

EVENING SITTING

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure
Highways and Transportation
Ordinary Expenditure — Vote 16

Item 1 (continued)

Mr. Trew: — Thank you, Mr. Chairman. Mr. Minister, you took exception to some numbers I used in the estimates before supper, specifically to the . . . I said that the maintenance budget for 1981-82 was \$60,548,761. If those numbers are in error, I apologize to you, sir, but I point out, I got them on page 233 of *Public Accounts*, March 31, 1982 — this *Public Accounts*, tabled by the member for Kindersley, the then minister of Finance. If they are in error, I suggest you talk to your seat mate, your colleague, and I point out page 233, total maintenance of highways and transportation facilities, \$60,548,761. I was in error by 2 cents because there's 2 cents written in here as well. So I just want you to recognize, when I'm using numbers, I'm using them from official places; I'm not just drawing them out of the hat.

What these estimates are all about, Minister, more than just the numbers, how many dollars you've spent, highways are far more . . . It doesn't matter to the people of Saskatchewan whether you spend 2 cents or \$200 million on No. 11 Highway. What they see is a No. 11 Highway that is just about impassable in places, that trucks have to slow down for.

The grading and surfacing — I want to compare the actual total number of kilometres that have been done where this year you are proposing for the road grading 234.53 kilometres. I point out to you that that is less than one-half the distance that was constructed in 1981-82, when 480 kilometres was constructed. At no time have you ever matched it; indeed, you've seldom come — in fact you've never come — within 100 kilometres of it. Most of the time you're a third and more short of that 480 kilometres.

In terms of surfacing, in terms of laying down the blacktop, 1981-82 there was 875 kilometres that was surfaced. At no time have you ever approached that. I heard you, at quarter to five, saying that this year you're going to do more than 600 kilometres, and I did a double take because in your estimates — here it is; the surfacing 710.36 kilometres. It's really interesting that you're now hedging your bet and saying more than 600. Well, certainly 710 kilometres is more than 600 kilometres, but I would have thought you'd have had a better grasp of the numbers than what you were portraying earlier.

Minister, would you please identify the 1987-88 construction projects that are reannouncements this year, from last year's list of capital construction projects? I'm interested in hearing your response because I've looked through your construction projects list and out of 30 projects regarding grading, I count eight of them that are nothing more than reannouncements — what you had

announced you were going to do last year. So I'd appreciate your comments on how many of your projects are nothing more than smoke and mirrors and reannouncements of last year's announcements.

Hon. Mr. Hodgins: — Thank you, Mr. Chairman. The member opposite had some questions respecting whether or not the resurfacing was 600 kilometres or 710 kilometres, and for the member's information I would like to offer an explanation. The figure of 600 kilometres of resurfacing that I used prior to 5 o'clock is accurate, it's very accurate, and that is resurfacing per se.

If you take and add the paving on to that, the true paving on to that, you will add up to the 710 kilometres. So there's a very logical explanation for it. I could go into great detail and . . . the difference between a resurfacing job and a full paving job on a brand-new grade that has been made. I'll take No. 16 Highway near Saskatoon. A new grade was placed last year and we're putting a full pavement structure on that. So once again for the member's information there is indeed 600 kilometres of resurfacing. You add the paving on to that, and it will be a total of 710 kilometres of resurfacing and paving.

Now the member opposite has also asked how many projects in the project array are reannouncements, if you like. I will tell you that it's a standard type of an arrangement in Department of Highways and Transportation to have carry-over into the next year. And that is very, very simple, Mr. Chairman.

People in the Department of Highways and Transportation or myself or this government cannot predict what the weather is going to be or what the schedule of the contractors is, and whether or not we can indeed say with definity that all of these projects are going to be finished. And in fact it is traditional, very traditional, that projects do get carried over into the following year. I could give you the exact figures of the carry-over, and they are not as large as they once were. The figures that are carried over . . . The figures that are carried over are far less than they were under the NDP administration.

I will use as an example, in the NDP administration just prior to an election, Mr. Chairman . . . Just prior to an election, Mr. Chairman, in 1981 the NDP announced this great big project array, all of these hundreds of kilometres of road that's going to be built and going to be resurfaced.

Well, Mr. Chairman, I'll tell you what happened when this government came to power. We opened up the project array and we looked at it and we said, well, my goodness, you know, for that kind of money I don't think they could have built all those projects. The facts of the matter are this, Mr. Chairman: in 1981 under the budget presented by the NDP administration, 70 per cent, seven out of 10 that were announced by the NDP government, did not have moneys to be allocated to them. They could have built only 30 per cent of the projects that they announced in election year.

And, Mr. Chairman, I believe that the people of Saskatchewan have caught on to their ways, and that is

why they were removed from power on April 26, 1982, and that is why, Mr. Chairman, on October 20, 1986, the people did not forget. And I predict, Mr. Speaker, in the next election, the people will not have forgotten that and other little tricks by the NDP party.

Now, Mr. Chairman, I will admit that indeed some of these projects on this array were carried over from last year. I will admit that there will be some that will be carried over into next year. It is a reasonable amount. I would tell you that carried over from 1987 into 1988, 270 kilometres were not completed. We have estimated and we've shown it right here on the project array — shown it in black and white for the people to see — that the estimated carry-over into next year will be somewhere in the vicinity of 150 kilometres. This is reasonable, Mr. Chairman; this is traditionally what has been done. This is far, far different, though — and I'll stress once again — far different from what the NDP did in 1981.

Once again, to remind you, Mr. Chairman, to remind the people of Saskatchewan, 70 per cent of the projects that were announced by the NDP administration in the year 1982 did not have moneys allocated to them.

Mr. Trew: — Well it's interesting that you would talk about carry-over and you talk about the people being wise — and you have your 1986 carry-over, 368 kilometres. That's reasonable, you say. That's real interesting.

I'll just remind you about the people and them getting wise to what's going on. And I remind you that after the official count in Saskatoon Eastview, your party not only lost the election, but you lost your deposit, too — lost your deposit in a seat that you held prior to the by-election.

It's interesting that you should say that there was no money in 1982 for a number of the Highways projects that had been announced — very, very interesting. How is it then that in 1975 and 1978 — also election years, when the New Democrats were in power — how is that when the New Democrats were in power — how is it that the highways projects that they announced in those years, somehow we found the money for, and they got built? But '82, suddenly the rules changed. You bet the rules changed; all of a sudden you people came in.

(1915)

I asked you in my previous question, Mr. Minister, about how many of your announcements are simply reannouncements, and I want to point out what you did with the No. 40 between Blaine Lake and Hafford, when in 1986-87 you announced resurfacing totalling 14.6 kilometres. The next year, 1987-88, you announced resurfacing on sections from Blaine Lake to Hafford — total of 27.82 kilometres. Now this year in your estimates, you're announcing a resurfacing from Blaine Lake to Hafford for a total of 6.13 kilometres.

I just want to point out to you, Mr. Minister, that that's enough pavement to pave from Hafford through Krydor to Blaine Lake and back to Hafford again — pardon me, back to Krydor. Don't want you to think I can't count. Or put another way, it's enough pavement to redo No. 6 from

Melfort to Naicam, or No. 9 from Whitewood to the No. 48 junction, or No. 9 from North Portal to Alameda, plus No. 8 from Port of Carievale to Carievale, and that last particular highway is in atrocious condition. I'm surprised that you allowed it to get as bas as it is.

So it's interesting that we have one section of No. 40 Highway announced in three consecutive statements, construction projects, with . . . Yes, your name is attached to all three of them. And you're just announcing and reannouncing and reannouncing. Is that project going to appear on next year's construction projects as well? Are you going to reannounce that again, or are you going to do the job, get it done, and move on to some other highways that really need some work?

Hon. Mr. Hodgins: — The member is not entirely accurate. For his information there was more than one section that was announced. It was not simply one contract that was announced again, again, and again. There was more than one section to it. I do understand that the first year, I believe it was, that the project was announced, the contractor was not able to make a start on that job for some very specific reasons. And I think the proof, Mr. Speaker, the proof, Mr. Chairman, is in the constituency itself and how do the people feel about the improvements that have been made to that highway.

I know that the member from Redberry, as a matter of fact, who has had long discussions with me on that particular stretch of road, who has worked as a good MLA should in representing his people and bringing those concerns on Highway No. 40 to my attention and lobbying, lobbying on behalf of his constituents . . . And I'm led to understand, Mr. Chairman, that that improvement to Highway No. 40 is just an excellent job. The people in that area are very, very satisfied that a good job has been done on Highway No. 40. And I believe that the member from Redberry can go back home and visit with his constituents and hold his head very high that he has represented them well and he's got a good highway for the people of his area.

I deny very much your accusations of reannouncement. There was very good reasons for the way that was . . . that appeared in our project array.

Mr. Trew: — It's interesting. There's always very good reasons, Mr. Minister. That stretch of highway totals a distance of 36 kilometres; your announcements total 48 kilometres — very good reason.

It is incredibly frustrating to see and listen to your non-answers when we've got thousands of kilometres of Saskatchewan highway that desperately need to be maintained, desperately need to be upgraded. We've got No. 11 that in places is just about impassable. I keep referring to No. 11 simply because it is a very, very well-used highway, and people that are paying any attention to the goings-on in here, most of them have ridden and driven and been shaken over No. 11 Highway.

I want to turn to safety, which is a very serious matter. I know it's a matter that you take seriously too, Mr. Minister. The statistics show that there has been an

increase in fatalities in Saskatchewan, between 1985 and '86 of 14.5 per cent. Now in 1985 there was 214 traffic fatalities, and there was 245 in 1986. How many fatalities were there in 1987, and why was there . . . To what would you attribute the change? I'm assuming that 1987 will be different that the increase to 245 that there was in 1986.

Hon. Mr. Hodgins: — Thank you, Mr. Chairman. From the figures that we have, and we do keep very, very accurate statistics on fatalities and accidents and safety in general, and indeed it is something that I, or I believe any minister of Highways in the past and, I think, forever into the future will take very seriously. The figures that I have vary from what you have in that the fatal accidents in 1986 were 207; in 1987 they were 193. That would show a 6.8 per cent decrease if in fact the member's figures are accurate, and I do not know where he gets them, but if in fact his figure in '86 is correct, the percentage decrease in fatalities would be significantly more than the 6.8 per cent decrease that we show here.

Indeed I can tell the member that we have had a number of programs, programs that are still in existence that are safety related and have overall served to reduce the number of fatalities and the number of accidents, and the record over the period of this administration is a very good one. And I certainly will not be satisfied until we reduce and reduce and reduce further those accidents that we have. But when you add up the Lights On For Life campaign, the orange zone safety program for highway workers, when you add the seat-belt legislation that is currently in existence and one that we're happy to see there, together with a large number of safety improvements on our highway system. I speak of reflective signing, I speak of many other improvements with respect to lighting of intersections and guards, extra guards along bridges, guard rails — and just thousands of dollars being spent on those safety related items that certainly are a real concern to me.

So once again, to answer your question, the number of traffic accidents or traffic fatalities in 1987 has gone down some 6.8 per cent by our calculations.

