering my question.

Surely, Mr. Speaker, there is some necessity for them to make some pretence to answer the questions. And I ask you to invite . . . to check the record and give us a ruling on this, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Speaker: — I thank the hon. member from Regina.

Hon. Mr. Lane: — Mr. Speaker, I know that the hon. member is smarting from an inability to ask intelligence questions. And I just wonder, Mr. Speaker, if you would undertake to take a look at the rules of this Assembly to determine which would be a proper forum for the question asked by the hon. member, whether it be question period, which I thought was originally established to deal with pressing and urgent matters of pressing public importance, as opposed to estimates questions which are of a very technical, detailed nature, Mr. Speaker. The hon. member has abused that in the past and I would like, Mr. Speaker, to perhaps bring to the House his attention in the future, of the rules with regard to that type of question.

Mr. Speaker: — I thank the hon. member for Regina Centre for bringing that point of order to my attention. I will certainly review the record, and if the member in question has not in his answer dealt with the question as asked, we will certainly rule on it.

TABLING OF DOCUMENT

Mr. Goodale: — Mr. Speaker, before orders of the day, and in response to a request made by the Minister of Social Services, I would like to take this opportunity to table the document that I referred to during the question period. It is dated June 29, 1987. It is from the secretary of the treasury board. It is addressed to the deputy minister of the Department of Social Services, and it is regarding treasury board minute number 1229, 1987-88 budget.

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 14 - An Act to amend The Saskatchewan Telecommunications Superannuation Act

Hon. Mr. Lane: — Thank you, Mr. Speaker. I am pleased today to rise and move second reading of a Bill to amend The Saskatchewan Telecommunications Superannuation Act. When the 1986 annual report of SaskTel was tabled in this House on June 26, it proved once again that this Crown corporation continues to operate profitably in an environment of constant change, with new technology, increased consumer demands, and now the threat of increased competition on the horizon.

This corporation needs to be able to respond to all of these elements affecting its operation, and its track record is exceptional. In the immediate future, the pressure from all of these elements will increase dramatically. Last year, SaskTel implemented a corporate effectiveness program. It is a bold program designed to place customer service and satisfaction at the top of SaskTel's priorities. It put the onus on improvement and maintenance of customer satisfaction directly on the shoulders of the managers.

Shifting of personnel to positions more suitable to their experience and capabilities has taken place, and more reassignments will occur in coming months. The aim of SaskTel is to become more responsive to customer demands and to adapt more readily to a changing economic and technical environment.

Under section 10 of The Saskatchewan Telecommunications Superannuation Act, retirement eligible is restricted to persons older than 55 years. This means that employees below the age of 55 years cannot be considered for retirement, even though they may have had rather lengthy careers with the corporation.

The proposal is quite similar to the present section 10 of The SaskTel Superannuation Act which has been in force since 1972. The only major difference is that there will be no age restriction, and the required period of service will be extended to 15 years from the present 10 years.

Specifically, Mr. Speaker, we seek an amendment to The Saskatchewan Telecommunications Superannuation Act which will allow SaskTel to offer early retirement to an employee with a minimum of 15 years continuous service. This action would give due recognition to the services rendered to the company. Thank you, Mr. Speaker.

Mr. Shillington: — Thank you very much, Mr. Speaker. Unless members on this side of the Assembly receive some assurances that I don't think were present in the minister's speech, it may be some time before this Bill gets second reading.

I want, Mr. Speaker, I want to remind members of the Assembly the wording of this Bill. It borders on the bizarre. It says, the new section 10 says:

Where the corporation is of the opinion that an employee is not able to meet the requirements of his employment and the employee has served for at least 15 years continuously . . . the employee may be retired at the option of the corporation . . .

And then the rest does not add or subtract to that.

Mr. Minister, Mr. Speaker, there is nothing in this Bill which says anything about voluntary retirement. The clear wording of this Bill makes it . . . While the Minister of Justice is shaking his head, the former minister of Justice is shaking his head . . . I would have thought that if this government had meant that you only wanted to offer people retirement who voluntarily accepted it, you could have drafted a Bill to that effect. But you haven't.

The Bill which you have drafted, Mr. Minister, gives the corporation the option to retire anyone where they are of the opinion that they're not able to meet the requirements of the job. And there's nothing in this legislation which even spells out requirements.

It's worth while . . . It's worth while, Mr. Speaker, to refer members to the former section. The former section stated, SaskTel may retire an employee "not physically or otherwise qualified for his employment" if the employee is 55 years of age or older.

The section does not give the . . . the former section did not give the corporation an unlimited discretion to retire employees, which is what this Bill does. And if the minister who is objecting so loudly from his seat means what he says, then presumably we'll see some amendments.

But as this Bill is drafted now, this Bill gives the corporation the right to retire any employee where they are of the opinion that the employee doesn't meet the requirements of the corporation. And given the history of labour-management relations with this government, the sorry history of labour-management relations, employees are justly concerned about how the corporation is going to use this section.

It doesn't strain the language of this section at all, it doesn't strain it at all, Mr. Speaker, to suggest that this government could decide that, because an employee is particularly active in union activities, that he or she does not meet the requirements of the corporation and is therefore going to be retired. I say to the minister that this section gives you an unbridled discretion to retire employees for virtually any reason at all if you're of the opinion they don't meet the requirements of the corporation.

(1445)

And I point out, Mr. Speaker, that it is the government and not the courts that determine what the requirements of the corporation are. Because the language says: "Where the corporation is of the opinion . . ." The former section had no such discretion in it. The former section said they may retire employees not physically or otherwise qualified for their employment. It gave the courts, who might rule on such a dismissal, some kind of an objective standing. There's no such objective standing in this Bill, Mr. Speaker. It says, where the corporation is of the opinion that an employee is not able to meet the requirements of the corporation, and the employee has served 15 years, the employee may be retired at the option of the corporation - a broad discretion written into that, Mr. Minister.

I thought when I first read it that it was drafting error. I didn't think, Mr. Speaker, that any government would take upon itself the right, as they do, to negate employees' rights otherwise given to them by law. And I didn't think the government would take upon itself the right to negate contractual rights that they may have bargained in a collective agreement. However, when I read the explanatory notes, it was clear that the government did intend to give itself a very broad discretion.

So I say, Mr. Speaker, that unless there are some assurances given to members of this Assembly with respect to the intent of the legislation, and unless the wording is cleaned up, it's going to be a while before second reading is given on this Bill.

Mr. Speaker, I, and other members of the opposition, have received a large number of calls from employees of the corporation who are concerned when they ask us, as is a fair question given the history of labour-management relations over the last year, what is the worst interpretation which could reasonably be put on the language - it's horrendous. It means the employees who have served for more than 15 years have no rights at all. That's the effect of what you're doing.

If you want employees to ask themselves what's the best interpretation that could be put on the language, you better start treating those employees a little differently than you have over the last year. They have been asking, as I think they have every right to ask, what is the worst interpretation which the language of that section will reasonably bear. And I tell them it's horrendous. When you've served there for 15 years, you've not rights at all in the corporation. That's the practical effect of the wording that you've brought forward.

Now the minister mumbled in, I think, a few ill-drafted sentences, what he thought the legislation was going to say. I want to, Mr. Speaker, have an opportunity consider those remarks, however brief - and they were very brief. I want to have an opportunity to consider those remarks before finalizing my comments on this Bill. And I therefore beg leave to adjourn the debate.

Debate adjourned.

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Education Ordinary Expenditure — Vote 5

Item 1 (continued)

Mr. Kowalsky: — Mr. Chairman, when we adjourned debate on these estimates last week we were just pursuing the items related to the teachers' superannuation fund, and I have some questions to follow up on the questions that were asked regarding the teachers' superannuation fund.

I've been making an assumption, Mr. Minister, regarding the funding of the teachers' superannuation fund, and I've been using the figure 7 per cent on an assumption. And I

wanted to ask for clarification on the authority, what is the authority on which you are basing that the minimum requirement of putting moneys interested . . . interest, what is the authority on that?

Hon. Mr. Hepworth: — Mr. Chairman, section 14(1) of the Teachers' Superannuation Act, provides for the establishment of a . . . that interest shall be paid. And as I understand it, the historical context there was a mutual agreement at the time. And the further section of the Act speaks to interest rate provisions, and that's under section 55(1) where it talks about refunds. And the number there used on Page 6097, III, says 7 per cent per annum, compounded annually, on and after July 1, 1980.

And so what I'm saying here, there's really a couple of sections that speak to it, and part of what was put in place here was based on a mutual agreement: (a) that their 14(1) talks about the establishment of an interest - that interest shall be paid. There was mutual agreement at the time, and just as the fund - if this money was being taken out of the fund what rate would a teacher expect on it? It was established at 7 per cent, and that's the basis on which we've arrived at the 7 per cent.

Mr. Kowalsky: — I'd like to ask the minister if this mutual agreement that he refers to - has he got any record of it either in the minutes of a meeting or anything in writing on that mutual agreement, and also as to the date?

Hon. Mr. Hepworth: — It's part of the bargaining and, as a result, part of the collective bargaining agreement.

Mr. Kowalsky: — Mr. Minister, if you're saying that it's written into the collective bargaining agreement, I'm wondering if we could - just to save time or go on to some other question - but I'd like to have a copy of that portion of the agreement to peruse during the questions.

Clearly, what the minister has said here is that then it's section 14(1) that provides the authority, along with section 55, for the interpretation. I'll look at this a little further in a couple of minutes, but I would like to ask a couple of questions - additional questions for clarification.

When we were dealing with the amounts of money that were contributed to this fund from the interest bearing account. There is some confusion from rereading the *Hansard* as to what exactly the amount was. The minister indicated, and I believe this is recorded in *Hansard*, as the amount being, the 7 per cent being equivalent to \$25 million. Now then there is some statement in there as well, and I would like this clarified, but then he said, "That's a 1985 figure."

The year that we're dealing with is the '85-86 year, the total amount of the fund there is actually 472 million, now, which is 44 . . . which is, if you take 7 per cent of that, you certainly don't get 25 million.

And so I want to ask the question again, for clarification purposes, just where did he get the 25 million that he put in, when actually we should be looking at something closer to 30 million?

There is reference here also in the annual report under . . . on page 44, which talks about the minimum fund balance being determined as 428 million. Now if you take 7 per cent of that figure, you get 30 million. But the teachers' superannuation fund balance at the beginning of the year is \$472 million. It's quite confusing, so we would . . . my understanding would be, Mr. Minister, that the figure that we should be using is the figure - the fund balance at the beginning of the year - right here, \$472,877,750. Why are we using instead the figure \$428 million, which is the minimum fund balance, and secondly, would you be prepared to correct the figure of 25 million because that certainly can't be accurate?

