

The Assembly met at 1:30 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Hon. Mr. Penner: — Thank you very much, Mr. Speaker. I would like to introduce to you and through you to the rest of the Assembly some students from Swift Current, from Irwin School. There are 110 students here today. They're all in grade 6 and they've filled your gallery, Mr. Speaker, and they've filled half the west gallery. And I'm sure that with all that many Swift Current people in the crowd, the decorum of the House will be much better than it normally is.

I would also like to introduce their teachers, Ms. Donna Stinson, Bert Gould, Norm Buchanan and Dave Niessen, and two chaperons, Dawn Leshures and Colleen Wallace.

I plan to meet with these students after question period and we'll share some refreshments together, and I hope that they have a good day in Regina. Please welcome them.

Hon. Members: Hear, hear!

Ms. Hamilton: — Thank you, Mr. Speaker. I would like to introduce to you and through you to the members of the Assembly, for the hon. member from Regina Dewdney who is not able to be here today — is out of Regina — 22 grade 4 students from Henry Braun School in Regina. They are accompanied by their teacher, Mrs. Dorgan, and by chaperon, Mrs. Gullickson.

They've had a tour and are now going to be present for question period, and I'll meet with them at 2:15 for pictures and questions. I'm sure they'll have a number of them from their tour and from the proceedings today. And we'll also meet with them for refreshments in room 111. So I'd ask members to join with me and welcome the members from Henry Braun School.

Hon. Members: Hear, hear!

Mr. Flavel: — Thank you. Mr. Speaker, I want to introduce to you and through you to the members of the Legislative Assembly, 8 students from Nepean, Ontario. They're part of the Canada 125 Exchange — I hope I got the name of the town right — part of the Canada 125 Exchange group.

They're accompanied by Kathy Munroe, Gloria Cameron, John and Cindi Vanderzwan, Lynn Bakken, and their bus driver, Gary Erhart. They're in Regina this morning at the RCMP (Royal Canadian Mounted Police) museum and I believe they're going to the IMAX theatre tonight, or over to the centre anyway.

We're delighted that they would take time out and visit our lovely Assembly and our building and so forth. And I ask the members to join with me in welcoming them.

Hon. Members: Hear, hear!

Mr. Devine: — Thank you, Mr. Speaker. I want to introduce to you and through you to members of the legislature, a group of students from Peterborough, Ontario. They're with Voyageur Canada '92.

And they're seated in the east gallery, Mr. Speaker, and they include people like Jennifer Faulkner, Lindsay Scott, David Gilbert, Derek Smith, Michael Burchell, and Shannon Heins. And with them as well are people like Jason Rogers from Estevan, Nadine Victor and George Marcotte of Estevan. And the contact person for Voyageur Canada '92 is George Marcotte.

So I would ask all members of the Saskatchewan legislature to welcome these people into the province of Saskatchewan, particularly given our 125th anniversary coming up. Thank you, Mr. Speaker.

Hon. Members: Hear, hear!

Mr. Sonntag: — Thank you, Mr. Speaker. I would like to introduce to you and through you to the rest of the members of the Assembly here today, 13 grade 7 and 8 students from the fine, fine community of Makwa, Saskatchewan. They drove all the way down. I'm not sure whether they came down last night or drove down early this morning . . . (inaudible interjection) . . . Last night? Good.

With them is their teacher, Charles Stein, chaperon, Eleanor Stein, and also the bus driver, Charles Stein as well. If the rest of the Assembly would join me in welcoming them, I'll be meeting them shortly after for drinks.

Hon. Members: Hear, hear!

Ms. Bradley: — Thank you, Mr. Speaker. Mr. Speaker, I would like to introduce to you and through you to the Assembly here today the new federal candidate for the New Democrats of the constituency of Regina Wascana, Donna Shire, who is sitting in the west gallery, and I ask all members to congratulate her and to wish her a warm welcome.

Hon. Members: Hear, hear!