Mr. Trew: — Minister, I'm getting sick and tired to you telling me that my numbers are wrong — sick and tired of it. Saskatchewan Highways and Transportation annual report 1985-86, you open up the bloody page, and what do you see but a picture of yours truly.

Mr. Chairman: — Order. I would ask the member to apologize for the use of that type of language.

An Hon. Member: — What? What kind of language?

Mr. Chairman: — The use of the one word you just used in your expression.

An Hon. Member: — Which word is he supposed to pick out?

Mr. Chairman: — Well I don't believe that's the type of verbal language we use in this Assembly.

An Hon. Member: — Well make yourself more specific.

Mr. Chairman: — Well if you like, I don't believe the word "bloody" is the type of language that is conducive to this Assembly.

Mr. Trew: — Do you seriously want an apology? Would you please point out in *Beauchesne* or *Hansard* . . .

Mr. Chairman: — I just ask the member to withdraw the word from the record.

Mr. Trew: — I withdraw the word.

I am sick and tired of my numbers being challenged. Inside of this Saskatchewan Highways and Transportation annual report, your picture. Not many pages later, we have the fatalities by road system 1985. You tell me it's 207 but your annual report tells me 214.

A little earlier, you questioned me about a number, the amount of money that was spent on maintenance. I pull that out of *Public Accounts*, tabled by the member for Kindersley, the then minister of Finance. My numbers were accurate then. If this 214 fatalities in 1985 is wrong, then I think it is you who should be apologizing to this house and to the people of Saskatchewan for misleading us.

I'm just very offended that you can't either read your own reports or else they are so inaccurate. Which is it, Mr. Minister? Is your report inaccurate, or what's the situation?

Hon. Mr. Hodgins: — I would like to calm the member, Mr. Chairman, and I think if the member opposite would quote his statistics with the qualification of exactly what he is quoting, and I know now from what the member has said and from what my officials have advised me in leafing through the documents that the figure that you refer to is indeed accurate for not only the entire highway system but also includes accidents within cities and towns and villages and on rural municipal roads. And indeed I'll concede that the figure of 245 is accurate on all roads and streets and back alleys and every road, if you like, in Saskatchewan. The figure that I assumed the member was referring to was the statistic on our true highway system, but if I was not clear about that, I hope that that would serve to clarify.

Mr. Trew: — Mr. Minister, I wish you'd tell me where we are varying because your fatalities by road system, you list highways and then there's a number; you list rural, and there's again a number; you list urban, a number; and other, and there's a number . . . (inaudible interjection) . . .

I suggest to the member from Meadow Lake, he get a Saskatchewan Highways and Transportation annual report and read it. Otherwise either stand up and join in this conversation or don't.

I think the point has been made there, Mr. Minister. Personal injuries were also up in 1986 from 8,465 in 1985 to 8,829 in '86. Since '84, personal injuries have increased 11.9 per cent; in that year there was 7,904.

A deteriorating road system in this province is now

starting to take its toll. It represents a denial of your responsibility to provide for the travelling public of Saskatchewan a safe and reliable transportation system, a safe highway system.

(1930)

Minister, I want to turn to a different topic of Highways and that is specifically the sweetheart Weyerhaeuser deal whereby you have guaranteed that we're going to build in perpetuity 32 kilometres of highway, of roads, for Weyerhaeuser of Tacoma, Washington, at taxpayers' expense — roads that . . . Prior to that sweetheart give-away deal, Prince Albert Pulp and Paper Company built and maintained their own roads. When they were finished with them, they turned them over to the province, where they became part of the road system or were abandoned, whichever seemed to be the most appropriate. If it was a road that went literally to nowhere and wasn't worth maintaining, it would be abandoned.

Would you clarify the situation for this year regarding the roads and transportation agreement between Weyerhaeuser and the province of Saskatchewan? Because last year, Mr. Minister, if I recall it correctly — and I'm sure that you will correct me if there's anything remotely in error — this government spent some \$6 million in capital projects on northern forestry roads for Weyerhaeuser, a multinational corporation of Tacoma, Washington. That was part of the sweetheart deal. How much will be spent this year by your department under the capital projects expenditures for this corporation?

Hon. Mr. Hodgins: — Well, Mr. Chairman, indeed part of the agreement with the Weyerhaeuser corporation was a roads agreement. Very standard when you have an industry such as Weyerhaeuser in any place in North America, I believe, that there is a roads agreement with corporations like that. Very similar in nature to a roads agreement that was negotiated and in place in 1965, negotiated by a Liberal government, I understand, an agreement carried on by the NDP Party, and indeed, there is a road agreement under the Weyerhaeuser . . . with Weyerhaeuser.

I should preface my remarks, Mr. Chairman, by saying how pleased I am, how pleased this administration is, and I believe, for the most part, how pleased the people of Saskatchewan are with the Weyerhaeuser arrangement that was negotiated by this administration.

And, Mr. Chairman, there were members of the NDP Party who stood in this legislature and said, there will not be a paper mill. Do you recall that, Mr. Chairman? I recall it vividly — that there will not be a paper mill.

Well, today, Mr. Speaker, Mr. Chairman, as we speak there is a paper mill under construction. Today as we speak, Mr. Chairman, there are Saskatchewan men and women working on that job. Today as we speak, Mr. Chairman, there are men and women from Saskatchewan training, training to take those new positions at the brand new paper mill, the only paper mill of its kind in Saskatchewan.

Mr. Chairman, there were people of the NDP Party,

members of the NDP Party who said the Weyerhaeuser corporation will never pay us a dime. There were members of the NDP Party who said it was a sweetheart deal. Well I'll tell you, Mr. Speaker, Mr. Chairman, it was with a great deal of pride that I and my colleagues watched the Weyerhaeuser corporation make their first initial payment of some 30-point-some million dollars to this administration.

And let us compare that, Mr. Chairman, with the members of the NDP Party running their PAPCO (Prince Albert Pulp Company) mill and losing \$91,000 a day — losing \$91,000 a day and not creating one new job.

Now the members of the opposition ask: well how many millions of dollars did you spend for the Weyerhaeuser corporation on roads? The facts are, Mr. Chairman, that within the roads and transportation agreement, indeed there were some specific commitments made by the administration.

But, Mr. Chairman, there were some of those items that were not just for the Weyerhaeuser corporation. I speak of a project that's under construction this very day — the interchange at Prince Albert, the interchange of highways No. 55 and No. 3 — a needed interchange, Mr. Speaker, that will indeed benefit industry such as the Weyerhaeuser corporation, but an interchange that will benefit all of the people travelling in that area, will benefit many industries in the area of Prince Albert. That interchange is an expensive interchange to build at some \$2.6 million.

There is a commitment to construct logging roads, Mr. Chairman, that will be used by the Weyerhaeuser corporation, but will also be used by the small contractors — some of them, Mr. Chairman, that will be used by small contractors, some of them that will be used by tourists, and some by other industries.

Mr. Chairman, the agreement is similar in nature, and, in fact, carries over commitments that were made with PAPCO under a Liberal administration; carries over commitments that were kept in part by the NDP administration. And if you add those figures of what we were spending in that area, it is some \$8.45 million.

Now, Mr. Chairman, I stress again, I stress again that those expenditures are not just for the Weyerhaeuser corporation, they are indeed part of the agreement. Part of the agreement carries forward from a prior agreement under a Liberal administration and under an NDP administration. Thank you, Mr. Chairman.

Mr. Trew: — Will the minister tell us which roads are involved in the value of work being performed and an approximate value of those roads?

Hon. Mr. Hodgins: — Yes, Mr. Chairman, I'll give the . . . certainly be happy to, as a matter of fact, provide to the member opposite the details.

Item no. 1 would be to construct 20 miles of main logging roads per year, an expenditure of \$2.1 million; construct an interchange connecting highways 55 and No. 3, \$2.6 millions; purchase of 855 kilometres of main haul logging

roads, \$3.75 millions; for a total of 8.45 million.

Mr. Trew: — Would you please give me the number purchase of 855 kilometres of road? I didn't hear the number.

Hon. Mr. Hodgins: — 3.75 million.

Mr. Trew: — Minister, I am absolutely astounded. We had . . . Prior to Weyerhaeuser coming into this province, we had a situation where Prince Albert pulp and paper company built its own road into its own timber, into the timber it was going to be using, at PAPCO expense, not at taxpayers' expense.

Those 855 kilometres of road have already been paid for by the taxpayers when we owned PAPCO, and now you're turning around and giving Weyerhaeuser 3.75 more millions of dollars. It wasn't good enough that you gave them \$248 million, nothing down, nothing for 20 years, and nothing thereafter. It wasn't good enough that there was \$11 million in cash the day of the sale that your administration didn't take into your own revenues. Instead Weyerhaeuser got that money the day they took over PAPCO. But now after we built 855 kilometres of road, we're turning around and paying Weyerhaeuser of Tacoma, Washington, an additional \$3.75 million.

Minister, \$3.75 million could be better spent almost anywhere than in yet a further continuation of this insane, sweetheart deal to Weyerhaeuser. I'm most anxious to hear your response to that because it's about the most ludicrous thing I have heard in all of the Highways estimates.

Hon. Mr. Hodgins: — I would provide the following information to the member, Mr. Chairman, and it is extremely interesting when you get into the details of this. The member opposite may know that under the 1965 master agreement negotiated by the Liberal administration that there were specific commitments made to construct 20 miles of main logging roads per year. In fact, Mr. Chairman, that commitment was not met by the NDP administration — was not met by the NDP administration in its fullest extent. There was a partial, partial . . . There was a commitment made and the NDP lived up to that commitment half-heartedly — half-heartedly. And to be fair, Mr. Chairman, to be fair, Mr. Chairman, this administration did not live up to that commitment to the fullest extent either.

The bottom line, Mr. Chairman, is that there was a backlog in the commitments that had been made; the commitments that had been made were not fully lived up to; and a good portion, a good portion of this amount that was negotiated was to catch up, if you like, or to pay for a commitment that was behind schedule.

I see in that, Mr. Chairman, nothing sinister, nothing evil, nothing terribly, terribly out of line. It was simply that there was a commitment made that was not lived up to to its fullest extent, and by negotiating this deal, those commitments have been lived up to.

Mr. Trew: — So what you're telling me, Mr. Minister, is that if I buy an automobile from one of your colleagues,

and you had made a commitment to your colleague that you were going to paint that automobile; I buy that automobile for \$5,000 and I'm driving around thinking I got a whale of a good deal; and all of a sudden you're going to catch up to me as I'm driving down Albert Street and say, whoa, I promised a paint job on that car — come on, let me do it. That's what you're telling us that is happening with Weyerhaeuser.

Weyerhaeuser in 1965 when the Thatcher administration made a deal with Parsons and Whittemore of New York . . . I'm sure Weyerhaeuser of Tacoma, Washington, was not anxiously following every such agreement.

Weyerhaeuser got one of the sweetest deals any corporation could ever in their wildest flight of fantasy could ever expect — really sweet deal. And then that's not sweet enough. You go in and throw in another \$3.75 million paying them for roads that the taxpayers of Saskatchewan had already paid for and built.