Hon. Mr. Hepworth: — No, Mr. Chairman, and hon. member, it's the previous year's fund balance that is used.

Mr. Kowalsky: — Why is that minimum fund balance that is used? What is the authority for using that particular minimum fund balance when that is not the minimum fund balance? Why come up with that kind of formula?

Hon. Mr. Hepworth: — Well that has been the practice for many years, and I suspect that it's because at the end of June 30 of any given year we know that that's what is in the bank, so to speak.

Mr. Kowalsky: — See here is the problem, Mr. minister. When we look at section 14(1), which is a statute under which this particular superannuation fund is set, and section 14(1), and I will have to read it so that we can interpret very carefully, and for the record. It says:

The Teachers' Superannuation Fund shall at all times at least equal the sum of:

- (a) contributions made to the fund by or on behalf of teachers who have not retired, together with interest thereon;
- (b) contributions made to the fund by the Minister of Finance; and
- (c) the teachers' voluntary contributions, together with interest thereon.

Now, we're taking interest from one amount of money and adding it to a different total. And we're taking figures out of one fund . . . you've been giving me figures from one fund to make up a \$25 million fund, or a 7 per cent, but then the Act clearly indicates something totally different. I question, Mr. Minister, whether this Act is actually - whether section 14(1) is actually being followed.

My question is, Mr. Minister, as I want assurances that this . . . I'm asking why is not this particular section 14(1) actually being followed?

(1500)

Hon. Mr. Hepworth: — We're acting in accordance with the Act, Mr. Chairman. As I mentioned, there are the two sections here that are relevant: 14(1) and then, section 55(1)(b), part 3 particularly. I don't know what more I can say about it. I think if the hon. member is looking for

something that isn't there, some bogey man that isn't there, we'd probably be a long time looking for it because we are not, for the most part, charting a different practice than has been the practice in the past here. We've been meeting - and then some - our minimum expectations under statute and under regulation. I don't know particularly what the hon. member is looking for. Maybe he could come to the point of the questioning, and I can try and satisfy him.

Mr. Kowalsky: — Mr. Chairman, the difficulty here that we are trying to establish is the legal authority, and the basis under which the present method of calculating the teachers' superannuation fund, and the method that the Minister of Finance is using to make contributions to the teachers' superannuation fund, and I'm trying to establish a legal authority for it. Now, the minister referred to section 55(1) as being part of the authority. Quite clearly, and if you read section 55(1) and interpret it, that deals specifically with refunds of contributions to teachers. It does not deal with establishing the fund or how the fund is to be made up; it deals with nothing but refunds of contributions. I don't know how you can begin to take a 7 per cent out of that particular clause - out of section 55(1) - and try to base your rationale for make up of the fund on it, when section 14(1), along with, I believe, section 18, are the ones that talk and refer to how the fund is supposed to be established.

Now when the minister refers to precedents, I think the other thing that has to happen here is we have to look at the precedents in detail. It was in 1980 - and I want to correct my figure of the previous day that I used, 1978 - that the new superannuation fund was also put into place.

The problem, Mr. Minister, is that when this government last year, under last year's ministry, made a new decision and all of a sudden we start hearing about, well we only have to put in 7 per cent. I'm wondering where this all originated and how the policy all of a sudden seemed to have changed. I wanted to know the authority, and that's why I asked for the copy of the teacher . . . collective agreement, to see if it's actually written into that, or did you just snap the 7 per cent from section 55, which to me just does not make sense. And I can't see how you can possibly interpret section 55 as the authority for a method of building up the fund.

Hon. Mr. Hepworth: — Just to walk the hon. member, Mr. Chairman, through the history here again. As I said, section 14 established that we would match the contributions and there would be provision for interest, although the exact interest rate was not defined as the hon. member has correctly pointed out. I said then that there was . . . It was mutually agreed to, and the basis for that mutual agreement, so far as what interest rate should be, had its basis in section 55 where it talks about 7 per cent. But to turn it around another way for you and try and walk you through all of this: section 14 establishes that there shall be an interest payment and that contributions shall be matched, interest rate not defined.

So then the issue becomes one of what I think the hon. member is asking, is what should the level be, and he's

questioning the basis for 7 per cent. Well the fact of the matter was is if a teacher was taking some money out of the fund, what rate, that is to say a refund if a refund was due, what was the rate, the interest rate? I mean, if you had a refund being made at 7 per cent, then it seemed to make sense that would . . . bears some relationship to the interest that would accrue if the money was left in the fund. And that was spoken to in section 55. So they went to the bargaining table with that, and that 7 per cent was mutually agreed to.

The essential . . . The basis here that you must accept is this, that if the legislation spoke to a refund and said, if we have to pay you out, Madam or Mr. Teacher, after a certain date in 1980 the rate shall be 7 per cent, then the quid pro quo, it seems to me, is that if you had left the money in, you would make 7 per cent. I don't think they'd want to be penalized for drawing it out or for leaving it in.

But further than that, further than that the administrators of the day went to the bargaining table and said, this is the basis . . . section 14(1) didn't speak to it, but indirectly it speaks to it in section 55. And what would you think about, for example, 7 per cent from 1980 on? And it was bargained in good faith and mutually agreed to.

Now it seems to me a reasonable enough and straightforward enough process, and that's the historical context if you like.

Mr. Kowalsky: — Well if it was mutually agreed to, then there should be no problem in providing substantiation of that particular report in question.

Hon. Mr. Hepworth: — Mr. Chairman, and hon. member, in so far as the documentation or further documentation of what you're asking for, I'll endeavour to provide it just as soon as we can.

Mr. Kowalsky: — Now when it comes to the calculation of the fund . . . of pay-outs of the refund, there is no problem with that and I don't think any teacher, or neither any member of the superannuation commission, or anybody that I've heard of has any difficulty with that, with section 55, according to the pay-outs.

The difficulty here is the interpretation of 14(1). And you've talked about some way of establishing the interest rate. When I read this section 14(1)(a) it says:

. . . contribution made to the fund by or on behalf of teacher who have not retired, together with interest thereon.

It doesn't say, together with a portion of the interest thereon - "together with the interest thereon." Now if that was yielding in the vicinity of 18 per cent last year, then my interpretation would be, and the year previous something very similar to that, that that is the interest that should be put into the fund. And I ask you: how can you interpret that any other way?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, I think if you're having any difficulty with the legislation that the former NDP administration put in place in so far as your interpretation of it or not, the reality is, when it

comes to the setting of this interest rate, the basis is for it as I described earlier, that it's been based on now a well established precedent and a practice that was accepted and mutually agreed to. And if you want to try and rewrite history and somehow suggest that what's been mutually agreed to along the way and a practice that's been used, and in fact if you want to criticize legislation that was put in place here by your own party, feel free to do so.

Mr. Kowalsky: — Well, Mr. Chairman, the problem is not with the legislation at all. It's what's happening to the legislation over the last couple of years. But I will await the arrival of the package, of the bargaining package, and then will come back to this.

I want to ask another couple of questions regarding the fund, for clarification purposes. The minister mentioned that you took 7 per cent of the minimum balance of the fund. And he said that that was 25 million. When I calculate 7 per cent of 428,358,000, I get something far closer to 30 million.

Hon. Mr. Hepworth: — The correct number that you should be basing your calculations on, which is why you are having the inaccuracy, because you are quite simply doing it wrong - the correct number is \$371,012,000. And that practice has been one that's been in place for years and years and years. And I think for anybody here dealing with pension funds and or, indeed, my own modest finances and bank accounts that I deal with on a yearly basis, it seems to be that if you start with an opening balance based on what the closing balance is of the last day in the final year . . . And that's the practice that we've undertaken here as well.

Mr. Kowalsky: — I'll come back to that later on.

Then the other question was, we were asking you about where do you get the . . . how did you arrive at the \$83 million? And you said it was 16.8 per cent of some fund. Now when I calculate it, I get to be 16.8 per cent of something very close to 500 million - of 494 million, actually.

Now where does that . . . on what do you base that 16.8 per cent to get the 83 million of interest?

Hon. Mr. Hepworth: — In the annual report '85-86, which I think is the most recent one we have available - teachers' superannuation, Saskatchewan Teachers' Superannuation Commission, on page 41, if I could refer the hon. member to that page, investments fund stood at 534,698,913, and the earnings were 83 millions of dollars-plus. I don't have the exact number, but it's \$83 million roughly.

(1515)

Mr. Tchorzewski: — Thank you, Mr. Chairman. Mr. Minister, I noted with some interest your comments earlier about this mutual agreement between the government and the Saskatchewan Teachers' Federation to withdraw funds of earnings from the pension earnings and put them into the provincial treasury. I challenge, Mr. Minister, I challenge you to show to this Assembly where this mutual agreement arises.

And the reason I do that, Mr. Minister, is because I have here in my hand a report on May 13, 1986, at which time we first asked these questions, from the general secretary of the Saskatchewan Teachers' Federation to the presidents of local associations of teachers in Saskatchewan, in which it was clearly stated that the Saskatchewan Teachers' Federation was not mutually agreeing to this at all, that your government arbitrarily made a change in decision on policy.

And your Minister of Finance, feeling that this was one way to have access to some tens of millions of dollars to put into paying for the deficit, decided to take it out of the earnings of the teachers' superannuation fund, while that fund, Mr. Minister, I remind you, and Mr. Chairman, has an unfunded liability of in excess of \$1 billion.

I read to you, Mr. Chairman, what this memorandum from the president, or the general secretary to the presidents of the locals says, and then I will ask you to once again explain what you mean by mutual agreement. It says that:

Following Council a meeting was requested with the Provincial Government to discuss STF concerns about the government's changed practice of assigning excess interest earnings of the Teachers' Superannuation Fund. A meeting was finally held on Friday, May 2, 1986 at which time President, Bert Gordon, Vice-President Gerry Cooke, Superannuation Commission members (and others, and I won't go on) met with the Minister of Finance (who is still the Minister of Finance).

They met with representatives, including the Minister of the Department of Finance and the minister. And it goes on to say, and I quote:

We outlined our general goals and concerns about the teacher pension plans and specifically emphasized our serious concerns about the government's recent decision to use all excess interest earnings beyond the 7 per cent to pay current pensions.

I quote the next paragraph:

The response of the Minister to our immediate concerns was not particularly encouraging. (I don't think they were surprised by that.) While he indicated that he recognized the need to address the problem of the unfunded liability and that his government was exploring ways to deal with the unfunded liability, he indicated that the general fiscal situation of the province made it difficult to provide special additional funding for pension plans.