Mr. Hagel: — Mr. Speaker, it appears as though there's a former member of the House who has attempted to sneak into the building unobtrusively but not been able to do so, and I would ask all members to extend a warm welcome to the executive director of the Canadian Wildlife Federation — who is seated in the east gallery, Mr. Speaker — Colin Maxwell.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Mr. Kowalsky: — Thank you, Mr. Speaker. I would like the members of this Assembly to join me today in congratulating the people of Prince Albert who have taken a bold step forward into the future of health care in

our province. Five health care organizations, Mont St. Joseph Home, Pineland district home care, Northern Housing Development, Victoria Union Hospital, and the Holy Family Hospital have joined together to operate under the mandate of the newly established Prince Albert Health Board.

This grass-roots accomplishment was initiated by the community itself and reflects a community's commitment to an improved health care system. The new board reflects the interests and make-up of the community. It is made up of aboriginal, urban, and rural representatives with Jan Kernaghan assuming responsibility as chairperson.

I asked the members present here today to join me in congratulating the community of Prince Albert for their vision and their initiative, and wishing the new Prince Albert Health Board members good fortune as they provide leadership towards a more effective continuum of health care based on wellness into the future.

Mr. Devine: — Thank you, Mr. Speaker. Just a word that was in one of the energy magazines that I'm sure people here in Saskatchewan and across Canada will find of interest:

Federal Energy Minister Jake Epp and Russian Atomic Energy Minister Viktor Mikhailov have signed a memorandum of understanding to expand and strengthen co-operation for the peaceful use of atomic energy. The memorandum was signed during Epp's visit to Russia and the Ukraine. Parties agreed on areas of co-operation including safety of channel reactors; development of district heating reactors; nuclear waste storage technologies; development of nuclear fuel cycles; plant decommissioning; nuclear applications in medicine and agriculture; and exchange of information on questions of medical radiology.

We wish to congratulate the Federal Minister of Agriculture, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Hagel: — Thank you very much, Mr. Speaker. Mr. Speaker, the people of Saskatchewan and particularly Moose Jaw are proud of the long association with the Canadian Forces base in Moose Jaw in excess of two generations. The Canadian Forces Moose Jaw, of course, is the home of the world-famous Snowbirds, one of the finest aeronautic performance units in the entire world.

On Saturday, Mr. Speaker, I had the privilege of presenting the Government of Saskatchewan trophy for highest overall graduation performance to flight trainees as they earned their wings at Canada's pilot training school in Moose Jaw. It was the highest number of grads ever from one class — 18 — from six different provinces, and three of the grads were from our own home province of Saskatchewan.

Mr. Speaker, these are the cream of the crop, and I would ask all MLAs (Member of the Legislative Assembly) to join in wishing congratulations to the potential Snowbirds of

the future, and to wish them a distinguished career in service of Canada.

Some Hon. Members: Hear, hear!

Mr. Johnson: — Mr. Speaker, today I would like to highlight an important program that was announced by our government just in the last week and that's the Saskatchewan bond program. I'm particularly proud of this program, Mr. Speaker, because it's a show-case in the positive kind of initiatives that are created when a government and the people are working together.

Many people approached us with the idea of some kind of a government saving bond, a saving bond that would not only benefit the people investing, but would also be of assistance to the province of Saskatchewan. We took that advice to heart, Mr. Speaker, and after extensive planning and consultation have created a program that can only be described as a win-win situation.

Saskatchewan savings bonds will be an excellent guaranteed investment for Saskatchewan people with a competitive rate of interest that will be announced later this week.

Just as importantly, every dollar invested in Saskatchewan savings bonds will decrease our dependency on the whims of financial institutions in New York and Zürich. At the same time, millions of dollars of interest charges will be going back to the pockets of people resident in the province.

Saskatchewan savings bonds will allow our people to invest in their future, and I encourage all Saskatchewan citizens to take advantage of this program when the bonds go on sale.

Some Hon. Members: Hear, hear!

Mr. Muirhead: — Thank you, Mr. Speaker. The Arm River constituency was well represented in the protest in front of the Legislative Building last Friday pertaining to the government not listening to the people expressing themselves in last fall's vote at election time as to the funding of abortion on demand.

I wish to thank the Arm River constituents as well as all people who attended. It was not that nice a day out. And I had seven towns from Arm River represented. I also had another 12 towns represented in phone calls over the weekend, older people and what not, who didn't come out in part of the weather, expressing themselves that they would like to see the government revert their views on paying for abortions on demand. And I'm hoping that they do.