How many other ingenious ways is your administration going to find to funnel yet further millions of dollars into the pockets of Weyerhaeuser of Tacoma, Washington?

(1945)

Hon. Mr. Hodgins: — Well once again, Mr. Chairman, I feel that I have answered the member by stating that there was a commitment, and that commitment was not lived up to by the NDP administration, and that roughly half of these moneys were simply a catch-up, or basically something that lived up to the deal or the arrangement that had been made.

Mr. Chairman, it's, I think, fair business that when you make a deal, you live up to it. I will tell you, Mr. Chairman, that it was roughly a year and a half ago, or thereabouts, that the members of the NDP Party were privy to . . . had been given the Weyerhaeuser contractual arrangements in two big volumes. I remember them sitting here on everyone's desk, two or three big volumes. It was a . . .

An Hon. Member: — Three.

Hon. Mr. Hodgins: — Three of them it was; you're correct. It was a complex, negotiated, fair and reasonable deal between this administration and the Weyerhaeuser corporation.

Now the question, the question that we asked, Mr. Chairman, is: why now, a year and a half or two years later, does the member opposite question the intricacies of the deal with Weyerhaeuser as they respect roads?

Mr. Chairman, I would expect that the answer to that question is the following. I would expect that the member opposite, and indeed all members opposite, are hurting just a little bit today respecting their position, their former position, on the Weyerhaeuser arrangement, because, Mr. Chairman, the people of Saskatchewan know better today than they ever have that the deal struck with the Weyerhaeuser corporation was a good deal for the people of Saskatchewan.

The people of Saskatchewan today know full well that a cheque was delivered, a cheque was delivered, presented to this administration just a few weeks ago for some \$30.5 million. The people of Saskatchewan know and the people of Prince Albert know that there are Saskatchewan men and women today working at a new paper mill, building that paper mill with a great deal of pride and looking forward, looking forward to a new paper mill — the first of its kind in this province.

Mr. Chairman, the members of the NDP Party take a look at this arrangement, and they're trying to pick holes in it today because they know that the people of Saskatchewan view that deal as being a good one for all people in Saskatchewan. The members of the NDP Party have to pick apart these aspects of the arrangement that was made with the Weyerhaeuser corporation. They find it difficult to understand, and it's no small wonder, Mr. Chairman, because we all know in this legislature that the NDP never once negotiated a complex deal like this one.

We know, Mr. Chairman, that the members of the NDP Party had big experience in business — big experience in business. Let me tell you, Mr. Chairman, what that experience was limited to. That experience, Mr. Chairman, was limited to buying up — buying up industries throughout this province, nationalizing, socializing, building — not building, but buying industries across this province. I speak of the potash mines and the uranium mines and the Intercontinental Packers, and on and on and on.

The only way that they could negotiate a deal, Mr. Chairman, was to walk in and say, we'll buy it. Well, Mr. Chairman, this was a business arrangement, a complex arrangement negotiated over a long period of time. And in the final analysis it is a good deal for the people of Saskatchewan, and the dividends are being paid right today.

Some Hon. Members: Hear, hear!

Mr. Trew: — It was some kind of a business arrangement — we sure got the business. Minister, you said that the New Democrats are smarting. You're absolutely right. After Eastview and Elphinstone we're smarting and we want lots more of it. When are you going to resign your seat so we can get on with another election win?

We have a spectacle of, we thought, \$6 million spent on roads and highways, roads for Weyerhaeuser of Tacoma, Washington. You spoke of me bringing this topic up here now, suddenly, a year later. I refer you to October '87 *Hansard* when our critic for Highways, from The Battlefords, brought up and dealt with the Weyerhaeuser situation in these very, not this set of Highways estimates, but the previous one. So again you are misleading when you suggest that suddenly we've discovered Weyerhaeuser and that agreement. We have been talking about that agreement at every opportunity since you announced it — every opportunity.

So it's not that we're suddenly discovering Weyerhaeuser. Doing some figuring on your \$8.45 millions that you are spending this year on construction of 20 miles of road and a \$2.6 million interchange on

highway 55 and 3, as well as the purchase of 855 kilometres of road that we previously had paid for — and now we're paying Weyerhaeuser for it again — that \$8.45 million, Minister, amounts to a bigger waste than what your government is spending on empty office space.

You are spending \$34,000 a day on empty office space. You are spending more than \$35,000 a day building overpasses that are only needed because of the Weyerhaeuser plant. We're talking of spending in excess of \$35,000, partly for that overpass, partly for the purchase of 855 kilometres of road that we'd previously paid for, and this is just your method of transferring an additional magic number of 3.75 millions of dollars into the Weyerhaeuser pockets.

Minister, I asked you earlier and did not get a response. The question was: would you tell us which roads specifically are involved and the value of the work being performed? I have a total value of 2.1 plus the interchange — I'll take the interchange as having been dealt with — but specifically which roads, or is it all one road that's going to come to 2.1 millions of dollars?

Hon. Mr. Hodgins: — Mr. Chairman, I would like to just clarify again: the agreement with the Weyerhaeuser corporation and, more specifically, the payment that we have made in part was simply living up to an arrangement prior to 1982 that the NDP chose, for whatever reason, not to live up to. On the purchase of these roads, within PAPCO, there was an account receivable or an account payable by the government to the mill respecting roads.

Mr. Chairman, the member opposite uses the verbiage that the taxpayers have paid twice for these roads. That is not true, Mr. Chairman. That this portion of the agreement simply covers off, covers off something that an outstanding liability — if you will call it that — an outstanding liability that the mill had . . . or not a liability, an outstanding liability that the government had or a receivable by the mill and that was simply a payment. A good portion of the moneys was a payment on that behalf.

The member opposite has asked: what roads, specifically, under this agreement this year will be constructed? I will give that to you: grading of 15 and a half kilometres of the Cowan Lake road, for roughly \$1 million; and grading of 16 and a half kilometres of Bittern Lake road, for \$980,000; as well, clearing was done on the Cowan Lake road and the Revo road, for \$112,000, resulting in a total commitment of 2,092,000.

I wish to stress the point, Mr. Chairman, that these roads of which is speak are multi-purpose roads. Indeed they are being used extensively on the pulp haul, but I believe firmly that if you were to ask the people in that area, you would find out that they are multi-purpose roads used by other contractors, used by tourists, for instance. There is an abundance of fishing in that general area. Many of these roads are indeed multi-purpose for the benefit of all people in Saskatchewan.

I might also add, Mr. Chairman, that with this arrangement, toll roads, toll roads that were in existence under the NDP administration, do not exist as they did before. There are certainly some roads, some limited

roads that are not for public access, but prior to this some of these roads were closed to industry only, and, in fact, I would deem them toll roads.

Members of the opposition have asked in various times over the last couple of years about toll roads. Here was an example, that under their own hand there indeed was toll roads. And with this arrangement, some of these roads now have become multi-purpose, and those are the expenditures that the members asked.

Mr. Trew: — Minister, you talk about an accounting, an account payable, to PAPCO, an accounting procedure where the people of Saskatchewan — through the government — owed to PAPCO, which was a Crown corporation owned by the people of Saskatchewan. So the people of Saskatchewan owed the people of Saskatchewan \$3.75 million.

What you have done is taken a transfer of \$3.75 million and magically transformed it to the new owners, Weyerhaeuser of Tacoma, Washington. You have effectively picked the pockets of the people of Saskatchewan, bilked them of another \$3.75 million, and it's disgraceful.

It's unbelievable that you can shell out that kind of money — anything for the multinationals, any amount, any number at all; so precious little for the people of Saskatchewan.

You're spending \$35,000 per day, per day, on roads and bridges for Weyerhaeuser of Tacoma, Washington — money that previously was spent by PAPCO. PAPCO built roads into its own . . . where it needed for the forests, so it could harvest the timber and bring it into the mill. And now you have transferred that onto the backs of the people of Saskatchewan.

(2000)

We are seeing this year, \$8.45 million — 6 million last year. Who knows what it's going to grow to next year? What other excuse you will come up with to give them 9 or 10 or \$11 million?

Two questions arise from this. You made a payment of \$3.75 million. Did you issue a cheque to Weyerhaeuser, or did you subtract it from the money that Weyerhaeuser owes the province? That's one question. The other question is regarding the road specifically. Was Weyerhaeuser (Canada Ltd.) contracted to do the work, and who let the contracts?

Hon. Mr. Hodgins: — Mr. Chairman, in response to the member's question, firstly, I don't believe that the member will be satisfied until he has clearly, clearly stated, again and again, that it was just a sweetheart deal. But, Mr. Chairman, I believe that I've made a very good case to you, prior to this, that it was a good deal, and it was a good deal for the people of Saskatchewan.

Once again I want to reiterate that a cheque delivered to this administration just the other day of 30.5 millions of dollars — I want to reiterate, Mr. Chairman, that the members of the NDP Party said there would never be a

payment, that it was a straight giveaway. Well 30.5 millions of dollars paid to this administration the other day, that can go into roads and into health care and into education and into business and elsewhere, is not a sweetheart deal for Weyerhaeuser, it's a good deal for the people of Saskatchewan.

Mr. Chairman, I will reiterate again that the members of the NDP Party do not understand that deals like this are complex, that have to be negotiated and there are difficult negotiations that undergo a complex arrangement like this.

I'll say again, Mr. Chairman, that it was the members of the NDP Party who could not, could not negotiate a complex arrangement like this. The only arrangements that they could negotiate, Mr. Chairman, was going out and snapping up and buying this or buying that, and whether it was Intercon or potash mines or uranium mines or buying of other industries in this province was the only types of deals they made.

Mr. Chairman, that brings me to the specifics — the specifics of the arrangement that the NDP Party had when they bought the mill from Parsons and Whittemore out of New York city — New York city, Mr. Speaker. Well I'll tell you, Mr. Speaker, that it is common knowledge, that it is common knowledge throughout this province, from every reasonable, thinking, business-minded person, that the NDP got took to the cleaners on the purchase of that mill, and it is beyond debate, Mr. Speaker, beyond debate.

We get into the actual workings of the PAPCO corporation, and the loss of \$91,000 a day was incurred by that corporation. And, Mr. Chairman, that is \$91,000 a day less money that could be spent on roads — \$91,000 a day less money that could be spent on health or education or social services.

Mr. Speaker, in summation, the arrangement with the Weyerhaeuser corporation for all the people of Saskatchewan was indeed a good one and still is today.

I'd like to clarify, Mr. Chairman, some of the moneys that will be allocated over the next year in the purchase of the roads. And indeed this year it was \$3.75 millions — once again a catch-up for a commitment that the NDP did not live up to. Next year that commitment is \$1.875 millions and it ends next year for the purchase of roads.

Mr. Chairman, the member opposite has asked, was that payment deducted from the purchase price? No. In fact it was a direct payment for that amount and it will be a direct payment next year. The member opposite has asked, well who is responsible for the work? The arrangement was made that the Weyerhaeuser corporation is responsible for the work.