In other words, Mr. Minister, the Minister of Finance admitted at this meeting that he was going to use money that was earned by the teachers' superannuation fund to help him with his deficit. That is not any indication to me of a mutual agreement to approve what you are doing, which I might add, doing quite wrongly.

There was further to that, Mr. Minister, a letter sent to one Mr. Lane, who is the Minister of Finance. And it's a long letter, so I won't read it all. But I'll read you the pertinent sections dealing with this question in which it deals with the superannuation earnings, and the opposition by the teachers of Saskatchewan to the removal of those earnings from this fund.

And it was asked of the minister, that he should:

... commit your government to the goal of a fully funded superannuation plan and declare its intention to allocate all interest earnings in excess of the statutory seven per cent to the Teachers' Superannuation Fund as an initial step in moving to the goal of one fully funded formula plan for all Saskatchewan teachers.

Now, Mr. Minister, you have, throughout these estimates, stood in this House and either did not quite accurately state the facts or information, tried to confuse and on even more occasions, tried not to answer the question at all. You have already ... you have again done it today by trying to allege, hoping that somehow the issue would go away, that there was a mutual agreement between you and the former minister of Education, who is from Swift Current, that this was okay.

I say to you, Mr. Minister, that it was not okay, that the Saskatchewan Teachers' Federation, formally, as well as informally, indicated to you and your government its objections to what you are doing.

Now in light of that, Mr. Minister, can you explain where you got this mutual agreement between yourself and the Saskatchewan Teachers' Federation that it was okay in 1985-86 to siphon off almost \$40 million from the earnings of the superannuation fund into the treasury of Saskatchewan.

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, I think now that the former Finance minister, who probably had some say in how these plans were to run when he was Finance minister, a little more history might be useful.

For the teachers, there are the two plans, Mr. Chairman. One, for all intents and purposes, most often referred to by teachers and others as the old plan, probably had its origins around about 1930, was a defined benefits plan, I think, is some of the kind of technical words that are used to describe it. But the reality was, it was not actuarially sound.

And through the '70's when the NDP were in government, Mr. Chairman, and that member opposite was the minister of Finance, what did they do with this plan where the unfunded liability grew by leaps and bounds. What did the hon. member do about that, Mr. Chairman?

You know, he's very sanctimonious and does a lot of sermonizing today ... and I'm prepared to listen to that, to let him score his political points if there are any to be scored. That's his job. But ought he get too wrapped up in sanctimoniousness, Mr. Chairman? He ought to remind himself, or be reminded, that he was the minister of

Finance in a decade when unfunded liabilities went out of sight in this province in that old plan that the teachers had. That is a historical fact, Mr. Chairman, and he cannot dispute that, and I would like him to stand in this House and dispute that fact. Because that is the record, that is the legacy of his party, Mr. Chairman. Absolutely and unequivocally, that is the legacy of the NDP when it comes to pensions.

Well given that this unfunded liability situation, Mr. Chairman, and that kind of situation in pension plans was a serious concern, along came what's probably more commonly known in layman's language as money purchase plan. And the reality there is, is what's happening today is what's happened in the past few years since that was established, is that the government will match the teachers' contributions equally. And as well, we will guarantee that the funds shall earn 7 per cent. And as well, the government guarantees that the pension payroll will be met, that the pension payments will be met. Now that is what is expected of government, Mr. Chairman, and that is what is being delivered.

Now the hon. member tries to make the case that somehow the 7 per cent is a number that somebody pulled out of the sky. Well who was the author of the legislation when it was put in place, Mr. Chairman? Who was the author? And if 7 per cent doesn't have some relevance in so far as how it was arrived at in terms of negotiating, and the earlier basis I described for it in that that was the ... the Act spoke to it under the refund section. Then why is it that that continues to be some issue at the bargaining table today? If it wasn't felt as part of the bargaining process before, then why would it continue to be felt to be part of the bargaining process?

The central question comes down to this, Mr. Chairman. There are two issues. Number one is, who has the track record on unfunded liability in this ... (inaudible) ... Who wrote the book on pension plans with unfunded liability? Who wrote the book? The hon. member asking the question is who wrote the book on that, Mr. Chairman. And the historical record in this province is clear on that point; and he cannot get around that point.

And the second point is, Mr. Chairman, is: is this Government of Saskatchewan living up to its obligations relative to the teachers' pension fund? And the answer is yes.

Mr. Tchorzewski: — Mr. Chairman, the minister tries so hard. Let me first of all bring to his attention that the formula plan, as it was, has had indeed a substantial unfunded liability as almost every pension plan in Canada that was originally started way back 25, 30 years ago.

But I want to add further, Mr. Minister, that since July 1, 1980, when indeed another government was in power in Saskatchewan, there were legislative provisions provided which required for the first time that teacher contributions be matched by the government contributions, a very substantial step in dealing with the unfunded liabilities, Mr. Chairman. It was assumed at that time that the earnings of the fund would then stay in the fund, and it was only by the decision of this government by policy in

1985 that then began the raising of the teachers' superannuation fund by the government to take money out of the earnings and put it in the treasury. That's where it began, Mr. Chairman.

Now here is the minister wailing about the terrible unfunded liability which his colleagues have done since 1982, but instead of following a practice which was started to deal with that problem, he is going backwards and in fact taking money that should be left as earnings in the fund.

Now he has members of his caucus who are members of the teaching profession, and they know that to be a problem, and I'm surprised that they have not stood up in their caucus and their cabinet and have said to the minister that it's a problem.

I add to the minister when it deals with section 14(1). He tries to once again confuse the issue because he didn't say that section 14(1) deals with the old plan; that one deals with the old plan. And I won't read it because my colleague has already read it and mentioned it. The minister neither deals with the matter in section 55(1), in which it is clearly stated that it has nothing to do with the earnings of the fund and what's retained in it; it deals, Mr. Chairman, with the refund of contributions to a teacher who has superannuated or chooses to leave the profession.

Now that is distinctly different, Mr. Chairman, from earnings of the fund which the Minister of Finance is - I use the word guardedly - but stealing from the fund and putting in the treasury. Now I ask again, Mr. Chairman, because he didn't answer my question. He went into the speech as he always does when he is feeling uncomfortable. I ask him again since he has ... (inaudible interjection) ... Mr. Chairman, do I have the floor? Thank you.

I ask the minister: where is this mutual agreement between himself and the Saskatchewan Teachers' Federation, the treasury, that the Minister of Finance could take money out of the teachers' superannuation fund earnings and put it in the treasury, since he has said it's there. I want to know where it is, because everything that has come from the Saskatchewan Teachers' Federation is contrary to what the minister is saying.

Hon. Mr. Hepworth: — Mr. Chairman, and hon. member. Just for their information, I do have the reference that I said we would get from the collective agreement, and I'm just having a couple of copies xeroxed we can send over to you.

But the hon. member tried to make the case that we're somehow raiding? Well let's read into the record what the facts are, and I read these facts into the legislation knowing that we're in quite different fiscal times than we were in the heady days of the '70s ... (inaudible interjection) ... Well the hon. member from Regina Rosemont says read them from '82 on, and I will do that certainly for you because you will not like what you hear.

(1530)

But the story from June 1, '82, to June 30, '87, has been that under the PC government, I might add, Mr. Chairman, Deputy Chairman, that over and above over minimum requirement, over and above our minimum requirement . . . you know these raiders as the NDP member would suggest, we have put in 69 . . . nearly 70 million, 69,812,000. Now that's the raiders, okay.

Now what did the good guys, the NDP do during their time? Okay, we've done that in five years. Okay, under this guise of raiding, so-called raiding according to the NDP opposite, and what did the good guys, the so-called good guys of the NDP years, you know, what did they do for the teachers' fund in their 11 years? Over and above their minimum requirements, they put in 61 million, Mr. Chairman - 61,481,000. Now how does the hon. member opposite square this so-called raiding of the fund when we put in nearly 70 million, and their party put in something like 60 million, a little over 60 million. We put in nearly 70 million.

Yes, I thought that the hon. member from Rosemont and North East and Prince Albert might like those facts and some additional facts, Mr. Deputy Chairman. Under the NDP the growth in the unfunded liability was 845,608,000; under our government, Mr. Deputy Chairman, 241,000 or something close to what . . . 15, 20, 25 per cent of the size that it was under the NDP years. And the hon. member opposite, who was once the finance minister in this province, who authored this legislation that he now says today is uncertain and vague and etc., etc., etc. I mean he's got to remember, I mean who was the author of this stuff, Mr. Deputy Chairman? These are the facts, Mr. Deputy Chairman, for all to see.

Mr. Tchorzewski: — Mr. Chairman, when this individual who was minister of finance was on those treasury benches, 100 per cent of the earnings stayed in the teachers' superannuation fund earnings. Under this minister and this government, only 7 per cent of the earnings are staying in the fund, and the rest they're removing and putting into the provincial treasury. That is the issue here, Mr. Chairman, that's the issue.

There could have been in the teachers' superannuation fund, in the fiscal year 1985-1986, an additional \$40 million as part of that fund if this government hadn't taken it out and spent it. And if you look at the kind of spending that they have been making, as my colleague from Prince Albert-Duck Lake says, they blew it. And I say, Mr. Minister, that there is nowhere in the legislation where it says the government should do that.

Now you could probably find a lawyer who could argue that the government can legally get around it. But once again, that's not the issue because there is a moral and a financial fiscal management question here, neither of which this government seems to have a great deal of.

It is fiscally irresponsible. It is irresponsible to take money out of the earnings of a superannuation plan, which is already underfunded by over \$1 billion, and give it to the Minister of Finance so he can give it to Peter Pocklington. Well that is the height of irresponsibility, especially . . . (inaudible interjection) . . . As soon as the chirping stops, Mr. Chairman, I'll continue.

Especially, Mr. Chairman, that is irresponsible especially when those people over there have spent years making a big rhetoric issue - because all it is is rhetoric - about unfunded liability of pension plans. There's a question - there's a matter here of doublespeak once again. Say that's it's a problem, and then when it comes to doing the action, make the problem worse by taking money out.

Mr. Minister, I now have, and my colleague has - and he may have some questions on it as well - this copy of the agreement which you sent us, collective agreement with regard to teachers' salaries, etc. It says nothing different in this agreement than what it says in the Act.

An Hon. Member: — Section 55.

Mr. Tchorzewski: — It says nothing on section 55. That doesn't surprise me, because the Act is written on the basis of the agreement. And I bring to your attention something which you failed to say again, that this deals with the refund on contributions - the refund on contributions.

Your agreement which you have sent to us says: a teacher to whom clause 5(4)(1) applies and who discontinues teaching shall continue to have the right to apply for and obtain a refund of contributions, provided that on and after July 1, 1980, the interest on the contributions of such teachers shall be credited at the rate of 7 per cent per annum. That's got nothing to do with the earnings of the fund and the fact that you're taking money out of those earnings and not leaving them in the fund where they should be staying.