And again, Mr. Speaker, I want to thank the constituents of Arm River for being so well represented.

Some Hon. Members: Hear, hear!

Mr. Koskie: — Thank you, Mr. Speaker. Mr. Speaker, I'm pleased to announce that today the town of Leroy are holding the official opening of their newly established museum. And I wish to extend congratulations to the

organizing committee, chaired by Laura Miller, and supported by a cast of community-minded people.

The museum will add yet another attraction to the community of Leroy. But even more important, the people of Leroy are demonstrating what can be achieved by people working together in a co-operative manner. They set an example for other communities.

Leroy has had many recent successes — a new co-op store, a new credit union, a beautiful new town administration office, and indeed major upgrades to their arena. And recently the old chiefs, former senior hockey players, embarked on yet another imaginative program which entails leasing land which they farm — all inputs, all machinery, and all costs are donated to this project by the surrounding business community. All proceeds go to support minor hockey in Leroy. And the second project that they're embarking on is the installation of artificial ice.

My congratulations to the people of Leroy and surrounding area on yet another success.

Some Hon. Members: Hear, hear!

(1345)

Mr. Wormsbecker: — Thank you, Mr. Speaker. I want to inform the Assembly of an important seniors' housing initiative that was announced today by our Community Services minister. The healthy housing program is designed to promote independent living programs and services for low income seniors and families that live in subsidized housing units.

Following on the heels of pilot projects in the Melfort, Melville, North Battleford and Weyburn areas, tenant services consultants will be introduced to six new areas of the province. These consultants have also had their mandates expanded to help deliver better programs for seniors, families, and disabled persons living in subsidized housing. Some of these enriched programs include wellness clinics, fitness activities, and the integration of health care services with those operated by local home care boards.

The second part of the program will see the redevelopment of areas in existing units, which will provide more space for the delivery of these programs. Studies have proven that seniors live more independent lives for longer periods of time when they have access to community-based programs. I would just like to congratulate the minister for recognizing that fact and for taking action that will benefit a group of people who spent much of their lives building a province for the rest of us to enjoy.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Government Fiscal Policy

Mr. Swenson: — Thank you, Mr. Speaker. Mr. Speaker, in the absence of the Premier and the Finance minister, I'll

place my question to the Associate Minister of Finance.

Mr. Minister — and I would say that a simple yes or no would be sufficient on this question — Mr. Minister, is it not true that the decision to harmonize or not was discussed during your budget consultations during your cabinet round on the budget. Is that not true, Mr. Minister?

Hon. Mr. Shillington: — Mr. Speaker, in answer to the member opposite, the discussions which take place among members of Executive Council during budget finalization have always been treated as confidential.

Mr. Swenson: — Thank you, Mr. Speaker. Mr. Minister, obviously a question that might or might not raise 180 to \$190 million for the Government of Saskatchewan would be one I would think you would want to talk about.

Mr. Minister, is it also not true that during that discussion, the decision whether to raise money through an equity share offering of SGI (Saskatchewan Government Insurance) was a choice, a real choice that the Government of Saskatchewan had in preparing its budget this spring? Would you confirm, Mr. Minister, whether that was a choice or not.

Hon. Mr. Shillington: — Mr. Speaker, my response would be the same. The discussions which took place among members of this government leading up to budget finalization are not the subject of public discussion, either by this government or by the government of which you were a member. You would have thought that question equally improper when you had been sitting on these treasury benches six months ago.

Mr. Swenson: — Thank you, Mr. Speaker. Well, Mr. Speaker, we've had the government say over and over again how consultative they were during their budget process, that they were open to all sorts of suggestions. And I'm sure — as a matter of fact I'm positive, Mr. Speaker — that those types of choices were put to the government. So, Mr. Minister, the words yes and no are quite simple to use. All I'm asking you are some very simple answers; you can say yes or no.