I am advised that some of the work has been tendered out, some of it has been invited bids, and some of it has been subbed out by the Weyerhaeuser corporation to an affiliated enterprise called Woodlands.

Mr. Trew: — So you're spending . . . Now you're spending public money building roads where tenders

may be invited, sometimes let. It's unbelievable.

You've just told me you have given, issued a direct cheque to Weyerhaeuser in the amount of 3.75 millions of dollars, money that PAPCO, which was a Crown corporation . . . PAPCO spent the money to build the roads; PAPCO was a Crown corporation owned by every one of us who claimed to be a Saskatchewan citizen. Every one of us owned that — every one of us.

Minister, you're asking if we ever got a dividend cheque. With what you're doing here, how in the blazes is that a dividend cheque when you're just falling over yourself to give money away, our money, the taxpayers of Saskatchewan, the people of Saskatchewan's money? And you're just falling all over yourself to give it away. Next year, another \$1.875 million. Your total commitment, buying roads that we already paid for and built, or the people of Saskatchewan already did, 5.625 millions of dollars.

I'm totally at a loss, Minister. The next time you want to start a project here, be it a bacon plant or perhaps you want to sell off a coal mine — except you can't any more because you don't own any more of them; or if you want to sell another deal like Sask Minerals where you sold the company for less than its best two years of profits, a company that has returned over \$50 million to Saskatchewan since 1946 when it was started . . . You sold it for 15 or \$16 million after it's returned \$50 million, has been profitable each and every year with the exception of one year. Sixteen years ago it had a very small loss — much, much smaller than half a million dollars.

Next time you want to sell off any of these sweetheart deals, will you please come to me first? I can be a very, very wealthy person very, very quickly.

Minister, does your agreement with Weyerhaeuser, does it preclude the department from determining and ensuring setting the standards and the level of maintenance of road systems?

Hon. Mr. Hodgins: — A very simple answer to the member opposite that, yes indeed, we do set the standards. And I would trust that's the information that you are looking for. We do set the standards.

In response to the member's other dissertation on asking that next time we go to sell something that we seek the advice of that member or any other member of the opposition on how to go about selling, or at what price it should be sold for, I would say, Mr. Chairman, that that is not likely.

And I want to point out, Mr. Chairman, very clearly the difference. And I hope that we can stand here like gentlemen tonight and agree, Mr. Chairman, that the member opposite and his philosophy and his cohorts, that those people, Mr. Chairman, are socialists — that those people, Mr. Chairman, believe that the government should own businesses and industry throughout Saskatchewan.

The people on the opposite side of the House, Mr.

Chairman, believe that government can do a better job of running businesses like PAPCO or Weyerhaeuser; or that the government can run businesses better in the meat-packing industry; or that government can run businesses better, such as in the auto-body shops that they had big plans to nationalize; or that governments can run businesses better, such as the life insurance business that they had plans to get into.

Well, Mr. Speaker, that by its nature is the socialist mentality. That, Mr. Chairman, is what the members opposite believe.

I want to state clearly, Mr. Chairman, that I — and I believe all the members on this side of the House — do not believe those types of things. I believe, Mr. Chairman, that the vast number of people in the province of Saskatchewan believe in their heart of hearts that governments should stay, for the most part, out of business and let that system work. Let that system that has been responsible for the building of North America, let that system that has been responsible primarily for the high standard of living that we all enjoy — let that system work.

And Mr. Chairman, I once again emphasize that there is a clear difference, a clear difference between that member of the NDP Party, his philosophy, and the members on this side of the House.

(2015)

Mr. Trew: — You're absolutely right. There is a world of difference between your party and mine. Two that I'd like to point out to you — two differences between Tories and socialists: one, we had roads and balanced budgets; second, socialist is not a four-letter word.

Would you agree, Minister, that \$8.45 millions representing roughly eight and one-quarter per cent of your capital budget — your total Department of Highways capital budget — over 8 per cent of it is money that is going to the benefit essentially of one corporation from Tacoma, Washington? Will you agree that removing that money from your department's budget for one company is an awful lot of money to be spending for so few people?

Hon. Mr. Hodgins: — Mr. Chairman, I once again want to emphasize that although a case could be made that the majority of those moneys expended were for the benefit of the Weyerhaeuser corporation, although that argument could be advanced, Mr. Chairman, I feel strongly, I feel strongly that if you look at this objectively, you will find that items such as the interchange of highways No. 55 and 3 in Prince Albert is being constructed this year at a cost of \$2.6 million, not solely for the benefit of the Weyerhaeuser corporation. I believe that if you were to ask the residents of Prince Albert, Saskatchewan and surrounding areas, that you would say indeed that interchange is much needed. It has been a bottle-neck for years, considered a safety danger, as a matter of fact, for some time. And indeed it would not be fair to state that the new interchange is only for the Weyerhaeuser corporation.

I would also say, Mr. Chairman, that the construction and the use of some of those haul roads are not single purpose, but they are used for other small contractors. They are used by tourists who come to this province and who do fishing, and hunting, and spending of their dollars in this province to the benefit of us all.

Furthermore, Mr. Chairman, these moneys that are being expended, that indeed will benefit the Weyerhaeuser corporation, in turn benefit the province of Saskatchewan — in turn benefit all people in Saskatchewan. And, Mr. Chairman, when you get a cheque like we did the other day for \$30.5 million, that is in part tied to the profits of that corporation, I think that it would be fair to say that a cheque like that is beneficial to all the people in Saskatchewan and will make a difference in this administration by having more money to spend on all the essential services that our government is involved in.

I would also say, Mr. Chairman, that specifically talking about the small timber companies, the small timber companies that use these roads in most instances now, they do not have to pay that toll fee that was in existence before. And I believe that that is a benefit to those small timber companies, to those small contractors. And I believe that it is recognized by many of them as being positive.

Mr. Trew: — Minister, moving to communications, subvote 7.

In '83-84, the budget figure for communications was \$491,000. In 1984-85, the actual number that was spent — this is a year later — the actual number spent was \$1,080,403.

This year you're forecasting \$724,000. Would you indicate, Minister, which advertising firms your department has used during the last year and the amounts that were paid to each firm. I'm also interested in a breakdown of how that money was spent. How much was spent on media campaigns and what was their purpose, publications, and how much was spent on ceremonies?

Hon. Mr. Hodgins: — Yes, I'll give you the name of the advertising company that we have used this past year, and that is Dome Advertising — I believe a company that is used by many, many departments in this government. It certainly is not an exclusive company that is used. There are many other ad agencies that are used, but for our department, we use Dome.

The total amount that we have used Dome for, '87-88, is \$197,426 — \$197,426. Now the members opposite might like to know what that has been used for specifically. The members opposite are indicating to me, Mr. Chairman, that that is an inordinate amount. They're saying that this is a high amount. Well \$197,000 is quite a bit of money, but I want to clarify that by saying that \$134,000 of that amount is used for the 60-kilometre-an-hour highway workers' orange zone.

Now, Mr. Chairman, I want to compare. I want to compare those kinds of moneys being spent on that specific program with items that the members of the NDP

government, back in '82 and prior to that, spent their money on.

Here's a program, Mr. Chairman, and I'll bet you've seen it on television. Here's a program that's called the orange zone and they've got some excellent advertisements. And the orange zone is basically the construction zone in which highway workers are working. And the ad is an ad to advise the motoring public to slow down, be careful, and be observant when you're in that orange zone — in that maintenance zone where highway workers are working.

And, Mr. Chairman, it is an ad campaign that has worked very, very well. I'm very proud of the driving public in Saskatchewan who have observed the orange zone advertising, and today for the most part are slowing down when they go through these construction zones. And the record of safety, or the record of accidents, is a very good one in those orange zones. And I say, Mr. Chairman, that the moneys that we have expended for that advertising campaign have been well spent when you consider that it is money being spent to protect the lives of our highway workers that are out on the job, outside on the front lines — on the front lines helping to maintain the large system that we have.

Now, Mr. Chairman, you compare that with the advertisements that you used to see under the NDP administration. Well what were those advertisements, Mr. Speaker, where a lot of their money spent on self-serving — self-serving advertisements, touting the glory and the grandeur of the family of Crown corporations that we all owned anyway? You remember, Mr. Chairman, the grandiose advertising campaign put on by the NDP administration that was self-serving, political, and grandiose that for the most part, or for a good part, was a waste of tax dollars.

Mr. Chairman, this amount of money that we have spent on communications and advertising for programs like the orange zone, the highway hot line, the highway map, the accident report, and various other ones, have been good programs and moneys well spent on behalf of the taxpayers of Saskatchewan.

Mr. Trew: — Well thank you for that somewhat lengthy answer, Minister. I can assure you that the orange zone ads are working very well. The orange zone in Elphinstone is doing very nicely. The orange zone in Saskatoon Eastview is doing very nicely also.

People are not slowing down to go through your so-called orange zones. They're, in fact, speeding up because often that's the only stretch of highway that's smooth enough you can get your vehicle up to 60 kilometres an hour at.

Minister, I'm interested in knowing what portion of the communication budget was spent for you attending conferences and what were the locations of those conferences and what was the purpose of those conferences.

Hon. Mr. Hodgins: — Okay. Mr. Chairman, I'll be very brief here. And respecting conferences — and I would assume you would be referring to out-of-province

conferences — well there was a conference on April 26 and April 27 of last year in Edmonton. It's the roads and transportation association meeting. I, in that year, was chairman of the board — a very good organization of which I was very proud and honoured to serve on. The total expense associated with my visit was \$554.60.

Mr. Trew: — Minister, in 1983-84 and then again in '84-85, your department's fleet was stable at 2,854 units. I'm talking equipment. In '85-86, that dropped to 2,703 units for a decrease of 5.3 per cent. In '86-87, your fleet expanded to 2,906 units. Can the minister provide some details on the department's current fleet of equipment used to maintain the province's highway system?

Hon. Mr. Hodgins: — I'm sorry, but my officials advise me that we do not have that figure with us this evening. I could not tell you exactly the number of pieces of equipment that we have in our organization at this time, but I would be pleased to have my officials look that up for you and provide that to you.

Mr. Trew: — Thank you. My research staff of one will indeed be heartened to know that our research was good enough to stump you on one question, albeit temporarily.

In mid-April, Minister, there was yet another, yet another disposal of Highways equipment. There's quite a list of equipment. And what I am interested in getting from you is information on the current capital costs of the equipment offered at these sales and the amount, the cash amount, that was realized in that sell-off, including not only the dollar figure, but how many pieces of equipment were sold off or auctioned off in this latest auction of the people of Saskatchewan's equipment.

(2030)

Hon. Mr. Hodgins: — The information that I have in those items that were surplus to Highways and sold at . . . The book value on the equipment is 391,628. The sale price that was realized, 409,959.

Mr. Trew: — Minister, I was not interested in the book value, but rather the current value. I am looking for the current replacement value of that equipment, if you were to have to purchase it new today.

Hon. Mr. Hodgins: — I'll just maybe clarify for the member opposite my previous figures that I gave to you. I'm advised that there were two separate packages that were disposed of. The equipment that was sold at Prince Albert realized 409,959; the equipment that was sold at Saskatoon totalled \$402,519.