Now, Mr. Minister, this does not seem to me like any kind of a mutual agreement between you and the representative of the teachers of the province to say that you can do it.

Now can you tell me, Mr. Minister: does the Saskatchewan Teachers' Federation agree? Does the Saskatchewan Teachers' Federation, who represents all the teachers, some 11 to 12,000 in Saskatchewan, agree with your policy that earnings in excess of 7 per cent should be removed from the earnings of the fund?

Hon. Mr. Hepworth: — The first point I would like to make in response, Mr. Chairman, is the hon. member has talked about this issue. If his legislation, or at least his interpretation of his legislation, is unclear or uncertain, then if that's a given, then somehow we have a moral issue or a management issue here.

Well I say to you, Mr. Deputy Chairman, if there's a moral issue, the moral issue is: who left the legacy of an \$845 million unfunded liability in the teachers' pension fund? Who has the moral obligation?

I can see why this bothers his conscience, Mr. Deputy Chairman. I'm quite prepared to deal with this in a reasonable and up front manner, but he's murking the water, if you like, with a lot of this political rhetoric. It's a legacy of his party's ineptness when it comes to dealing with pension funds, Mr. Deputy Chairman. That's quite

simply the fact.

The second point that I would make is that the teachers' federation, if we go back to the time in question, agreed that 7 per cent was the appropriate number. And it has been negotiated, and it may well be that it's up for negotiation now, but I'm not going to talk about what might be being bargained at the collective bargaining table.

And the final thing that I would like to ask of the hon. member, given that I sent him over the information he asked for, is, I wonder if he could table all those documents that he referred to earlier in the House in his line of questioning, Mr. Deputy Chairman. I wonder if he might table all of those for us - the correspondence, etc., etc.

We'd be interested in perhaps reading some of those letters more fully into the House record, Mr. Deputy Chairman. I'm wondering if he would extend to me the courtesy of tabling those documents for us, Mr. Deputy Chairman.

Mr. Tchorzewski: — Mr. Chairman, I am surprised that any Minister of Education who will have been asked questions on Friday on this issue would have not stopped and got himself briefed with the files that are existing in his department, where he would have all this information.

I ask the minister if he does not agree with what the Saskatchewan Teachers' Federation is saying, as what I have said, Mr. Chairman. I would welcome him to write to the president of the teachers' federation of Saskatchewan and ask for a response on this question. And I know what it'll be.

Mr. Minister, I ask you another question related to this. If you are so concerned about the unfunded liability of the teachers' superannuation fund, do you not think it would be useful to leave all of the earnings in the fund as a step towards dealing with that unfunded liability?

Hon. Mr. Hepworth: — I think we maybe, Mr. Deputy Chairman, have found some agreement that the hon. member and I can agree on, is that we agree that unfunded liabilities and pension funds is a major issue, not only today here in Saskatchewan but, I think one could argue, in the number of funds across Canada, and maybe even in some of the western world.

But I can't let go, Mr. Chairman, without . . . I can't finish up this particular item without making reference to the fact that if I pick up through '75-76, through '80-81, and I look at the statements where it talked about revenue and it talks about interest earnings, and then the contribution to surplus, it doesn't square with the hon. member's commitments that he says were undertaken on behalf of the NDP government.

I look in '75-76. Interest earnings were 5,545, and contribution to surplus was 3,282. And these . . . should add three zeros to all these numbers, Mr. Deputy Chairman, to put them into proper perspective, because I'm talking in the millions. In '76-77 under the NDP, the

fund had interest earnings of 7.139 million. Contribution to surplus - was it 7 million? No, less than 3 million. And '77-78 was 9.3 million-plus. Was 9.3 million returned? No, it was 8. Or even in '80-81, the numbers there were 19 million and 17 million. So there's some inconsistency with what happened versus what the hon. member is telling us what happened under an NDP government.

The only thing we know for sure is that's the period of the '70s under the NDP, unfunded liability just mushroomed. It was like an atomic explosion out there in the teachers fund, Mr. Deputy Chairman.

Mr. Kowalsky: — I think, Mr. Chairman, if the minister checked the accuracy of what he just said, that the agreement in section 14(1) didn't come into place until 1980 when the two funds actually came into place. So any figures quoted previous to that would be under a completely different situation.

But I want to turn to a new topic, Mr. Chairman. And this topic relates to request for funding by College Mathieu, which is the only French private high school in Saskatchewan. And they're into a building program, and they've been requesting your department, Mr. Minister, for funds for their building program. I wonder if you could indicate to this House when it is that you are going to let them know whether or not your department will be giving them some funds so they could proceed with this very important project.

I might add that although it's a French private school, we know that they accept all students, any student who would apply. It is actually open to public. You don't necessarily just have to be French to go to that school. But I think there is a prerequisite of being able to use the French language.

Hon. Mr. Hepworth: — The hon. member raises the question of College Mathieu, and I have, oh, in the last I suppose month or month and a half, I was in fact down there and visited the school and met with some of the . . . in fact it was very near the end of the school year. I met with some of the children there, and as well, some of the board members and directors, etc. Hence, I have some understanding of the project and the funding as they would like to see it.

(1545)

For the record, the policy as it stands today would be that we have a formula in place that would see us anteing up. Our share would be 10 per cent, although I understand the federal government is prepared to put 50 per cent into this project, which makes it somewhat unique. And they would like to see the provincial government ante up more than 10 per cent.

Well I said to them at that time and what I say to you today is that I'm prepared to take a look at that formula. I give no guarantees. I make no guarantees and I don't want to heighten anybody's expectations unnecessarily, because you and I both know the challenges the province faces in terms of our fiscal policy. But I did say I was prepared to look at it. I give you no guarantees.

And the reason that I don't want to make any sweeping statements is that there are other schools that follow the same formula, and what we do for one we must be able to do for others, albeit that I recognize that this project does have some uniqueness in it. But that was my commitment to them then, and I repeat that to you today.

Mr. Kowalsky: — Mr. Minister, the people from College Mathieu advise me that the federal money that has been committed with the 50 per cent of the project is conditional money, conditional, and only for a certain amount of . . . conditional. That is, it has a time condition to it - that unless funding comes from the province by . . . and I'm not sure just how long it is; it sounded like it could only possibly be till the end of the year.

And their concern of course is that that federal money may disappear before your department has made up its mind. Now what I would like is a commitment from you that at least you will be able to give them a definite answer so that that money from the federal treasury does not escape before you come to them with a definitive, positive answer.

Hon. Mr. Hepworth: — Well certainly if there's some time constraint on the federal money, and I'm not aware of it, but even if there is and I'm not aware of it, certainly it would be only sensible practice administratively to give them an answer one way or another before the money runs out, and we would do that.

Mr. Lyons: — Thank you very much, Mr. Assistant Deputy Chairperson. Nice to be recognized and to enter in these debates in regards to the Education estimates for the province of Saskatchewan.

Mr. Deputy Chairperson, we have seen since the last two and a half to three weeks since these Education estimates began, a political position being put forward by the Minister of Education, the member from Weyburn, and that political position roughly translates to this: that it's a tough time in the province of Saskatchewan, that things are hard, but that we have been able to hold the line in education and for spending of education, in order to pursue a policy of excellence, I believe the term, the buzz word is. And that they have followed a logic track, which is another one of the minister's favourite buzz words, which would lead to a continuing and growing excellence in the field of education at all levels in the province.

And I want to, today, Mr. Deputy Chairperson, deal with an area of education that I have particular concerns in and of which I have particular questions to deal with. Before I do it, before I ask the minister the questions in this area, I want to say and put on the record, first of all, that the people of Saskatchewan, I believe that the people of Saskatchewan owe the teachers of Saskatchewan a debt of gratitude and a debt of thanks for the kind of jobs that they've been doing now, they have done in the past, and under undoubtedly hard, hard circumstances, they will continue to do in the future.

Earlier on in these estimates the member for Regina Centre made a statement that he has received letters on the future of education. And the number of letters and the

number of calls and the number of contacts that have been made to him and his office have been exceeded by no other department. That the future of education, the future of education remains the number one serious concern of people in Saskatchewan, and their concern over the future of education.

The minister has for the last two and a half weeks tried to dispel those concerns by saying that nothing has changed in education. On the one hand, because it's a contradictory position he's taking, on the one hand he's saying that nothing has changed, that they're following the course, and that education is one of the four pillars and is sacred. On the other hand, on the other hand he has admitted that no, they have in fact deviated from that course. They've deviated from . . . structurally have deviated from it in terms of what they have done to the community colleges and to the regional colleges and to the amalgamation and the loss of local autonomy, and that they've changed that; and that they have changed some directions when it comes to libraries; and that they have changed this and they have changed that. But that basically they're staying the course and that education is an inviolate area that the government will not touch, and in fact it remains, as the minister was fond of quoting, one of the four pillars and a centre of excellence.

Unfortunately, Mr. Deputy Chairperson, the facts are to the contrary. When we look at the actual numbers, the actual number of dollars that have been spent in education in this province compared to what will be spent, we will see that the minister's rhetoric just doesn't hold up; that, in fact, despite all the fine and fancy theories and buzz words and buzz phrases that the minister likes to put forward, despite the fact that he has obviously picked up a number of catchy and flashy jargon words from some level of the bureaucracy or another, that despite that fact, what we've seen here, here in black and white and blue, black and white and blue - we have seen the kind of destruction to the moneys that are donated to education, that the people of this province, and particularly the teachers of this province, are objecting to and are concerned about. In fact, I may even say are afraid.

There is fear and loathing in the education profession among teachers. There is fear and loathing, and it's reflected in the number of letters that I know I have received and other members have received from members of the teaching profession, and not just individual members of the teaching profession, but whole school staffs.

In the constituency of Regina Rosemont alone, I have received letters expressing grave concern over the future of education from the staff of Martin Collegiate, from the staff of McLurg School, from the staff of Ruth M. Buck School. And I could go on and on and on, but I'm not going to take the time of the Assembly to do that, because the minister himself has received those same letters.

The teachers represent the front-line people involved in education in this province. They're the ones who are delivering the services. They're the ones who are entrusted with the education and the passing along of values and attitudes to young people in this province.

And they are afraid. They are afraid for the future of education in this province.

The minister knows they're afraid because he has letter after letter after letter from members of the teaching profession in this province. And the teachers in this province have a good right to be afraid. They have a good deal to be afraid of when it comes to the kind of treatment from education that they are receiving from the minister himself.