Is it not obviously also true, Mr. Minister, you had another choice, and that was to issue an equity share offering in TransGas, a choice that would have had a very strong bearing on the economic outlook of Saskatchewan? Mr. Minister, was that a real choice of your budget considerations?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — Let me make the response again to the member that those discussions are confidential. However, let me comment on the larger issue which you raise. We have tried to avoid doing what got the former government into so much difficulty. What you're suggesting is we sell capital assets to pay operating expenses. That may have been thought by members opposite to be a proper way to finance a government, but it soon gets you into serious difficulty, as it did. Mr. Member, we do not regard the sale of capital assets as a proper way of responding to an operating deficit.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Thank you, Mr. Speaker. Question to the same minister. Mr. Minister, your hidebound ideological notions are not sufficient to govern a province by. There are always choices to be made when you are going to tax people in this province or anywhere else.

Mr. Minister, you've made lots of choices, obviously. You've cancelled the AECL (Atomic Energy of Canada Ltd.) agreement; you didn't harmonize; you didn't offer equity share offerings in areas that are quite well accepted everywhere else in the world. And because of those bad choices, your credit rating is now in a free fall.

Mr. Minister, your Premier and your Minister of Finance have been down East all weekend trying to convince people that Saskatchewan is an ideal opportunity to still invest. Obviously the minister must have something positive to say, because I'm sure the Premier is saying it to the Americans. And we would just like you to tell the Assembly today, sir, given the choices that you've made, what those positive things are that your Premier is telling the Americans to ask for more money. What is it, sir?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — The member opposite referred to ideological hidebound approaches. You ought to recognize that. It was your ideological hidebound approach which got this province into so much difficulty.

Shortly after being elected in 1982, you abolished a number of taxes without reducing expenditures. Later on you privatized profitable corporations, Crown corporations which might have contributed to the solution, and you privatized them by selling them for less than what they're worth, and you sold them at the wrong time.

If this province is suffering from an ideological hidebound approach as you say, it was your own, not ours.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Thank you, Mr. Speaker. Question to the same minister.

Well, Mr. Minister, just about everyone else in the world, looking at the press comments over the last few weeks, have said that you people are going to have to give up this ideological nonsense that you maintain and get on with being part of the world.

Mr. Minister, the Premier of Saskatchewan must be telling the Americans something if he is hoping to reverse the downgrade in our credit rating. Is he simply saying to the American bankers, just give us a year, just give us a year until the voters, until the voters get some confidence back in us and then we'll harmonize, then we'll give equity offerings; just give us a little bit of time until we get the heat off. Is that what the Premier is in New York telling the bankers today, Mr. Minister?

Hon. Mr. Shillington: — He is pointing out to people in

eastern Canada and the eastern United States that this province has a lot to offer potential investors: a relatively low unemployment rate; low operating costs; a well-trained, productive and energetic work-force.

But I'm sure, Mr. Speaker, the thing that he is emphasizing above all else and that is that there is finally in office a government which has begun to put the finances of the province on a sound footing.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Thank you, Mr. Speaker. Question to the same minister. Mr. Minister, the things that you all listed off just now are exactly the way Saskatchewan was all during the '80s. We had the lowest unemployment rate in Canada. Inflation was lower here than anywhere else in Canada. I don't think you've changed the educational system in the last seven months. So, Mr. Minister, you can't cover with that kind of stuff.

The very fact is, sir, you've broken every promise you've made last fall. Your credit rating is in a free fall and your ideology doesn't allow anybody else to come in and invest. And what we would like to know from you, Mr. Minister, is what is the Premier and the Minister of Finance telling the people that they hope to borrow billions of dollars from that would give them optimism to come to this province, Mr. Minister? Tell the Assembly what that is.

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — Mr. Speaker, he is undoubtedly assuring them that the reign of lunacy which extended from 1982-1991 is over.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Thank you, Mr. Speaker. Question to the same minister. Mr. Minister, by your answers I can only conclude that the Premier and the Minister of Finance are going to go stand in Times Square and hold hands or something like that. They must have a plan. They must be willing to tell the New York bankers that we aren't hidebound by ideology, that we aren't going to tax people into the ground if they come to our province. They must have something that is optimistic to tell the folks in New York. You have a shelf filing there for a billion dollars U.S. (United States). I suspect you're going to borrow the money. What is the plan, Mr. Minister, that is going to give people confidence to come and invest their money in Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — Well we won't be saying that Saskatchewan is so wealthy you can afford to mismanage the economy and still come out ahead. That's one of the messages we may not offer them.