Now the member opposite has asked: well what is the replacement value of that equipment? We do not have that, Mr. Chairman, nor would I commit to give that to the hon. member for the reason that we do not have that figure; and secondly, I do not feel that would be useful piece of my officials' time to go out and price today what the replacement cost would be of that equipment.

I can tell you, Mr. Chairman, that the moneys realized on the sale of that equipment were very similar and, in fact, higher, I believe, than the depreciated value of the

equipment; and overall the prices realized, I feel, were very representative of the value of that equipment.

Mr. Trew: — Well let me point out, Minister, that, for example, a chip spreader, there was one that was purchased in, I believe it said 1972, at a cost of less than \$40,000. A unit like this today would run in the neighbourhood of 75 to 80,000 American dollars. With exchange, we're talking 100,000 Canadian dollars being a realistic price for said unit.

The only reason that there was for that chip spreader to be auctioned off was because of your decision that it is now surplus and you're going to let somebody else do that particular work.

You are giving away equipment that has been purchased by the people of Saskatchewan to do a job on highways. Now my quarrel is not with the highway contractors. Okay? My quarrel is with you giving away that particular equipment. I'm not standing here and advocating that we want to build every single kilometre of road with the Highways crews. I am advocating that the very minute portion of roads that get any work done by the department crews, that should continue and indeed it should, if anything, be enhanced somewhat. But you can't do it when you start giving away equipment that was purchased for something under 40,000. It's worth \$100,000 today to replace, and who knows what you got for that particular piece of equipment. You're really painting yourself into a corner where you are totally, totally going to be at other people's mercy. So I'm interested in your comments.

I wish before you would sell off Highways equipment that you would take a look at the value of the equipment, because I think you would come to the conclusion that much of the equipment that you're auctioning off at fire sale prices and cheaper should be maintained; much of that equipment could be much better utilized by your own people.

Hon. Mr. Hodgins: — Well, Mr. Chairman, I will be brief, but I want to clarify something for the people of Saskatchewan. The member opposite has stated that we are giving away this equipment. The member opposite has asked for the replacement cost of the equipment. I know why, Mr. Chairman, because the member opposite will find out what the replacement cost is for that equipment and he will say, well you gave away \$20 million of equipment for \$1 million, like they did another time.

The facts are these, Mr. Chairman: this equipment was offered at public tender; this equipment has realized in the neighbourhood of 8 or \$900,000. Mr. Chairman, if you were to take this equipment list to somebody who is knowledgeable about the valuation on used equipment — take it to an equipment dealer, an equipment jockey, take it to an end user and you would find, Mr. Chairman, that the prices realized on a public tender system, available public tender to any person in Saskatchewan, that the prices received for this equipment were indeed very representative of true market value.

The members opposite will say it was worth \$20 million

or whatever figure they may dream up. The fact of the matter is, Mr. Chairman, the public decided what this equipment was worth at a public tender and these moneys will go into a pot so this department will be able to buy new equipment, replace equipment that needs replacing, and we'll be able to purchase new equipment.

Mr. Trew: — Minister, the people of Saskatchewan don't want the money to go into a pot. They want the money to go into the pot-holes. They want you to fix them so that those pot-holes are no longer there.

Would you give us details on the rental rates for equipment that is used on an hourly basis for highways construction projects? And would you provide the rates for that equipment for the years '83-84, '84-85, '85-86, '86-87, and then the year under review, '87-88.

Hon. Mr. Hodgins: — Yes, we'd be happy to supply that. I'd say we don't have that with us this evening but we'll certainly send that to you.

Mr. Trew: — Thank you, Minister. I want to turn to the gas tax for a while. In 1987, in his now infamous budget address, the Minister of Finance indicated that, after carefully considering the advice of the opposition and others, the government was in agreement that non-residents and interprovincial truckers should pay their fair share of highway construction and maintenance costs. Consequently, the government moved to apply a 7-cent-a-litre fuel tax to apply to gasoline, diesel, and aviation fuels, as well as propane.

Mr. Minister, your government is now projecting to collect \$148 million this year alone in provincial fuel taxes. That is substantially above anything ever collected by New Democrats by way of fuel tax. I remind you that a large part of why your government got elected in 1982 was the elimination of a fuel tax which in that year collected for the government \$98.5 million. Well you've increased that more than 50 per cent to \$148 million.

People might have some sympathy for a gas tax if they saw that additional 148 million, or whatever the amount you ultimately chose to collect, going to highway and road maintenance and repairs. They don't see that. It's just not happening, Minister.

Last year when your gas tax was first introduced, the Department of Highways was subjected to a decrease in what was spent. You saw that as a reduction in expenditures, somewhere in the order of \$18 million. This year, Minister, your department has again seen a reduction in the total expenditure devoted to the maintenance and development of our roads and highways.

Are we supposed to be appreciative of a government that plays a shell game with the people of Saskatchewan? Are we to be thankful that \$10 million for a highway rehabilitation program will almost offset the amount that this year your department is going to transfer to the property management corporation?

I ask you: is it appropriate, Mr. Minister, to congratulate yourself when all you've done is to divert capital and

maintenance funds so desperately required just — well, needed just about anywhere in the province — and you're diverting these funds to Weyerhaeuser, and you're simply not spending the \$148 million in fuel tax on roads and highways?

Hon. Mr. Hodgins: — Well the member talks about the fuel tax and the portion of which is rebatable to the citizens of Saskatchewan. Frankly, the fuel tax is not a tax that goes directly into the Highways and Transportation budget, nor was it ever, Mr. Chairman.

The fuel tax traditionally has — I think since day one, whenever that was — gone into the general revenues of the government. I'm sure that the member and I could get into a long discussion on where the fuel tax should go and how it should be levied.

I guess, Mr. Chairman, what I would like to see from the members of the NDP Party is a firm position and a firm stance by them on whether or not they, in their wisdom, would like to see the fuel tax such that it is not rebatable to the average citizen . . . and let your position be clearly known.

The facts are that in Saskatchewan there is a fuel tax. The fact is that a good portion of . . . or for the average citizen, I should say, that they may apply for a rebate.

Mr. Trew: — Minister, I can hardly congratulate you and your government for putting your position straight to the people of Saskatchewan. I quote: never as long as there's a Conservative government shall there be a gas tax in Saskatchewan. You recall any of your colleagues saying that? You may recall the member for Estevan, commonly called the Premier, saying those very words. And now you've got \$148 million gas tax.

I don't know how that squares with truth, with honesty, with integrity — it just is out in Never Never Land. You talk in terms that the opposition should be making our position clear; it's hardly relevant at this stage. We're doing Department of Highways estimates and we're asking what you are doing on behalf of the taxpayers of Saskatchewan.

You're collecting a \$148 million gas tax. You can show virtually nothing in the Department of Highways this year that wasn't there last year, or the year before, or the year before, or the year before that. So to what purpose is a road tax if it isn't to go directly into the roads?

(2045)

Fix those roads up. Make them so that once again they're passable. Make them so that once again we can be proud of our highway and transportation system here in Saskatchewan. Why don't you capture at least a significant portion of that \$148 million for highways? What are you doing as minister responsible for highways and Transportation to see that some of that money, some of that additional, windfall money for the government goes into what the people think it's going into? Every time we fill up with gasoline and we see 7 cents a litre, we think well at least some of it might find its way into the highway system, but it's clearly not happening. What are

you doing to change it so that that money does get into the system where it's needed?

Hon. Mr. Hodgins: — Well, Mr. Chairman, firstly, the statistic that you are quoting, \$148 million, I'm not sure where you get that figure. If it is indeed accurate — I'm not sure that it is — but if it is indeed accurate, Mr. Chairman, that may well be an estimate of how many dollars in total is collected by the government in fuel tax.

But, Mr. Chairman, it must be recognized, and the fundamental commitment that has been made — that has been made — is that a portion of that, or that tax that is paid by citizens in Saskatchewan may, on application, be refunded to them.

So the estimates that we are provided with, Mr. Chairman, are that, if it is \$148 million, that there will be a refund to the driving public in Saskatchewan, and the next fuel tax revenue that is supplied to the government is something like \$87 million. So the net revenue that the government receives is \$87 million.

The members opposite use the argument, well the fuel tax that is received by the government should be placed into Highways and Transportation, into the roads in the province. And that's a fair enough, logical type of argument; that's a fair enough, logical argument. The fuel tax that you receive, \$87 million, the NDP says, put that into the highway and road system in the province of Saskatchewan. Well in fact, Mr. Speaker, if you took the \$87 million received by the government and compared that with the total budget for roads and highways and streets that are funded by this administration, you would find that that expenditure adds up to \$253 million. Rural Development, Highways and Transportation, total budgets — \$253.5 million.

So in fact, Mr. Chairman, in fact the revenues received from the gas tax are \$87 million, the money spent on the road system in Saskatchewan is \$253 million, and I would disagree with the member opposite when he says, you can build road systems with just that gas tax revenue. It's not true, Mr. Chairman, and I believe I have outlined the case to you, that we are spending far in excess of what we take in from the road tax.

Mr. Trew: — So now my \$148 million is incorrect. Pointed out what the member for Kindersley, numbers he put forward in *Public Accounts* in 1982, and my numbers were correct. I pointed out some of your numbers from your Department of Highways own annual report — you didn't tell me that you made an error in your own departmental report. Well this time, if there's an error in the \$148 million, you better see your colleague, the current Minister of Finance. There may well be an error, but it's in printing on page 10: fuel tax, \$148 million — your estimates, 1988-89 estimates — again numbers that are accurate.

I am not for two seconds telling you that you can maintain a highway system on \$148 million. We are spending in Saskatchewan \$211 million this year — 148 is clearly inadequate. But last year you spent nearly \$203 million on highways; the year before that you spent a little more than that.

The point I am making is that since you reintroduced the gas tax, there has been no significant increase in spending on roads and highways. People who pay a gas tax . . . at least I always thought that a gas tax was something of a user-pay system. If you've introduced wear and tear on the highways and the roads, you pay for a little bit of it each time you fuel up. Clearly this is not happening under this scenario. The reintroduction of the gas tax was nothing more than a \$148 million tax grab.

You talk also in terms of the gas tax after the rebate netting 80-some millions of dollars. Sorry to correct you, but the rebate that is projected this year is going to be 51.4 millions of dollars. Again, obviously it's subject to perhaps a great deal of error recognizing where the numbers came from, the current Minister of Finance. He has been known to be as far as 300 per cent out. But until you table *Public Accounts*, these are the sorts of numbers we have to work with. Anyway, that nets not 80-some but \$96.6 million of which you should be capturing some money.

I want to deal briefly with the criteria used to prioritize, to assess and then prioritize the work that is to be done throughout our highway system. Do you have a map of Saskatchewan in your office hung up and you take darts and throw it at the highways, or does somebody do any assessment and an evaluation and suggest to you the order of priorities? Can you enlighten us a little bit as to how those choices are made?

Hon. Mr. Hodgins: — Indeed there is a system in place, Mr. Chairman, of prioritizing the roads in Saskatchewan that require upgrading or resurfacing or reconstruction, whatever the case may be. And there are many factors that are taken into consideration.