Now the member from Prince Albert has pointed out the kind of destruction wreaked upon the educational development fund, where we have seen the actual amount of dollars available for education cut in half - cut in half - stretched from five years to 10 years. We've seen the EDF fund chopped so that new initiatives in education cannot be put forward.

We have seen other, as we go through the estimates, time after time, other portions and programs of the Education budget which have fallen under the axe of this government.

But you know, Mr. Deputy Chairperson, when I was running through the estimates and realizing that there was a chop in this program and a hack in that program and a slash in the other program, and that there was that fear and loathing out there by members of the education profession, and I looked at the total budget for Education, and somehow things weren't jiving. Somehow things weren't jiving, because I knew there were cuts in the programs, and I knew there were cuts in the areas that were vital to the continuing development and growth of education in this province.

And yet, what I've seen, when you look at the bottom line, on page 33 of the Education estimates, you will see that, in fact, according to the figures put down in black and white here, there's a \$3 million, roughly a \$3 million increase in Education spending.

And I looked at that and I said, but that's not right. There can't possibly be a \$3 million in Education spending, not when the minister has chopped the educational development fund in half, not when he's cut this program, and not when he's cut that program. How could it be that there's this \$3 million increase?

So I scratched my head a while and perused the books - perused the books, went back through the estimates - and there on page 29, tucked away under item number 22, payments to the Saskatchewan Property Management Corporation of \$23,850,000. And I look and see what was paid out last year, and there was nothing. There was nothing. So what we have is a totally new item in education of \$23.8 million added to the Education budget to give the appearance - solely to give the appearance - that the government was concerned with education, and was maintaining education levels at past practices.

And so there we are, a 3 per cent cut. Once we remove payments to the Saskatchewan Property Management Corporation, what we have is a 3 per cent chop to the

Education budget as a total Education budget that's laid out. And when you put inflation on top of that, of 4 per cent - and we'll be generous and be conservative, if you like, and put it down to a little amount which we'll say 4 per cent. Three per cent and 4 per cent, and even the Minister of Education is able to add those two numbers together. Three per cent cut in the actual budget; 4 per cent in education; and it comes up to 7 per cent. A 7 per cent chop in the education budget in real terms - in terms of the real dollars going out to the schools and the school systems in our province.

And, Mr. Deputy Chairman, let me say, no wonder the teachers of this province are filled with fear and filled with loathing at the kind of treatment they're receiving at the hands of this government when it comes to education. I concur with the member from Regina Centre when he says, not . . . there is no other issue which has generated more contact. Because not only his office has received contact on this issue, my office has, as well, and no other issue - not even despite the kind of hacking and slashing and tearing at medicare that the government is doing - has received the kind of popular response and popular disgust that the cuts in Education are generating.

And now I want to turn to, Mr. Deputy Chairperson, an area which is close to my heart, and that's the whole question of special education and what this government has in store for special education in this province. Now the government and the minister opposite, the Minister of Education, has day after day stood in the House and talked about building centres of excellence in education, and has day after day said that they're going to be bringing forward new initiatives in education and are going to be developing a whole, brace new world to fit into the area of technology for knowledge-based industry, for knowledge-based economy, given that the - in the minister's own words - the agrarian economy is dead.

And that'll be of some interest to the farmers of this province to know that the number one industry in Saskatchewan is dead, and that knowledge is now the number one industry and not agriculture. And that's a fine, exceedingly strange statement to be made by someone who represents a rural riding, as the Minister of Education does.

But, Mr. Deputy Chairperson, I'd like the minister now to briefly outline to us, and I believe I've taken eight minutes in my statement, so if the minister would respond in kind, the minister could outline to us in general what the government's plans are for enhancing special education - building new programs. What new initiatives, sir, are you planning to take in the area of special education in this province?

(1600)

Hon. Mr. Hepworth: — Mr. Chairman, and hon. member, the question related to special education . . . I think if one reviews the history and the funding record of our government relative to special education, those children with special needs, if you like, you would find that it is up dramatically. This year the level is the same as it was last year.

And so I can say to you and to all members of the House and to the public of Saskatchewan, that we're committed to it . . . as committed to it, if not more committed to it, than we even have been in the past. I can also, for the hon. member's information, to perhaps expedite the examination of these estimates, tell him that we also are, at this point in time, giving consideration, serious consideration to changing how we fund it; changing it from a per pupil basis to a block funding arrangement. The reason for that would be so that we can give more attention to the programs themselves, and have less time and energy and money, quite frankly, tied up in administration, if you like.

As well, it would be worth noting that the excellence fund or the special initiatives fund - the education development fund - which the hon. member referred to - which, by the way, is not cut in half, Mr. Chairman - that that fund, as well over the past couple of years and, I suspect, over the next several years as well has funded many . . . many school boards have used that to fund many special education initiatives.

So I think it's safe to say that our government's commitment to those who have special needs is even greater than it was some several years ago. And I think certainly if one looks at the funding track record, there would be ample evidence to make that point, Mr. Deputy Chairman.

Mr. Lyons: — Mr. Deputy Chairman, the minister is right that the EDF fund has not been cut in half. In 1986-87, it was \$35 million; in 1987-88, it's 14.5 million. I guess it's been chopped somewhere closer to 62 or 64 per cent. So the minister is right; it hasn't been cut in half. It's been chopped by over 60 per cent, if my figures are right.

An Hon. Member: — Can I answer that, Mr. Deputy Chairman?

Mr. Lyons: — Well, Mr. Chairman, the minister will have his chance to answer. The minister will have his chance to answer after I finish asking the question. You will have ample opportunity; as you have demonstrated, Mr. Minister, you've taken ample opportunity to answer or attempt to answer questions, and you will have ample opportunity after this.

Mr. Deputy Chairman, as I said before, the minister - total for education development fund to be voted was 14,500,000 this year versus 35 million last year. It's there in black and white. So as I said before, it was more than a 50 per cent cut.

However, the minister has raised a question in regards to changes in formula funding for special education in the province. Now the minister said that there's going to be some block funding coming down for special education as opposed to a per pupil funding. Can the minister tell me whether in fact this means there is going to be a change, first of all, in the - and I'll ask this question specifically - in the high-cost funding formula for special education needs students? Secondly, will this block funding be going directly to the school boards, or is there some other mechanism that the minister has in terms of the contemplation of changing the funding levels

to special education?

Hon. Mr. Hepworth: — Just to pick up your last questions first. There's no change in the high cost or those with the most serious disabilities, because we recognize that they are a very particular category. And the block grants will go to the school boards respecting their autonomy for their administration.

But as it relates to the excellence fund or the education development fund in general, what the hon. member does not know, and what the blue book does not show, and where he is inaccurate, is although there may well have been \$35 million budgeted last year, the actual expenditures were \$28 million.

The second point is, and why I disagree with them, and I think if school boards were here, and as I indicated to the Saskatchewan School Trustees Association when I met with them last week, I mean it's very important to be clear here on the education development fund and what it was. It was a fund set up by the Progressive Conservative government under our Premier to provide for some additional funding in education, to provide for excellence and quality education. It's been very successful to facilitate with the new course and the *Directions* that the K to 12 system was taking. It's been very popular. I've read into this record before a number of initiatives, whether it be in updating library facilities or resources, library resources, or special education initiatives into the record.

The fund was set up as a \$150 million fund. It was originally set up over five. That became six years, based on the fact that school boards themselves were telling us in some instances that they couldn't gear up properly to handle that sum of money and do it in everyone's best interest. And I thought that was very honest and forthright of them. We have taken the additional step of stretching it, not from now six years, but to 10 years.

But the important point here is - and you can talk about the blue book numbers. But here is what is happening, because I want to be very clear on this for the hon. member's information, is that the fund was \$150 million when it was set up, and \$150 million will be spent. And that is the fact. The fund has not been chopped into half or into 62 per cent or anything else. It's very alive and well.

Mr. Lyons: — Well, Mr. Minister, I'm glad you agreed with my initial statement that you've cut the EDF fund for spending this year by 50 per cent. You submitted in here that the \$28 million was spent last year, and you've only budgeted \$14.5 million this year. That's 50 per cent in anybody's books. That was the original statement I made.

And if you want to use the numbers of the 35 million as being an estimate, I suppose the 14.5 million is an estimate. So that's more than a 50 per cent cut this year from the educational development fund - some of which went to very worthwhile projects in the field of special education; some of which went to very worthwhile projects in the field of education. And I repeat that because the concept behind the idea of an education development fund - provided there's adequate funding

and provided that there is access by school boards and by individual school units in this province - is a good idea. And I won't deny that.

However, Mr. Minister, I'm interested in the whole question of special education funding, and the formula, and the changes in the formula, and what that means in actual dollars and cents to the school units in the province.

You say that you're going to change from a per pupil basis, from a per pupil basis to a block funding. Now leaving aside, leaving aside for a moment the legal implications under The Education Act or your ability to change it from a per pupil basis to block funding, now leave that aside because I believe there are . . . I think that you're going to run into a little legal problem in this area, but leave that aside, tell us on what basis your department intends to block fund school units and school boards in this province in special education. If you're not going to deal with it on a per pupil basis, how are you going to make a determination as to the amount of dollars each school board in the province receives?

Hon. Mr. Hepworth: — The first point I would want to make here, and as I made earlier, is that this is under consideration, and we're in the midst of designing it, which is why I raised it with it with you so we could speed up this estimates process because I thought we would sort of lay a track into how we're going to fund our special education. That the basis for doing it, for making the changes, albeit that it only affects one-half of the funding if you like, because as I said earlier, those that are most severely disabled, that that does not change.

Why we're doing this is we want to make best use of the dollars. And rather than sort of tie up dollars in manpower in the administrative side of it, which we don't think necessarily helps the student . . . Or to put it another way, we think we can capture some of those dollars and put them into programming, which is what the student needs. That is the basis for why we're doing it.

So the question then becomes one of, and quite rightly so, how do we determine how much money school boards will get? Well I suspect, as they design the program, they may well yet draw on some demographics. It talks about X number of pupils times X numbers of dollars to arrive at a number, but once that number's arrived at, it becomes a block grant, and in terms of how they administer it, essentially unconditional.

Now to make a further point, and one that I've made a number of times in these estimates, is that I, as the minister, do not somehow think we have a monopoly on good ideas, sitting in this legislature or sitting in my office. And the fact of the matter is, when it comes to this area, relative to the funding of those in our province who have some special needs, we did not design this in isolation.

And quite frankly, I don't know as we can take credit for some of this new program design, because the fact of the matter is a number of school boards have made suggestions like this to us. I suppose one could argue to some degree this is in response to what some school boards have recognized out there as a cumbersome

process to some degree, a time-consuming process sometimes to some degree, a program that's administratively top heavy, and by making some changes it can be to everyone's benefit, particularly the students' benefit. I think that's what we're all interested in.