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — We won't be assuring them that we're going to be running up ever larger deficits and solving it some time in the future, as your Finance

minister did.

We're going to be saying some plain, common sense things about this province, and we are going . . . but most important of all, we are going to assure them that the province's finances is being put on a sound footing and they can come and do business here, knowing that sane, sensible policies exist in office.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Mr. Speaker, question to the same minister. Mr. Minister, it's obvious to everyone in this province that you had choices. The official opposition didn't make you cancel the energy agreement. The official opposition didn't make you cancel an equity offering in TransGas. The official opposition didn't make you cancel an equity offering in SGI General. The previous administration did not force you to cancel harmonization and boost income taxes.

Mr. Minister, the simple fact is you've made choices but you've made all the wrong ones. Now you have to go to New York to borrow billions of dollars of money.

My question is: Mr. Minister, what plan are you presenting to the people in New York? Tell us about that plan. In fact, sir, I would like you to table in this Assembly the economic blueprint that the Premier and the Minister of Finance have taken to New York to give them the confidence to send money to this province. Will you table that, sir?

Some Hon. Members: Hear, hear!

Hon. Mr. Shillington: — Mr. Speaker, that's already been done. That was contained in the budget which was delivered in this Assembly on May 7.

The Premier and the Minister of Finance have gone to New York to say some different things. They won't be saying, give 'er snoose, Bruce; they won't be saying, never say whoa in a mud hole. They're going to be saying some more profound things than that. They are going to be saying that this province has changed its economic direction and that this province's finances will now be on a sound footing.

Some Hon. Members: Hear, hear!

Agreement with AECL

Mr. Devine: — Thank you, Mr. Speaker. Mr. Speaker, we notice that the NDP (New Democratic Party) Government of Ontario is not only falling in the polls very rapidly, but they've had a big flip-flop with respect to Sunday shopping. And I notice in one of the papers recently that the Minister of Energy for Saskatchewan is now prepared to flip-flop on uranium. And he's talking about, well he'll go against party policy.

So my colleague here was beginning to ask the questions to the Minister and Associate Minister of Finance whether they're prepared to flip-flop in some other things.

My question is to the Minister of Energy. Given the fact

that I read for information the fact that the federal Minister of Energy has now signed an agreement with the past Soviet minister like an AECL agreement that we had with AECL, is the minister familiar with that agreement; and if he is, would he table what's in that agreement so that he might tell us about his potential to consider having the AECL agreement signed here in Saskatchewan like it was last fall?

Some Hon. Members: Hear, hear!

Hon. Mr. Penner: — Thank you, Mr. Speaker. It is interesting that the Leader of the Opposition would raise an agreement with the Soviet Union and the Government of Canada in regards to the AECL agreement or the AECL MOU (memorandum of understanding) that SaskPower signed with the AECL, or Mr. Hill . . . not Mr. Hill, but AECL signed with SaskPower last fall, a few days before the election, not for any purpose of generating revenue for the province of Saskatchewan, or electricity, but purely for political reasons.

And the leader knows very well why that agreement was signed. It was purely for political reasons — for nothing else. Because in the larger MOU that was signed only seven days prior to the AECL/SaskPower agreement, the former premier and his government clearly stated there would be no agreements reached between provinces and the Government of Canada until there was a steering committee set up which would review all these agreements. That steering committee was never set up.

So it was strictly for political reasons. And this question is also strictly for political reasons.

Mr. Devine: — Mr. Speaker, my question is again to the Minister of Energy. The people of Saskatchewan endorsed an agreement between the province of Saskatchewan and AECL. You got it from SUMA (Saskatchewan Urban Municipalities Association) and SARM (Saskatchewan Association of Rural Municipalities), chambers of commerce, boards of trade, rural and urban; Saskatoon is talking about it all the time. So you must know that there's more than politics involved in having a good research agreement.