Something that we would look at, Mr. Chairman, would be, naturally, the volume of traffic on the road in question. We would look at the type of traffic on there — whether it is heavy traffic leading to some of the industries that are currently in use or are planned, that help diversify the economy.

We would look at the soil types. In different areas of the province there are different soil types, and highways do last longer or shorter depending on soil types. We'd look at the climatic conditions. In some areas there are heavy rainfalls; in some areas there are not. And that is a consideration when it comes to how you construct a highway. We look at the tourism routes within Saskatchewan, which highways are being used more and more, how can we attract tourists to Saskatchewan.

We look at the condition of the highway and have a very objective way of determining the condition or the riding quality. There are pieces of equipment that actually ride down the highway and measure very objectively, quantitatively, the riding quality on different highways in Saskatchewan. We look at the maintenance expenditures that we have expended on the particular highways in Saskatchewan. These are some of the factors that are taken into consideration.

The member opposite has used the example of myself

walking into my office and throwing darts at different areas of the province. I would suggest to the member opposite that that is indeed a slur, very much a slur on myself, and on the departmental officials who are very, very professional in their analysis, in their analysis of the needs and requirements of different highways in Saskatchewan.

Mr. Trew: — Minister, when you take a little tour around the province of Saskatchewan, you can hardly blame anyone for questioning how the assessment is done. It defies all logic when you have shear failures on No. 11 Highway, when you have many, many pot-holes on many, many sections of highway here in this province at any given time. It just defies logic how some of your decisions are made. I don't think you can fault anyone for suggesting that perhaps a dartboard was in use.

The residents of Pilot Butte have been told that the recently paved highway east of Pilot Butte is a temporary highway and that that highway will revert to a rural road as soon as the new No. 46 is built, as proposed, a half a mile north of the existing temporary highway. Is that information correct?

Hon. Mr. Hodgins: — I would tell the member that the item is under discussion at this time and that no final decisions have been made with respect to that road system in the vicinity of Pilot Butte.

Mr. Trew: — That's interesting because I've been talking to a number of the people that reside along that, what they think is a temporary highway. Those folks are going to be most interested in finding out what the real plans are, because they have purchased land, built there, wanting to get out of the city, out of heavy traffic.

We have a heavy oil upgrader coming on site, meaning increased traffic along that very highway. There is a high number of accidents there. It is indeed becoming a very dangerous stretch of highway. The people along there really want to know what is the real plan, because they have repeatedly been told this is a temporary highway — temporary.

Yet that's not what I'm hearing you say. You're saying, well gee now, maybe it's under review. I'm interested in anything you can do to enlighten me and the good people that reside along this so-called temporary highway.

Hon. Mr. Hodgins: — Well, Mr. Chairman, I am sorry I cannot give you with definiteness a decision on when that highway north of Pilot Butte may be built. No decisions are final. I do know that it is a sensitive issue. It is an issue of which I'm certainly concerned.

(2100)

I have visited with the member from Qu'Appelle-Lumsden on the issue and we are trying our best to resolve it. And when we build highways, we like to keep as many people satisfied as we can.

But I think, Mr. Chairman, the major point that I would like to bring up in addition to the specifics of the highway is the fact that improvements in that area have become

necessary, I believe, or become more necessary because of the new upgrader, the new Co-op upgrader that is being built right here in the city of Regina. It is very, very representative of many of the diversification projects that we have going on throughout the province, of which we are extremely proud. And although we do recognize that those projects do place additional burdens on our highway system, but, Mr. Speaker, projects like that are adding to the diversification of the economy, and I believe that that is good for the people of Saskatchewan.

Mr. Trew: — I am aware, Mr. Minister, that the member for Qu'Appelle-Lumsden has been involved in that. Indeed if you were to ask around in your department, you would find that there has been more than half a dozen plans on that very road, because every time a plan is contemplated, the minister starts interfering. And that is happening.

I wish you would call a public meeting out there. Call a public meeting with the folks of Balgonie. Let the ones that are living along that present highway know that you are going to be meeting and just see just what they have to say. I think you will find that they are willing . . . if you can give assurances that in a year the highway will be moved a half mile north, I think you might get out of there with your life. But if you were to say, it's going to be five or more years, I wouldn't want to be in your shoes going to talk to those folks about that highway.

Minister, in concluding . . . I just want to sum up. We've got a flashy rehabilitation program that is nothing more than smoke and mirrors — just nothing more. In fact, I would suggest to you, it's an insult to the people of this province because you have reintroduced a rather lucrative gas tax, piled \$148 million of taxes on the people of Saskatchewan, and the people expect to see some initiative taken, some increased Highways activity in terms of building and maintaining the road systems that we have.

Instead, Mr. Minister, we are seeing the highway system that continues to deteriorate as we speak tonight. Our roads and highways are getting worse and worse, not better and better — worse and worse all the time — maintenance budgets frozen at the levels that they've had for a number of years now, and they're woefully inadequate; capital spending that has been diverted into projects for Weyerhaeuser of Tacoma, Washington. And then, additionally, you funnel \$3.75 million, into the Weyerhaeuser treasury — not into highways, but into the Weyerhaeuser treasury — to pay for roads that the people of Saskatchewan have previously paid for. So you're asking us to pay twice. The only difference is this time the \$3.75 million can go to Tacoma, Washington where the parent Weyerhaeuser company is.

Roads and highways in Saskatchewan, Minister, are a disgrace. They're taking their toll on the people of Saskatchewan; they're taking their toll on the vehicles of Saskatchewan. We desperately need some things to be happening in terms of highways. I very much urge you to get on with the twinning of No. 1 Highway. You may recall, in 1982, a promise to twin No. 1 from Manitoba to Alberta, and not a whole lot of action has happened in the ensuing seven years. There has been nominal work done.

There were also promises in 1982 of twinning the Yellowhead, again, province to province — Alberta to Manitoba. I can suggest to you, Minister, that at the present rate we are going, it's going to be some time about 2040 before we will even notice any significant twinning of the Yellowhead. The rate is simply unacceptable. You've got a vehicle traffic count something in the order of 5,000 vehicles per day on the Yellowhead, and it's woefully inadequate in a great many areas.

So, Minister, just before I sit down, I would like to thank your officials for their attendance and you for coming forth with the answers that you have. I anticipate the written response to those queries that you had indicated earlier you would send answers across in writing. So thank you for going through these estimates this year.

Hon. Mr. Hodgins: — Thank you, too, for your questioning. I'd like to not prolong the debate, just to bring up a couple of points.

Firstly, Mr. Chairman, the \$10 million rehabilitation program is certainly not smoke and mirrors or anything of the sort. It is \$10 million of hard-earned money by the taxpayers of this province that is going directly into the highway system. More specifically, that \$10 million will allow an additional 138 kilometres of paved highways to be resurfaced, and that is indeed significant.

With respect to the maintenance area of the budget, the maintenance amount in this year's budget is identical to that of last year's. overall maintenance expenditures on our highway system, comparing the last four years with the last four years of the NDP administration, you're looking at a 70 per cent increase.

So indeed, Mr. Chairman, we are spending a significant amount of money on our highway system. I do not deny that more money is needed, more improvements are needed to our highway system. The member opposite has brought up some examples this evening that indeed are fair and reasonable.

I thank the member for his questions and comments on Highway No. 11. I once again want to emphasize the tender contract that was let out very recently on Highway No. 11 for something in the neighbourhood of \$1.7 million — a fair bit of money.

The member opposite has chatted about four-laning of highways. Indeed four-laning is something that we are currently working on, and working towards more four-laning. However, I do want to point out that four-laning is an expensive, expensive exercise. And just for the public's information, to put the additional lane on a highway, in round figures, would be about a half a million dollars. So for every mile, every mile of a full four-lane highway, she's a million dollars, Mr. Chairman.

I think you and I know that today in Saskatchewan, money is not abundant in the government coffers. We're trying our very best to manage that big road system that we have in Saskatchewan with the funds that are available, and I believe doing a very good job of that.

And when I'm speaking of good jobs, I too would like to thank my officials in the Department of Highways and Transportation. These officials have served me very, very well, and more importantly, Mr. Chairman, served the people of Saskatchewan extremely well. I know from my experience with these men and women that these people have the interests of people of Saskatchewan very much in their mind, and I want to commend them on the work that they have done in the past year. And I say sincerely that I look very much forward to working with them again this year, and it's just a pleasure to be Minister of Highways and Transportation.

Item 1 agreed to.

Items 2 to 18 inclusive agreed to.

Item 19

Mr. Trew: — Thank you, Mr. Chairman. A note on this item. There's an increase from \$8,267,600 to \$9,055,000; this is payments to the Saskatchewan Property Management Corporation which is yet another branch of your government. You're taking \$9 million out of the Department of Highways budget now — that's \$9 million that should be spent on building and maintaining our highways and streets and roads system.

But my question, Minister, is: what accounts for the increase, such a large increase, from 8 million two and a quarter — \$8.25 million to \$9,055,000?

Hon. Mr. Hodgins: — It may be important to know that in 1987-88 the figure was based on an estimate, or estimated rental areas, and throughout last year the rental area inventories, or how much space we were actually renting, was finalized, and that did result in some adjustments to that original figure.

In addition, there are a number of other projects coming on stream in '88-89 which will increase rental costs to the department, and I speak of a few new shops, I believe, that are being constructed, or areas that . . . in the maintenance area where we keep some of our equipment or stockpile certain items.

So those are the projects, and I could list them for you, but suffice it to say that the last year was an estimate, and there are some new projects respecting supply buildings and lab rooms and steam rooms and those types . . . weigh scales that are being constructed this year.

Item 19 agreed to.

Item 20 — Statutory.

Item 21 agreed to.

Item 22 — Statutory.

Vote 16 agreed to.

Supplementary Estimates 1988 Consolidated Fund Budgetary Expenditure Highways and Transportation

Capital Expenditure — Vote 17

Item 1 agreed.

Item 2

Mr. Trew: — Thank you again, Mr. Chairman. A simple question: why is it that every year we see the urban surface transportation dollar value dropping? It is now nominally over half of what it was when your administration took office. Never mind inflation, in terms of dollars it's less than half.

Is this part of your final solution for the cities of Saskatoon and Regina and Moose Jaw and P.A. and The Battlefords, where they've elected New Democrats, or what is behind this constant, and now becoming very irritating, drop in urban surface transportation payments from your department to the urban areas of Saskatchewan.

(2115)

Hon. Mr. Hodgins: — In fact, Mr. Chairman, if you were to look at this year's budget closely, you would see that there has been an increase in urban assistance from 5.1 to \$5.5 million.

The member opposite brings up the fact that this amount, even this \$5 million, is less by a significant amount than it once was. Indeed there were larger urban assistance budgets at one time.

And there was also large projects in those areas that are now complete, and I speak of Circle Drive in Saskatoon, for instance, I think was something like over \$30 million in Saskatoon. And that was a significant project for the municipal as well as the provincial government. And some of those major projects — Saskatchewan Drive here in Regina, for instance, is another big project — those are finished and indeed urban assistance grants have been cut in the last number of years.