Mr. Lyons: — Well, Mr. Minister, I just want to get your answer straight. I understand that you're guaranteeing before this House, that the high-cost funding for special education students and that formula will not change, that that will be in place. Do I understand . . . Is that what you're saying? Is that what you're telling us?

Hon. Mr. Hepworth: — Yes.

Mr. Lyons: — In regards to the block . . .

An Hon. Member: — In blood.

Mr. Lyons: — In regard . . . Okay, in your blood. The minister says that he'll put it on as blood. So when the school boards come looking for some blood, we'll know exactly where the donor can be found.

The second part of this issue is again it goes back to the block funding. Now you say you haven't determined a method of determining how that block funding will be apportioned. Could you please tell us and guarantee to the special education teachers and administrators of this province that there will not be any cuts to special education programs - programs, because you mentioned the word programs; I didn't say administration - to programs to any of the school boards or any of the school units that deliver special education services to people in this province.

(1615)

Can you guarantee that each and every pupil who now receives special education and who may be determined in the future to need special education services, will you guarantee that those programs will remain in place and that there will not be any cuts to special education programs in the province of Saskatchewan?

Hon. Mr. Hepworth: — Mr. Chairman, the hon. member is asking me to give him something, a guarantee I cannot give him, for reasons that he well knows. Because for me to all of a sudden change the policy 180 degrees from what we've had in the past to what he's suggesting would surely meet with the objection of every school board across this province. Because what he's saying is, you take it over and you run it. And in so doing, I can somehow make sure that it runs absolutely the same as it did last year, although there may be some savings, if you like, that we can funnel into the programming side by making some changes. Now school boards don't want that. We have long respected their autonomy.

If you're asking me if there's a commitment to special education in this province, I can say yes, and I can say yes unequivocally. If you're asking me if we're going to assign some, and money based on a per pupil number to get a figure to make available to school boards, the answer is yes. And if you're going to ask me . . . (inaudible) . . . number to turn over to school boards to run and to

administer that money as they've always done, the answer is yes. So you're looking to me for a guarantee. Now if you think we're going to sit idly by and not watch what school boards do, that too would not be true.

Well I guess I'm saying, and I have some faith in their expertise, perhaps more faith than you do in them. I think they've served us well in the past; I think they will serve us well in the future.

Many of them have suggested that we look at a change in how we administer this, or how we make these determinations in terms of the dollars, and this is what we've done. And I think they'll be quite happy, because it essentially becomes an unconditional grant for them.

Mr. Lyons: — Mr. Minister, let me say that your answer, your answer reinforces in me, and reinforces in the teachers of special education in this province, the kind of fear that people out there are fearing - that people out there are fearing.

If you're talking about local autonomy and the ability of boards to deliver programs and design programs, that's one thing. That's one thing. If you're talking - and I'm not talking about that, because that's a concept I support - but if you're talking about a degradation of standards and the ability, the actual ability for parents to have their children, their children with special needs dealt with at a level that they're now being dealt with, and hopefully at a level which is a better level some time in the future, that's not the impression I get from your answer.

The impression I get from your answer is that you're trying to off-load, you're trying to off-load some of the costs of special education, and you're trying to off-load your responsibility under The Education Act, for the maintenance of certain standards, onto the backs of school boards. And that's a whole different matter, a whole different matter from local autonomy.

We're in favour of local autonomy because we believe that in fact that's the best way that programs can be delivered. But we demand that, along with local autonomy, you, as Minister of Education, ensure that the dollars are there to not just hold the line, not just cut back, but in fact go forward in education, and particularly in special education in this province.

That's the question I'm asking you. And your answer, sir, your answer, the answer immediately before this question, does not assuage the fears in my mind one little bit, because you have confused - and deliberately so - confused the question of local autonomy. You confused the question of local autonomy versus the question of adequate funding.

Will you ensure and guarantee to this House that there will be no cuts in the quality of special education services delivered by local school boards into this province? Yes or no, will you guarantee that?

Hon. Mr. Hepworth: — The voice of the central planners in the NDP party has spoken.

My answer is this, and I use the hon. member's own

words "degradation of standards as relates to special education" has no part nor no place in my department. As it relates to special education, our commitment remains clear, as does our commitment to the school boards across this province in terms of the autonomy that they enjoy.

Mr. Koskie: — Thank you, Mr. Chairman. Mr. Minister, the estimates have been going on for some time, and I think that the people of Saskatchewan and my colleagues have clearly indicated - clearly indicated the direction of this government, evidenced by its waste and mismanagement, its manipulation during election times for the benefit of the Tory party. And now the people of Saskatchewan have to bear the problems as a result of your mismanagement, your waste, and your political decisions made, and manipulations for electoral advantage.

And we find that education is indeed suffering throughout this province. And I want to lead you through some of the areas where it is evidenced in Saskatchewan where there has been very serious cut-backs in the educational funding. And I want to ask you first of all, Mr. Minister, if you can provide us with the information as to how many regional offices you have in the province, and whether or not you can indicate whether any of the regional offices that had been previously established have been cut during the course of the year.

Hon. Mr. Hepworth: — The change in configuration of regional offices last year compared to this year is the Yorkton offices have been closed, Mr. Chairman. And in anticipation of the next question, why?

When examining our education budget, the view was that as much as possible we would concentrate on maintaining the funding that's dearest, if you like, to the hearts of the teachers and the trustees and the students in our schools. And that funding was: (a) seemed to be the operating budget; and secondly, the education or the education development for the excellence fund. That has been our approach. If there were some savings to be made at the administrative level in so far as regional officers and the administrative people in those offices, it seemed like a good place to tighten the belt, if you like, Mr. Chairman.

At the same time, this initiative of our regional office configuration, because the functions that those offices perform and that those regional directors perform are very important ones, they being one of a team in that office, we did not unilaterally just make up this configuration sitting once again at our desks in Regina. We had a number of consultations with the teachers' federation, the Saskatchewan School Trustees Association, and particularly the League of Educational Administrators, Directors, or the organization more commonly known as LEADS.

And in fact, by the end of the day it was a LEADS proposal, for the most part, that led to the configuration that we have today with our regional office structure. And I am of the view that it will serve the people well. They were very . . . those who, if you like, have to run the system from that standpoint were very tucked into making the decisions.

Not necessarily an easy decision, but I have no doubt the province will be well served, and I've had a number of letters from the Yorkton and area. And I'm not happy that that means a loss of an office for the Yorkton area, but that doesn't mean to say that they won't be served, Mr. Chairman.

Mr. Koskie: — Well I want to deal more specifically with the closure of the regional office over in Yorkton, and you have received correspondence from the trustees of that region. And in their letter to you, Mr. Minister, you talk about consultation. And I want to read through some of the questions that they asked in this here, and I'd like you to provide an answer for these.

An Hon. Member: — Send a copy over.

Mr. Koskie: — I'll do it the way I want, Mr. Minister, and you answer the questions.

Some Hon. Members: Hear, hear!

Mr. Koskie: — There are a number of questions and concerns of the school division represented at this meeting, were expressed, and this is the east central branch of the Saskatchewan School Trustees Association. And in fact they held a special meeting, and they say there are a number of questions and concerns. And I'm going to run through these. And I'd like you, for the benefit of the people in Yorkton and the trustees who you didn't consult with, whether or not you'd provide answers to the special questions that they have asked. Their first question is: why was region three office the only office closed when other offices were kept open? Can you give them an answer to that?

Hon. Mr. Hepworth: — Well, Mr. Chairman, I, in the earlier answer . . . in anticipation of the question relative to the configuration of regional offices, I think I indicated to the hon. member the thinking that went into the new configuration. I can assure the hon. member, as I think I have in some of the correspondence I have with some of the people from that area, one doesn't expect Yorkton, whether it be the municipal officials or those in the education field there, to be excited about the closure of their office. At the same time there have been many places in this province who haven't had the luxury of having the regional offices located right in their town anyways.

Having said all of that . . . Because I am not the best one to make a judgement as to where the offices should be located or not located, I drew on the wisdom of those groups I talked about earlier, the LEADS people, the SSTA, and the STF. And, in fact, we had the regional directors themselves put forward their recommendations as to what would be the best configuration. And what was at the heart of that was: (a) servicing the people; (b) not having everything located centrally, if you like, in Regina and Saskatoon, which have their share of offices and government offices . . . and it's the rural areas that so often don't have that same accessibility.

And it wasn't a case of picking on Yorkton or anything like that, Mr. Chairman. In fact, when the configuration . . . I left it for the most part up to the officials and to those

involved in the system to take a look and see how can we best deliver this service, albeit with less offices. Because it was our view that we had to tighten the belt . . . Let's tighten it in that administrative area, maintain the functions so that we do have more money for the school boards to run programs for their children and to make sure that we have teachers on the front line. And that's the basis.

Now I know that flies in the fact of the NDP dogma. The NDP consistently in this House argue the point of: (a) central planners, as the hon. member from Regina Rosemont has just done; and (b) argue that more government, more layers of bureaucracy is the only way to go.

Well when I talked with the SSTA, in particular, about the strategy for the budget, the basis that they saw us undertaking here was make sure you maintain the operating grant and the EDF.

Mr. Koskie: — Second question . . . Try to be a little briefer and to the point. The second question that they ask is: what is the economic impact of the additional expenditures of the school divisions to communicate with a more remote regional office? Did you do an impact on it, and can you provide them with that answer?

Hon. Mr. Hepworth: — Well I think if you would see in the blue book, you would see that we have a saving of about \$268,000 nearly \$269,000 and four or five, six person-years, something like that.

Mr. Koskie: — Well I ask you, Mr. Minister, you knocked down a saving for yourself. But the question is, do you pass on extra expenses to the trustees of that division if they have to use another source of regional office - that's what they're asking. What is the substitution for the regional office that you closed? And is there a financial . . . sit down until I finish will you, because I haven't finished. And I don't need you standing up; wait till the question is asked.

I asked you a specific question: is there a transfer of costs over to the regional school divisions? Because that's what they're asking you here. What is the financial impact if, in fact, they have to use a different regional offices? And in fact, what is the regional office source for the school divisions of the Yorkton area - what do they use?

Hon. Mr. Hepworth: — Well, some of the thinking that went into the closure of the Yorkton office was for the very reason that hon. member raises, is that that was an office that could be closed with a minimal financial impact anybody in terms of travel and accessibility, etc., etc.