The agreement that was just signed by the Minister of Energy for Canada and the minister in Russia and the Ukraine included such things as a memorandum of understanding for nuclear energy research, safety, waste management storage, decommissioning of plants, nuclear medicine, agriculture, and radiology.

Now doesn't the minister agree that sounds somewhat familiar when he looks at the potential that we could have here in the province of Saskatchewan? Is the minister aware of this agreement? And is he aware of the kind of discussions necessary to bring that agreement home to the province of Saskatchewan, the people of Saskatoon, and across the province, both rural and urban?

Some Hon. Members: Hear, hear!

Hon. Mr. Penner: — Thank you, Mr. Speaker. I think that we are fully aware of what the people of Saskatchewan want in Saskatchewan.

But there are two things that the people of Saskatchewan do not want, and one of them is a pre-commitment to a CANDU (Canadian deuterium uranium) reactor and no pre-commitment to a waste disposal site. This government and this minister has said all along that we are very interested in research facilities if we can reach an agreement with AECL for research facilities in this province. But we are not going to pre-commit to a reactor or to a waste disposal site, which the former government did without due consideration for its effects on the people.

Some Hon. Members: Hear, hear!

Mr. Devine: — I would ask the minister if he has read the agreement recently and also ask him if he has read or is familiar with the agreement between the Soviet Union, the former Soviet Union, and the Minister of Energy for Canada. Because the facts are, Mr. Minister, and you know it, there's no pre-commitment for Saskatchewan to use a reactor, research on a reactor, and research on waste as we see with the former Soviet Union. All it is a research contract, and he knows it.

He's playing politics with the people of Saskatoon and the people of Saskatchewan. If he can show us anywhere in the agreements in the Soviet Union or those that have been done here, would he table in this legislature that will allow Saskatchewan people to know that in fact we have that potential for the agreement. It's tens of thousands of jobs, and it's only NDP hard line politics that is keeping the province of Saskatchewan having the success we now see in the Soviet Union.

Hon. Mr. Penner: — Thank you, Mr. Speaker. It seems to me that this is getting to be a little bit like Alice in Wonderland; the questions are getting curiouiser and curiouiser. And the Leader of the Opposition seems to want to link us with deals that the Government of Canada makes with the Soviet Union, or the former Soviet Union. And I suppose that the Government of Canada can make any kind of deal they want with the former Soviet Union.

But I haven't seen the agreement. I'm not sure that the agreement is made public for everybody to see. And I know what was in the agreement between Saskatchewan and the AECL, and that agreement clearly indicated, Mr. Speaker, that it was a bad deal for the people of Saskatchewan. No matter what the Leader of the Opposition said didn't pre-commit us.

When we talked to the Minister of Energy in Ottawa and we said, we don't want to pre-commit to a reactor and we don't want to pre-commit to a waste disposal site, his simple reaction was, you can't go cherry picking. It wasn't a single . . . it was a single package, and it had nothing to do with separating one from the other. We indicated to him very clearly that we were interested in the research aspect of it, but we were not going to pre-commit to the other two.

Some Hon. Members: Hear, hear!

Mr. Devine: — Mr. Minister, one of your members, and I can only quote, Mr. Speaker, the . . .

The Speaker: — Order, order. Will the members please let the member from Estevan ask his question?

Mr. Devine: — The reason that I'm raising this with the Minister of Energy, Mr. Speaker, is that it seems like the NDP are beginning to change their tune and their policy on energy and several other items. And I just quote: government said to okay more uranium development. And I read: it's a wonderful policy in boom times that is stopping uranium, but frankly we weren't counting on such a prolonged recession in Saskatchewan, said Trew. And that's obviously a member of the legislature here.

Now if you're about to change your caucus policy on uranium development and you're going to announce that policy in the next ten days to two weeks, couldn't you not, sir, tell the people of Saskatchewan that it would be okay to do research policy and have a policy of the NDP that say, we can do research nuclear activities as they do in the Ukraine, nuclear activities as they do in Russia. And you could just kind of bring yourself into the 21st century, not only on uranium policy, but indeed on research and science associated with nuclear energy. Could you answer that please, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Penner: — Thank you, Mr. Speaker. The Government of Canada and the Government of Saskatchewan certainly don't have the same policies that they have in the Soviet Union.