It is something that I have a big concern about, and I do know that the Minister of Urban Affairs, in fact, has discussed this with me at length, and it is something that we are very concerned about.

On the horizon, there are a number of projects that both the city of Saskatoon and the city of Regina, for instance, let alone the many other cities — city of Melfort, the city of Estevan, the city of Melville, the city of Yorkton — all of these cities have placed requests before this government, and I am hopeful that at some time we can have increases in the urban assistance program. I am sure that the people in all of those cities have a great deal of confidence in this administration, that their needs, as well as the needs in rural Saskatchewan, will be well served by this administration.

Item 2 agreed to.

Items 3 and 4 agreed to.

Vote 17 agreed to.

Supplementary Estimates (No. 2)**Consolidated Fund Budgetary Expenditure
Highways and Transportation
Capital Expenditure — Vote 17**

Item 1 agreed to.

Vote 17 agreed to.

Mr. Chairman: — I would like to thank the officials for all their help this afternoon in going through Highways and Transportation, and to the minister and also to the opposition critic for their help in reviewing Highways and Transportation. Thank you.

**Consolidated Fund Budgetary Expenditure
Education
Ordinary Expenditure — Vote 5**

Mr. Chairman: — I would ask the minister to introduce his officials.

Hon. Mr. Hepworth: — Thank you, Mr. Chairman. To my right I have Lawrie McFarlane, who is the deputy minister for the department; behind him, Mike Benson, executive director, finance and administration; and beside Mr. Benson is Elizabeth Crosthwaite, who is assistant deputy minister of skill training. And in the event that we get into kindergarten to grade 12 tonight, as well, it may well be that Marine Perran, acting assistant deputy minister, curriculum and instruction, could join us.

Item 1

Mr. Rolfes: — Mr. Chairman, I had expected the minister to make an opening statement, but I want to, at the outset, thank the minister for sending me some information. I just had a chance to peruse this very quickly. I want to indicate to the minister, unless I am missing something here, there will be some additional information that I would want which is not included in here, but I'll leave that for a moment.

Mr. Minister, in examining the estimates of Education, I think it's necessary to go back in time just a bit and to see where we were at in Saskatchewan in education, and where we are at today, and what has happened since you have taken over this particular portfolio. And without seeming to be too critical, Mr. Minister, I think that, I think the education process here in Saskatchewan certainly has deteriorated since you have come to that portfolio. I think that's not being unfair.

The relationships that exist today between the Department of Education, the Saskatchewan Teachers' Federation, the Saskatchewan School Trustees Association have certainly deteriorated, and those do not come from my lips. I can substantiate that — press release after press release by those organizations, public statements made by those people. And I don't think that many of those people — in fact some of them, I know, belong to your political persuasion, but felt that because of the interest of education, they were forced to make these statements.

Mr. Minister over the years, as long as I can remember — and I've been involved in education since 1956, that's 32

years ago — all the Ministers of Education have always worked on the principle that the education process works best in Saskatchewan if we used a co-operative and a collaborative approach.

In other words, if there are some major changes made in the philosophy of education or the objectives of education, the Ministers of Education that I can remember — and I remember many of them — always came before the Saskatchewan Teachers' Federation and before the Saskatchewan School Trustees Association, called them in and said hey, look it, we need to look towards the future. We need to change things; we need to change our emphasis and need to change our objectives.

And this approach was worked out collaboratively and co-operatively and even, Mr. Minister, your colleague, the former Minister of Education, if she were here, I would compliment her on that. The former Minister of Education, the member from Swift Current, because of her association, I believe, with the School Trustees Association, had a real appreciation of the process. Even though many of the people out in the fields may not have agreed with where she wanted to take education, agreed with her process, and that is that she would consult. She would consult with the STF (Saskatchewan Teachers' Federation), and she would consult with the SSTA (Saskatchewan School Trustees Association) before she made any major changes. But since you have taken over, Mr. Minister, we have heard from you or from your department, through your spokesperson, unilateral decisions without any consultations whatsoever.

And the STF and the SSTA have been very irked and frustrated with this process. I say to the minister opposite that that has got to stop. If the process of education is to proceed, and if we are, as you, yourself, said last year and have said on a number of occasions, we are to meet the challenges of the 21st century, then there has got to be that co-operative approach.

And you simply can't come down and say, this is the way it is; I know best. I can show you again, if you say that, well that's only the NDP.

I've got ample evidence here to show you it's not just me. It's not just me, it's not just the NDP, but it's people of the trustees association, educators, directors of education, people of the STF, who have been annoyed and frustrated with the process.

So I say to the minister, unless that changes, you cannot be successful and will not be successful in your desire — and I think it is sincere — of meeting the challenges of the 21st century. It simply can't be met unilaterally.

When *Directions* was established in 1980 by the former government and brought forth its report in 1984, they had, I believe, 16 major steps that they said we have to undergo and carry out in order that we can meet those objectives and the challenges of the 21st century. And unless those are carried out co-operatively, you're not going to meet those. Neither you nor your deputy can go out there and say to people, this is the way it is, because we know best.

Now we think, or I think, as the minister may say, I think that people out there and parents are not satisfied with the evaluation of the school system. Therefore, we need standardized tests without having any consultations again with the SSTA or with the STF. And there is just no way, Mr. Minister, that that will work. It simply will not work in this province. That's not the way that we have progressed. We have built one of the best educational systems anywhere in North America, but it's been done through the co-operative approach. It has never been done unilaterally by the Department of Education, but has been worked out through a team effort.

I would say to the member from Swift Current, I just complimented you while you were not here. If you heard me, I want to say to you, although those of us who were in the field at the time sometimes disagreed with where you wanted to take the department, and education, we certainly appreciated your co-operative approach and your consultation. We certainly appreciated that.

I want to say to the present minister, and I want to ask him again: have we gone to the point now, have you made those changes to the department that you made unilaterally without any consultations? Have you made all those changes that you had to make, or in your mind you had to make unilaterally, that now we can go back again and you can patch up all the harm that you have done and get on with the work of developing a good educational system? Are you finished with your unilateral decisions? And are you going to start again with a co-operative approach?

(2130)

Hon. Mr. Hepworth: — Thank you, Mr. Chairman. I think education has always been . . . the feature of education has always been the co-operation amongst all the major parties, the Department of Education, LEADS (League of Educational Administrators, Directors and Superintendents), teachers' federation, the school trustees, the home and school associations, and some of the other ancillary organizations.

We, although I guess your perception obviously is not the case, but my desire and our practice has been to continue that consultative and co-operative mode with all the major players. And that's been the practice in the past and, I suspect, will be the practice in the future.

Mr. Rolfes: — Mr. Chairman, Mr. Minister, it's not my perception. If you want me to, I'll take the next hour or hour and a half and read to you from educators and trustees throughout the province — throughout the province — who have stated their perceptions of what they felt has been going on in this province while you have been the minister.

Mr. Minister, at least I think you should be man enough to admit: all right, I made those decisions, I felt they had to be made and I made them, but I made them for the good of education.

If you can't do that, then at least admit that maybe you got going on the wrong foot, and that you didn't realize, as one of the people in here has said, that's the problem that

you have when you leave education to those who don't know anything about education. You don't know anything about education and the process that's going on. That doesn't mean that you're not educated; I'm simply saying that you don't know anything about the process of education, and there is a difference. There is a difference.

Mr. Minister, would you mind telling me, last year you fired or dismissed or retired or whatever word you want to use — and I don't want to use too high a hyperbola to get things going — but can you tell me of all those people that were let go in the Department of Education, how many of those positions have you refilled or rehired or whatever the term may be? How many of those have you replaced?

Hon. Mr. Hepworth: — Well I can't give you what you asked for specifically, not that I wouldn't if I could. And the reason I can't is that with the reorganization of the department, for example, we might have had two positions of . . . relative to planning; now there is one. We had two finance and administration; now there is one.

But what I can tell you is that all the management positions are filled. The department is staffed, and I have nothing but the utmost confidence in the officials who work for our government and in Saskatchewan education on behalf of all of the public of Saskatchewan. And I think it's safe to say that they enjoy a good working relationship with their counterparts in public education.

Mr. Rolfes: — Mr. Minister, I know you can do better than that. Let me rephrase the question. When you did your reorganization, you had certain bodies available. You said, all right, we don't want the people from kindergarten to Grade 12; we dismiss those. All right, we have now the secondary school bodies available; I will place them in those positions.

Once you had placed all of those people, I want to know how many additional people you hired since that time. How many additional people did you hire since that time, once you had reorganized?

Hon. Mr. Hepworth: — The new staff on the kindergarten to grade 12 side as best as my official scan recollect over this last year would be Dr. Fred Renihan, Brenda Beug. The new senior management individuals would be Dr. Fred Renihan, Brenda Beug, Sandra Klenz, Barry Mitchke, and then some regional directors, Ernie Chymystruk, Brian Keegan, and Alex Postnikoff.

Mr. Rolfes: — Mr. Minister, I want you, for tomorrow if you can, so we can expedite these matters a little bit quicker, I wonder if you could give me . . . if you can give me the names of the people and their salaries.

I want you to note on the estimates on subvote 8, curriculum and evaluation, person-years for last year, 1987-88, we had 35.3. This year we have 51. I want to know who the people are that you have hired in that particular area, and I want to know why they had to be hired, because many of the people that you let go were in that particular area and were responsible for curriculum development for the new core curriculum. So if they weren't needed before because of reorganization, why do we need them now? Why did you let go the vast

amount of experience that you had in order to hire people that probably don't have that same continuity and that same memory as these people had? If you can have those answers for me for tomorrow, I would appreciate that then, otherwise . . . or Wednesday, whenever we continue.

Hon. Mr. Hepworth: — . . . (inaudible) . . . I'll do it tomorrow.

Mr. Rolfes: — Well I doubt if we'll get to it tomorrow.

Mr. Minister, the other thing I want to draw to your attention: did I ask for your ministerial staff; you gave me the ministerial staff and their salaries, but I had also asked you for the increase in their salaries, which is not here. I don't have the increase; I don't know what they made last year and what they're making this year; I just have one figure. So if you can give me the increases, I would appreciate that.

The other thing I do want to note, Mr. Minister, when I was the minister of Health and also a member of treasury board, I had two executive assistants — two executive assistants. You have listed here one, two, three, four, five, six ministerial assistant — six ministerial assistants, and yet we say that we don't have any money for the ordinary expenditures for ordinary people out there. Six for the Minister of Education. When I was the minister of Health I had two. I wonder why the difference in having to have six, and two of those are on . . . an additional two that are on leave, I believe . . . (inaudible interjection) . . . Pardon me? . . . (inaudible) . . . Didn't have any. Couldn't afford it.

Mr. Minister, I do want you to simply tell me why is it necessary, or maybe this is the common practice for all the ministers to have at least six ministerial assistants. Is that true, or do you have six? Do you mind answering that for me?