And the further point that I would make in so far as the savings that were generated, whether it be the amalgamation of the department or otherwise, for the most part went back into this budget. Rather than pay administration, we wanted to pay for programs. And I talked about earlier about a 500,000 or a half a million dollar new budget item for the libraries. I could suggest to you, I think I probably could say if I wanted to, that that half a million dollars resulted as a result of the efficiencies in amalgamating the department. And that's some of the

kinds of games that you can have by running things efficiently.

(1630)

At the end of the day here, the regional directors and the service that they provide to the boards will be maintained - be clear on that. If there is over a half million dollar savings to be made, it could put into programming, if you like, at the school level. That was our preferred course.

Mr. Koskie: — Well can you answer the question and listen carefully? What do the school . . . what regional office is now designed for the use of Yorkton? Their regional office has been done away with. Who do they go to get the services from? I mean, that's what they want to know. And did you do a financial impact study in respect to those boards that will have to use another regional office?

Hon. Mr. Hepworth: — I am advised that they will likely be serviced by one of, or all of, the following regional offices: Saskatoon, Melfort, Regina and Weyburn. But because of locating boundaries, etc., etc., it might make some sense to touch base with those most directly involved to see whether Saskatoon versus Melfort might make more sense, or Regina versus the Weyburn office might make more sense.

The actual boundaries, if you like, are being determined in consultation with those affected, and are not yet clearly drawn. But it could well involve all of these, as you might well imagine. And because we want to have the best configuration, we would like to continue to use the same recipe, and that's consult with the people who are affected.

Mr. Koskie: — Well then that's the very point that they raise here. It says that:

The decision to close region office three was not made for economic reasons (this is the board). The government took advantage of the situation in our area.

It goes on to say that:

Our area should have equal . . . should at least deserve equal status to the La Ronge area.

And it goes on and it asks this question of you, Mr. Minister:

Why were the boards not informed of a possible closing of the regional office?

I ask you, on behalf of the boards that wrote to you, that question: why were they not consulted?

Hon. Mr. Hepworth: — The consultations that I talked about that were held, were held with the teachers' federation, the Saskatchewan School Trustees' Association, their umbrella organization which those boards are members of, and particularly, in this case, the L.E.A.D.S. (League of Educational Administrators, Directors, and Superintendents) organization.

Now if the hon. member is saying, well why didn't you walk out to this particular school board and say, well, we're looking at closing down your office and laying off half a dozen people, well, that's the reason. Because you don't do it on an ad hoc basis, number one, and (b) it wouldn't make sense to walk out there and say, well, we're thinking of firing or laying you people off. I mean that would be simply silly, and that's not the way we operate.

I had no particular hidden agenda as to how this configuration should look, and that's why we went into some fairly exhaustive discussions. A number of options were looked at. I mean, I think I recall joking at one time about this is "option 32(a)," because there had been that many options discussed as to what the regional office configuration should look like. I mentioned that if you live in Yorkton, obviously you're unhappy; I suppose if you live in Melfort, you're obviously happy.

The reality is that they will be served. They will be served well. And if there was a quarter of a million dollars there to be saved that could be put into excellence in our educational system right up to the grass roots level, we wanted to capture it and do that, and that's exactly what we've done.

Mr. Koskie: — Well, it certainly would have seemed logical if there's any consultation by you, Mr. Minister, that the east central board school division trustees surely would have been consulted with. And they have written to you, as I've indicated in this letter, and they go on to say, and I want it for the record just to demonstrate that they haven't been consulted. And it says:

If we are forced to transfer to another regional office, what is our choice?

They haven't even been consulted to the extent of knowing where they go.

All school divisions indicated that we should be kept as a block, and attached to the Regina region.

This is the group of them meeting. Point 11.

If we have to go to Regina we may as well bypass the regional office and go directly to the department.

They go on to say:

There will be a lot of waste time and money, running down the road to a regional office distant from us.

And so what you're doing is, in fact, if there's no regional office close by, and you maybe have consolidated some of the region which you still don't know what the configuration is, which surprises me. But none the less, is their contention not correct that if they have to bypass - they have no regional office now in Wynyard - that if they have to go to another regional office, doesn't this in fact . . . are they not right in stating that there's a cost transferred on to them in carrying out their affairs if they

have to go, as you said, to Melfort, or to Saskatoon, or to Regina, or wherever. And this is a concern of theirs, and I wonder whether you've taken it into consideration, or have you dismissed their concern in respect to that transfer of costs to the school division boards?

Hon. Mr. Hepworth: — As I said right at the outset before the member even got into this point, as you will recall, I said at the time that if I lived in or near Yorkton, or was a trustee in or near that area, certainly if I once had an office there and I now don't, I'm going to be upset by it; that's a natural reaction. But I could argue that the Kindersleys, the Meadow Lakes, the Nipawins, the Estevans of the world, and I could go on and on and on; there are many, many, many large centres in this province who have never had or enjoyed the benefits of having a regional office of education right in their centres either. So if you're going to make an argument for Yorkton, then you ought to make an argument for a number of other cities and/or large towns in this province, because otherwise your logic falls apart, quite simply. It is not the issue whether they are going to be served and served adequately, and the answer, there, is yes.

And if you gave, if you walk out on the street and do man-on-the-street interviews today - this is the acid test, this is the acid test - and you ask the average parent out there: where do you think you should spend the money in education - in more administration, or in more at the school for the children, or for the teachers, and libraries and those kinds of things? the answer comes down 99 times out of 100: do it at the school level.

That is to say, you don't have that regional network out there and that extension network that is so useful when it comes to things like special education, and our facilities planning, and getting the program initiatives fed from . . . and well-distributed. But if you ask the people across the province whether they want . . . where they would prioritize their money, they are clear every time, Mr. Chairman.

Mr. Koskie: — I want to read the closing paragraph of this letter from a group of trustees in the east central part of Saskatchewan who I say don't . . . and throughout this letter indicate, they indicate two things: one, you didn't consult them; and two, that they didn't get much support from the local MLAs in the area.

The following comment in closing:

The above comments represent some of the concerns of the school division boards and administrators. Action by the provincial government is unwarranted. School boards request that you reconsider your decision and keep our regional office of Saskatchewan education open.

And this has been sent by a group of East Central Branch No. 4, the SSTA (Saskatchewan School Trustees Association) from Yorkton, Saskatchewan. And so I make that point, and I indicate to you that clearly they weren't consulted, clearly you're transferring some costs on over to the school board division. And thirdly, you are taking from Yorkton a service that was provided in the past. And

this is the school board divisions that have written to you and asked you to reconsider it. I'll be very pleased to send out your answers to them, which I intend to do, because I feel obligated to represent these people because they're losing a service. And I regret that you won't reconsider it, Mr. Minister.

I want to go on . . . and I've heard you during the estimates talking on how well education is doing under this administration. And I think that out in rural Saskatchewan certainly they're saying that some of the services are being cut, and cut drastically. And they're also saying that there's a transfer back on to the local school division because there is a cut in the operating funding this year. You admit it yourself.

And I'll tell you, I'll give you an example, and you'll say, well, that's the school board's decision. But what I'm illustrating here - if you take one school board division - and I'm going to indicate to you the number of cuts that took place in the Humboldt School Division as a result of the lack of operating funding and cut-backs by your government. And here is from a concerned parent in the Humboldt School Division.

The following are some cuts the Humboldt rural school division have already made for next year. And let me read them to you, Mr. Minister. (1) The band program has been established for 16 years. A very high standard with many students pursuing a music career. Completely cut. (2) Speech therapist with a work-load she could barely handle, completely cut; guidance counsellor, completely cut; computer consultant, completely cut; access to educational psychologist, completely cut with the closing of the Melfort regional office; choral program, completely cut. And it goes on to say that other services are not being offered within the division.

And I want to say to you, Mr. Minister, those programs were not cut because the board, the local division school board, wanted to cut them I can tell you that, because they're very responsible people, and they do try to provide a high quality of education.

But what you have done is transferred more cost over to the local school boards. And that's what you're doing. And here are a whole series of cuts that have taken place just in one school division, and I can tell you, Mr. Minister, it's not a school division that is particularly poor.

An Hon. Member: — Well how can you stop people from singing?

Mr. Koskie: — Well the sports broadcaster says, how do you stop people from singing?

I'm going to say that we had in Humboldt rural school division just an outstanding band program, and the division has had to make cuts because of the cuts of education funding by your government. You have wasted the money. You have mismanaged this economy, and now the children of Saskatchewan are starting to bear the brunt of your mismanagement.

Some Hon. Members: Hear, hear!

Mr. Koskie: — And those are the cuts just in the Humboldt school division. Imagine: band program, cut; speech therapist, completely cut; guidance counsellor, completely cut; computer consultant, completely cut; access to educational psychologist, completely cut; the choral program, completely cut.

Now you might want to laugh over on the other side and don't think it's very serious. But I'll tell you that people and the parents who have children and were getting these services, think it pretty serious. And you're going to say, well, the school board has the choice. I'll tell you, they don't have a choice because there's been drastic cut-backs in the operating funding by this government. And you know it, and the people of Saskatchewan know it. And this is part of the result of what is happening in the educational system. And that's in the Humboldt School Division. And I can come forward with more evidence of where programs had been required to be cut.

And as I say to you, Mr. Minister, these were very worthwhile programs which local boards wanted to maintain. In fact, in the school division there was a petition of over 1,500 names, asking the board and in fact making representations to the minister himself, asking that funding be provided for these very useful programs. The people of the Humboldt Rural School Division, I'll tell you, are not very pleased with the massiveness of the cuts that are going on in that division.

(1645)

And I ask you, Mr. Minister, how can you stand in this House with a smirk on your face, pretending that education is moving forward, when in fact you see worthwhile programs just in one division of Humboldt Rural School Division being drastically cut? All of those programs which provided a basis for a good education. And you stand here and pretend that you're funding education.

I ask you, Mr. Minister, have you been receiving correspondence from parents and taxpayers and school board divisions, requesting further funding because of the necessity of having to cut back on very worthwhile programs?

And certainly, I know in the Humboldt School Division they have made representations to you to help to keep some of these very worthwhile programs. And I was wondering whether you could elucidate, Mr. Minister, in a half a dozen words or so, not a five-hour speech, whether or not this is evidence of the education system being seriously damaged by the lack of funding, by the mismanagement and the waste that has been perpetuated on the people of this province by the government opposite.

I ask you, do you . . . Take the smile off your face and start considering the major, the major cuts that are taking place in one school division. And I'll tell you, it's serious. And I ask you, Mr. Minister, can you in fact address those major cuts that the people and the parents of the Humboldt Rural School Division are very concerned with?

There's only one alternative that they can use, and that is to massively increase their own local taxation base. And if that's what you're recommending - of course, that's what you're doing. But I'm asking you whether you're prepared to take a look at the seriousness of what is taking place just in this particular example.