In answer to the member's question, however, whether we are interested in research, I've said this right from the very beginning that Saskatchewan is interested in the research facility, but we are not going to pre-commit to a reactor nor are we going to pre-commit to a waste disposal site. The member opposite seems to have difficulty understanding that we have some conditions on this. We don't sign blank cheques for federal governments like the previous government did. That day is done.

The other part that I'd just like to remind the member from Estevan is that your members have been knocking us and telling us about lack of consultation. I would like to know what kind of consultation your government did with the people of Saskatchewan about a waste disposal site in northern Saskatchewan and the Canadian Shield. What did you do?

Some Hon. Members: Hear, hear!

Mr. Devine: — Mr. Speaker, for the record, would the minister acknowledge that the memorandum of understanding between the province of Saskatchewan and AECL said, after three years of research if you don't want to do reactors and you don't want to do the kinds of waste management technology, that not only you don't have to do it you even get your money back. Would he acknowledge that's in the memorandum of understanding so that the public knows that this is research?

Hon. Mr. Penner: — Mr. Speaker, I will not acknowledge

that because that is not what it said. What the Minister of Energy, Mines and Resources for the federal government said, that you cannot go cherry picking. You either take the whole package, or you get nothing.

The Speaker: — Order, order. I assume that the Leader of the Opposition has another question. He'll get on his feet again, and I'll allow him to ask the question. But in the meantime, let the minister answer.

Hon. Mr. Penner: — Thank you, Mr. Speaker. The federal minister said very clearly: no reactor, no research; no waste disposal site . . .

The Speaker: — Order, order. I have just asked the Leader of the Opposition not to interrupt. I'll allow him to ask another question, but I want the minister to answer his question and then the leader . . . Order. I think it's only fair to let the minister answer his question.

Hon. Mr. Penner: — Thank you, Mr. Speaker. The Leader of the Opposition doesn't want to hear the answer and I'm sure that . . .

The Speaker: — Order, answer the question.

Hon. Mr. Penner: — The answer to the question is that you cannot have the research without the reactor, without the waste disposal — you have to have the whole deal. And that is right from the words of the Minister of Energy, Mines and Resources in Ottawa.

Mr. Devine: — Mr. Speaker, would the minister agree to bring that MOU in the House and we'll jointly read it to the public and to the Speaker of the legislature so that he can read it in front of everybody here, including the media, which says the following . . .

The Speaker: — Order, order, order! I want to call the Government House Leader and the member from Moose Jaw Palliser to order, please. I asked the Leader of the Opposition to come to order when the minister is answering a question. Would you please give the Leader of the Opposition the same courtesy.

Mr. Devine: — Thank you, Mr. Speaker. Thank you very much. I just want the public and the media and everybody to know, in front of the Minister of Energy, that he's not giving us the straight goods on the MOU. The MOU said there's three years of research and if Saskatchewan doesn't want to go any farther, they can stop and they even get their money back.

Now that's in the MOU and you know it, and it has nothing to do with ministers' statements with respect to cherry picking, anything else. Would you agree to do research?

I'm asking you: if the Ukraine will agree to do research and Russia will agree to do research, and it's tens of thousands of jobs in a province that has uranium, and you've agreed now to change your policy on open economic activity in uranium, can't you bring yourself to do the right thing and have research done in the province of Saskatchewan and reopen the negotiations on AECL in a credible fashion and bring it to the province of

Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Penner: — Thank you, Mr. Speaker. Saskatchewan has indicated right from the very beginning that we would be willing to do research and we have told the federal minister of that in no uncertain terms. We have told him . . . The federal minister is holding it up. It's not Saskatchewan that's holding it up.

And I would just like to remind the Leader of the Opposition that maybe he should have read that agreement before he signed it or had his people sign it. Because it's a simple thing for us to bring that agreement here and read it to the people of Saskatchewan, but I suggest he should have read it before and should have thought about what he was signing before he did it.

Some Hon. Members: Hear, hear!