Hon. Mr. Hepworth: — No, I think the . . . although you might like to try and suggest that somehow I have bloated office staff, the explanation is this. I would suggest that when you were minister, you probably did not include your secretaries as ministerial staff, and indeed the bottom four on that sheet I sent over to you are all secretarial staff. I think that puts quite a different colour on the numbers. After that, I think we have a pretty normal sort of complement.

Mr. Rolfes: — It may be normal for nowadays. I've been out a few years. When I was out in the real world at the retirement of the wishes of the people of Saskatoon South, we found out what the real world was like, and I'll tell you, in the school that I was in, we had to cut back, we couldn't increase. This is at least a 70 per cent increase from what I had as a staff.

An Hon. Member: — You're not being truthful.

Mr. Rolfes: — Well, okay, let me tell you . . .

An Hon. Member: — How many secretaries did you have?

Mr. Rolfes: — Two, two, okay, and you have six — 50 per

cent increase — 50 per cent, which I had to take a 20 per cent cut in my school. Mr. Minister, a 50 per cent increase in your staff but a decrease for many of the staff in the schools, as I will read to you from many of the letters that I have received from teachers who had to cut staff because your school grants were simply not sufficient.

Mr. Minister, I want to ask you one further question. A few weeks ago, or maybe a week ago, one of your colleagues, and I don't have the quote here, but one of your colleagues said that it's about time maybe that school boards and school officials have a look at how they're expending their moneys and that they better become more efficient. And I read this in the paper. I was wondering, Mr. Minister, whether you agree with your colleague that school boards out there are inefficient and have too many staff and that they should reduce their staff and be more efficient. Could you indicate to me which school boards your colleague had in mind, and why he thinks, and whether you agree with him, that school boards are, generally speaking, inefficient and could certainly cut staff and improve their programs with the moneys that they are receiving from your government.

Hon. Mr. Hepworth: — My view is that, and I think the view of most boards would be, that they always would strive for maximum efficiency. I think that goes without saying. At the same time, based on some research that we've done which we have shared with the chief financial officer, the chairman of the board, and the director for all boards in the province, at a series of four regional meetings we shared with them some research that showed a fairly wide variation in some areas of expenditure.

(2145)

Now there may well be very good reasons for all of it, and we said that at these meetings. At the same time there may be some things that some boards are doing that are particularly efficacious and that other boards might want to know about or to pursue or to see why their numbers are different. If there's a very good reason, fine.

I'll give you some examples of what I'm talking about. If you compare, for example, the administration costs across the province, based on audited statements from 1986, you'll find the variation — and this is on a per pupil basis — the variation runs from \$50.46 for the lowest to a high of \$408.56. If you compare, for example, the instruction cost per pupil, you have a variation from \$1,991 to 3,493. Other instructional costs vary from a low of 111 to a high of 849. Plant operation varies from 160 to 1,453. Now if one examines the variation between the averages, or the medians, or the norms, or whatever number you want to pick out, and compare, say, an individual school board against those numbers, it may well be that there's very good reasons. For example, if you were spending \$408.56 per pupil on administration, there may be very good reasons why you're at 408 and yet another board is at 50.

At the same time, I think boards might find these useful and serve as a yardstick to measure their performance or, more importantly, as a diagnostic aid to see if there is something that one board is doing that they are not. And

our whole approach here is to help them to be as efficient as they possibly can. And to that end we've generated some of this data for their use.

Mr. Rolfes: — Mr. Minister, I don't disagree with that at all. All I'm asking you to do is, I think you'd better find a different colleague to be your spokesman for you because he irritated a lot of people out there when he accused school boards of being inefficient and told them to have a look at their budgets and at their programs and telling them, telling them that they have to be more efficient when at the same time your operating grants don't keep up with inflation.

Over the years, Mr. Minister, since 1982, the operating grants, the operating grants — and I want to distinguish that from the capital grants because I'll get to the capital grants later — but your operating grants certainly have not kept up with inflation. In fact, they're way under inflation, way under inflation. Inflation in Regina and Saskatoon have gone up about 29 per cent over that period of time, in six years. Divide that by six and you come out to about 4.9 or round it off to 5 per cent — 4.7, 4.8, 4.9 per cent was the inflation rate. Mr. Minister, I've got the inflation rates right here from Statistics Canada. I've got them right here.

An Hon. Member: — So have I.

Mr. Rolfes: — Well I mean they've got to be the same. So we can't, we can't argue on that. What I'm saying is that, okay, they were at 29 and 30 per cent for Regina and Saskatoon. Divide by six gives you about 5 per cent. Your operating grants at that . . . Mr. Minister, I want you to, if you don't agree with me . . . I went to the estimates of 1982-83. The operating grants at that time were \$299,228,620.

This year, 1988-89, the operating grants are \$336,831,400, or they've gone up by 12.57 per cent. Six years — divide that by 6 and you come out with 2.1 per cent average increase. Some years they were up a little higher, other years they were minus.

I want to ask you, Mr. Minister: how do you justify, and how do you justify the comments of your colleague who says that school boards are inefficient when, on average, the inflation rate in this province, using them from Saskatoon and Regina, were almost 5 per cent, and yet the operating grants were a little over 2 per cent on average? Now how can you and your colleagues make the accusations that our school boards are inefficient?

I think school boards have done a pretty good job under those circumstances in trying to maintain the quality of education that they have. And certainly the quality has suffered, but through no fault of the local school boards. The fault has come from this government, not from local school boards.

Mr. Minister, I want you to tell the people of Saskatchewan tonight how you can justify an average inflation rate of 5 per cent and operating grants increasing by 2.1 per cent, on average?

Hon. Mr. Hepworth: — Well, Mr. Chairman, and

members of the Legislature, what we see here is really an incompetent and incomplete examination of the estimates.

The member refers to the year '82-83, and when it comes to CPI (Consumer Price Index) the index in 1981 is 100. The increase to '88-89 is 40.1 per cent. So I acknowledge there's been inflation, but how can you, a man, a scholar yourself, if you like, how can you stand and talk about what's being spent and operating, and yet ignore the education development fund, which wasn't even there in '82-83? And how can you ignore things like pensions and dental benefits that don't show up in the operating subvote but yet contribute to inflation?

Now any man, even of your intellectual stature, would know that if you're going to compare oranges to oranges you have to include those. You can't say I won't include dental benefits and pension benefits in the formula, even though they contribute to the CPI — the inflation index. You can't have it that way, my friend.

I would suggest to you the only way you can have it is you pull out the effect of pension plans and dental plans, for example, on CPI. That's the only way you can do it if you've got to compare apples to apples and oranges to oranges. Because I'll show you what happens when you, in fact, compare apples to apples and oranges to oranges.

The total grants have increased by 55.26 per cent, or if you look at it on a per pupil basis it's 57.7 per cent, and that probably tells that enrolments are at best static or perhaps have declined some modest amount over the last few years. But by every measure, that is more than 40.1 per cent. Whichever measure you care to use, it's more than inflation.

Mr. Rolfes: — Mr. Minister, it makes absolutely no difference to the school board in their operating their school system whether you give teachers a dental program. That's separate from operating a school district. It makes absolutely no difference to the school board whether you say to teachers that they can retire at age 50 without any penalty, or 30 years and out without any penalty.

Let me, before the minister gets irritated with that particular statement, I want to say as far as the teachers are concerned, we appreciate those things. I am now speaking on behalf of school boards and their operations. Mr. Minister, the only way that the school boards have been able to operate is because they have increased the property taxes substantially. Let me give you two examples. I'll use Regina public and Saskatoon public. Regina public, in 1982 received 43 per cent, received 43 per cent of their funding from the provincial government. Today, Mr. Minister, that, I believe, is about 35 per cent, maybe 36 — 35 or 36 per cent — substantially gone down.

Mr. Minister, the Saskatoon public school system in 1982, I believe, received 49 per cent of their fund from the provincial government; now they're receiving 33.9 per cent of their funding from the provincial government. The rest is coming from property taxes.

Mr. Minister, my point is simply this: we want to talk about operating grants, the cost of running a school system. You have shifted the responsibility from the provincial government to the local taxpayers. And this past year what you have done is, you've simply changed the computational mill rate by two mills and have jacked it up at the local level, particularly for the city schools, and then you have only increased their operating grant by 2.1 per cent, but inflation is close to 5 per cent. So what happens is the school boards have to raise taxes again.

Mr. Minister, when it comes to operating grants, and let's leave out . . . And let me say again, Mr. Minister, I appreciate the educational development fund. I can tell you tonight that when that announcement was made, and I was in the field of education, there was great joy in the schools because they felt that finally here was a pool of money that could be used to do some of the innovative projects that they had wanted to do for some time. And I thought that was quite ingenious on this government's part to come up with that program, and you got a lot of kudos out there for it.

But last year, again unilaterally, you withdrew it, half of it, and said, we'll stretch it over 10 years. And I want to say to you, Mr. Minister, that I have again — and I have from almost every one of the back-benchers there — letters from teachers in your constituency who are complaining about, who are complaining about . . . (inaudible interjection) . . . No, oh no, the member from Wilkie says NDP members, and I will, if you want me to, I'll read some of the names, because they have PC memberships. And they're very annoyed with what has happened.

But let's put those things aside, Mr. Minister. I'll give you credit for those things. I'll give you credit for those things. Let's now examine, let's now examine what has happened with the operating grants and compare that to inflation. You simply have not kept up with inflation. And what you have done is you have shifted the responsibility of providing for education to the local boards. So I'm asking you again, Mr. Minister, do you think it is justified on the part of your colleague, the Minister of Urban Affairs, to criticize school boards for being inefficient and for raising the property taxes when your operating grants have simply not kept pace with inflation? Would you answer that for me, please?

Hon. Mr. Hepworth: — Well the hon. member raises the example of one specific jurisdiction where the percentage of their budget that they received from the provincial government has decreased over the last few years. But as he well knows, with that equalization formula that his party used when they were government, for every jurisdiction that has a decrease, somebody else gets an increase, because it has to do with fairness and equity and ability to raise money, number of enrolments — those kinds of things.

What we have — the argument that would be more substantive is, has . . . The question that would be more substantive and make more sense to debate is, has the government somehow off-loaded its responsibilities onto the local jurisdiction in a global sense? And to do that, the traditional index used by your ministers of Education when the NDP were in, and ours, is to compare the

percentage funding globally, locally, and provincially. And the province was spending, in 1982, 52.6 per cent of the expenditures on Education were coming from the province; the estimated for '88 is 51.3. You can see virtually the same kind of number — very little change.

Another measure that's pretty commonly accepted is, if somehow we had been off-loading our responsibility on the local boards, you would have seen the boards respond with massive mill rate increases. So the question is, have we seen massive mill rate increases? And the answer is no. We can look at 1987 — it was zero; 1986, plus .25 of a mill; 1985, zero; 1984, it was five and a half.

So I would suggest to you, Mr. Chairman, and to the hon. member opposite, that by every measure the province is not off-loading its responsibilities onto the local jurisdictions. But yes, the equalization formulas that has been there to provide fairness and equity is still the formula that we use.

The committee reported progress.

The Assembly adjourned at 10:01 p.m.