So I ask you, have you received representations in respect to this, and are you concerned with the massiveness of the cuts that are taking place, and will you indeed provide extra funding so that the education system out there will not in fact be deteriorating to the extent that it has under your mismanagement, your waste, and your incompetence?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — The hon. member raised a number of points relative to education funding in general across this province and as well, specifically, as it relates to the Humboldt Rural School Division, Mr. Chairman. I am not going to hide under the cloak of autonomy that those trustees enjoy, in terms of second guessing their decisions.

But here are the records as it relates . . . here are the facts as it relates to Humboldt rural school district, Mr. Chairman. The hon. member used words like, destroying. I mean, that typical NDP overstated rhetoric. Now he has tried to suggest that at Humboldt school district, Humboldt rural school district, where out of an 8 or \$9 million budget, out of an 8 or \$9 million total budget that they have to spend, Mr. Chairman, is that this \$35,000 decrease that they have will somehow destroy education. Now have you ever heard anything so ludicrous in your life?

The NDP would try and get the people of this province to buy the notion that because, out of 8 or \$9 million budget they have \$35,000 less, that somehow education is going to fall apart out there. Well I'll tell you what, Mr. Chairman, I have a lot more faith in those people in Humboldt, those trustees, than that hon. member does, and if I was them I'd elect themselves a new MLA because the one they've got isn't adequately representing them.

I've never seen such gross distortion, fear mongering, and doom mongering as has come from that hon. member from Quill Lakes. Because I ask you, Mr. Chairman, what other category - what other category can you put that in, Mr. Chairman? What other category can you put that in except fear mongering when he says, you've taken away, you've cut \$35,000 out of this 8 or \$9 million budget, and you're going to destroy education.

But the story goes on further, Mr. Chairman. Why is the Humboldt Rural School Division budget that they receive from the provincial government this year, why is the operating grant decreased, Mr. Chairman? Well the reason it's decreased, Mr. Chairman, is that they have fewer students enrolled - fewer students enrolled, Mr. Chairman. And that adjusts the amount of money that they have available.

But, Mr. Chairman, the other part of the story that the hon.

member refused to tell the public is that if Humboldt trustees had thought that somehow education was going to be jeopardized so much, would they not have raised their mill rate, Mr. Chairman? If they would have thought that the government was being so stingy with the money, and that somehow they would have to back-fill, as the hon. member suggested, that they're going to have to make it up, well, they didn't increase their mill rate as far as I know, Mr. Chairman.

So when he says that we're off-loading our problems onto the school districts locally, it's simply not true because they didn't increase the mill rate. But you want to know what else, Mr. Chairman? That school board has an additional \$2 million-plus in property this year that will be assessed as school tax they didn't have access to last year.

So you know what, Mr. Chairman? I bet if we could have the final numbers here - I'll bet if we could have the final numbers here we would be able to show the hon. member from Quill Lakes that that school board, in fact, this year probably has as much or more money than they had last year to spend on schooling. And, Mr. Chairman, that doesn't take into account the fact that the Humboldt Rural School Division has had something in the order of 151, \$152,000 available through education development fund for special initiatives in excellence for their students. An additional \$152,000 for that school board over and above base grants, Mr. Chairman, for special initiatives in excellence.

So on every measure, the hon. member is wrong. Point number one, they have more property that's assessable this year. Point number two, the drop is not some horrendous number from the base grant, not figuring in the net gain likely from the increased assessment, and that there's fewer students. Now he stands here and criticizes the local board for not doing this, and not doing that, and not doing this, when in fact he doesn't even have the whole story, Mr. Chairman. He doesn't have the whole story at all.

And if we look at the entire province - and I've read these into the record before, but perhaps he wasn't here. What is the record, Mr. Chairman? In the North, as the hon. member from Athabasca will full well know, in the North the initiatives have been many, and we will continue to do them.

And across the province under the NDP years, if one buys the logic, Mr. Chairman, that somehow the provincial government during the Tory years have been stingy with their education fundings and mill rates have had to rise out there in rural Saskatchewan to compensate, then how does he figure, if that logic is true, how does he explain this?

Under the NDP years, there was a 63 per cent . . . I better get these numbers right, Mr. Chairman. Oh, it's even worse than that. Under the NDP administration, there was a 69.7 per cent growth in mill rates in rural Saskatchewan. And under the Progressive Conservatives for a similar time frame, there's been a 15.7 per cent growth.

An Hon. Member: — Was there a reassessment?

Hon. Mr. Hepworth: — Now how does the hon. member square that? And they shout reassessment from their seat. And reassessment hasn't got one thing to do with it. What has got everything to do with it is the fact that there has been building and growth and diversification across this province since our Premier took over the reigns of premiership in this province.

So here's what happened under the NDP years, Mr. Chairman. The provincial NDP government was very stingy with the money, and rural school divisions had to increase their mill rate by 69 per cent to keep the schools going. Under our government, there's been the excellence fund and the money in that education development fund. And there's been special initiatives across the province because of it.

And the operating grants, Mr. chairman, went up not 5 per cent or 35 per cent merely to account for inflation, they went up 60 per cent across this province. And that was at a time when the number of school children in our K to 12 system dropped below 200,000. It went down 4,000. Funding went up 60 per cent, and the enrolment went down 4,000, from 201,000, or 203, 204,000 to 199,000 roughly.

And similarly, Mr. Chairman, as I explained earlier, if somehow we are being stingy with the amount of money we give school boards, how does the hon. member from Quill Lakes explain the fact that school boards today enjoy a surplus of nearly twice the size it was when the NDP were in government in 1981-82. How does he explain that one? I mean what we've seen here, Mr. Chairman, is the worst case of overstating facts of political rhetoric, of doom mongering, and of fear mongering that I've ever seen.

Because I'll tell you what, as I stand here today, the Humboldt Rural School Division with 8 or \$9 million to expend on behalf of the students in that area, will deliver a first rate education despite what that member from Quill Lake says. I absolutely believe that with that 8 or \$9 million they will deliver as fine an education as you'll find, not only in Saskatchewan, but in North America, Mr. Chairman. I absolutely believe that.

He wants to criticize the local school board. He wants to criticize the local school board; I want to applaud the local school board for what they've done with the dollars that they had in the educational development fund, and the library updating, and the special initiatives they've been able to put in place, Mr. Chairman. I want to absolutely congratulate them for what they've done.

And they suggest in the letter that somehow they won't have access to a regional office and regional services. Mr. Chairman, that is absolutely hog-wash. He knows it, and they know it. There's going to be a different office but they will served, as they have always been served, Mr. Chairman.

And I suspect that if we could have the number that the school board probably has some sense of this very day, in so far as what the assessment increase means, in terms of

the property . . . there's more property there. There's been growth and development in that area. Property valuation has gone up some \$2 million, and their mill rate remains unchanged, but you multiply that mill rate by that new-found assessment, and that means money for the school board. And I'll bet you when you add it all up, and despite the fact that their enrolment has gone down, I'll bet you, Mr. Chairman, that they have as much or more money for this year than they did last to spend on education on the K to 12 system.

I'll bet you, as sure as I'm standing here, and I know this too, that they will do a good job on behalf of the students in that area, as they have done in the past.

And so I'll tell you what, Mr. Chairman, I get tired of this kind of rhetoric because it does not serve the people of this province well. It does not serve the people of this province well. They're trying to scare the people in Humboldt and area. They're trying to scare them, because what they're saying, Mr. Chairman . . . let's examine the thrust of that argument. Let's examine what this member said. He said, you're taking \$35,000 in funding away from that school board - \$35,000 out of that 8 or 9 million we have to spend - and somehow education is going to fall just like the Roman Empire fell. Now who buys that logic?

Would anybody in their right mind, listening to these debates this very day, whether they're in Humboldt, or in Regina, or in Weyburn, or in Meadow Lake, or in Nipawin, would believe that, Mr. Chairman? Would anybody in this province today believe that because we're only going to spend three-quarters of a billion dollars in education - and that's from the provincial coffers, not counting what they raise in property tax - would anybody in this province believe what the NDP are saying about education being destroyed because we spend three-quarters of a billion dollars in this province, more than has ever been spent.

Well that's why I say it's time for the NDP to examine their policy, whether it be education or otherwise. They are totally irrelevant and unhooked from what the people in rural Saskatchewan are thinking, Mr. Chairman. That is the reality.

When they were in government, they never brought in a special excellence fund. When they were in government, we saw what their blueprint was in education when it came to post-secondary education - they wanted to cut back on funding to universities. They were of the view that enrolment should be slashed and that somehow we should target all our opportunities in the resource-based economy when, in fact, everything today tells us the opposite was happening.

What it comes down to, Mr. Chairman, is this: when it comes to educational policy, whether it be K to 12, or adult education, or agriculture policy, or potash policy, or uranium policy, or understanding and doing something about the implications of the knowledge-based economy, the NDP are bankrupt of ideas.

Worse than that, Mr. Chairman, not only are they

bankrupt of ideas - and I look at the hon. member from Regina North East sitting in the back row there - and this is something that should worry that member because, as I understand, he is a prospective candidate for the NDP leadership race. But, Mr. Chairman, why that becomes so serious when you've got your future leaders of an opposition party, and not paying any attention to the public policy issues of the day, is simply doom mongering dumb, and setting them into an either/or perspective. Her Majesty's loyal opposition is doing a disservice to her loyal majesty and to the people of this province. Because, Mr. Chairman, the reality is this in Saskatchewan today. they do not want to see us arguing back and forth about this versus that, you're wrong and we're right kind of perspective.

What the people across this province want to see today is debate around some constructive proposals. And if they would come up with something constructive, whether it be in education, or in agriculture, or in the potash industry, or in the uranium industry, or in the forestry industry, or as it relates to the North, Mr. Chairman, or as it relates to the implications of the information-based economy, I'll tell you, for one, I would stand in this House and I would debate that and I would debate it at great length.

Because one of the biggest issues that's facing Saskatchewan young people today, Mr. Chairman, is this. They walk down the street, whether it be in Humboldt or elsewhere, and they see the world around them changing. They see the tractors on their dad's farm changing. they see the technology and the understanding that their dad must have relative to fertilizers and sprays, and chemicals, and the new hybrid seed varieties, and these scanners in the sky. They see all of that changing. They would be mightily disappointed, Mr. Chairman, in a government that did not change, too, when it came to adult education, to keep them current with the times. And the changes we are making, Mr. Speaker, are not merely for change's sake, but because the world is changing.

Some Hon. Members: Hear, hear!

Mr. Chairman: — Order. Being 5 o'clock this committee is recessed until 7 p.m.

The Assembly recessed until 7 p.m.