MINISTERIAL STATEMENTS

Changes to The Automobile Accident Insurance Act Regulations

Hon. Mr. Lingenfelter: — Mr. Speaker, I would like to announce some important changes to The Automobile Accident Insurance Act regulations. The deductible on licence plate insurance for large class A commercial trucks has been increased to \$2,500, and the vehicle insurance rate has been reduced by 20 per cent.

Mr. Speaker, these changes were made following extensive consultation with the trucking industry. We've been talking to the truckers about their concerns, and found that a change in the deductible on their licence plate insurance was a top priority for them.

The changes affect about 400 owners and more than 2,000 vehicles. They give the truck owners more flexibility in dealing with their insurance needs. Mr. Speaker, they can choose to go with the higher deductible and retain the 20 per cent refund. Or if they require a lower deductible, they can use the refund to buy it down to a level they need.

Mr. Speaker, refund cheques are being issued to cover the time remaining to the end of the current licence for each truck. These cheques will be in the hands of truck owners within the next few weeks.

The 20 per cent reduction will be applied for a full year as these licences are renewed. Before these changes were made, we had the situation where owners of some fleets were, with a good safety claim record, were paying the average rate for large class A trucks, and paying for a deductible that was lower than they wanted.

Preferred rates and higher deductibles were available to these owners if they registered their vehicles outside of Saskatchewan. Mr. Speaker, the system ended up providing an incentive for owners of some fleets to move their base operation out of the province.

Mr. Speaker, these changes are an example of our

government's commitment to listening and acting in a way that benefits all the parties involved. We have consulted with the trucking industry and made changes which give truck owners the flexibility they need. This initiative is part of an approach to government that is both responsive and responsible.

These changes to AAIA (Automobile Accident Insurance Act) regulations are also a good example of our government's approach to economic development. For Saskatchewan economy to do well, small- and medium-sized businesses, like the trucking firms we're talking about, have to do well.

Mr. Speaker, we will rebuild our economy through actions such as these, respond to the needs of Saskatchewan businesses without investment dollars by the taxpayers. We are continuing our discussion with the trucking industry, and announcements of further initiatives to this response to their concerns will be coming forward in the next few months.

(1415)

Mr. Devine: — Thank you, Mr. Speaker. I thank the minister for his courtesy in passing on the statement over to this side of the House. Just a couple of quick comments.

I have a little bit of difficulty in the minister giving himself a bouquet for listening to the transportation industry. And the reason is is that we're looking at very high costs and taxes in the province of Saskatchewan. And I believe if you look at something like 13 cents a litre, if you're in the trucking business, 13 cents a litre is a major form of cost when you're transporting goods across the province of Saskatchewan.

Secondly the trucking industry was part and parcel of the whole theme to harmonize the tax system so that in fact all the sales tax is rebated to industry. And this administration, the NDP, will not harmonize, so the truckers pay it twice. They pay the tax obviously as a consumer, and then when they run around and do their business, they pay it on top of it. They're not unlike the farmers.

So taxes have increased not only in terms of income tax and sales tax but gasoline and fuel tax up 13 cents a litre. And in terms of the tax system, they joined with SUMA and SARM and chambers of commerce and boards of trades saying harmonize.

Let me also make the point that the trucking association has been part and parcel of those kinds of people who not only want to see changes in terms of insurance rates, but they said if we could have an openness in the province of Saskatchewan that would allow people to invest . . . and obviously we think and believe as they do that share offerings in something like SGI CANADA and affiliated insurance companies could in fact lower the costs even further.

And finally I'd make the point, Mr. Speaker, that the more that we can allow the utilities — things like insurance companies, power utilities and others — to have more and more equity as we see across the country, then in fact

the rates can even get lower and lower for insurance.

So there's a long ways to go, Mr. Speaker, before the NDP administration can give themselves a bouquet with respect to the transportation industry in this province.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 27 — An Act to amend The Rural Municipality Act, 1989

Hon. Mr. Cunningham: — Mr. Speaker, I'm pleased to rise today to move second reading of The Rural Municipality Amendment Act, 1992. The purpose of these amendments is to update the Act so as to reflect the changing needs of rural Saskatchewan.

Changes to the interpretation section of the Act will expand the voting privileges of business corporations in rural municipalities. Until now . . .

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

Mr. Martens: — Point of order, Mr. Speaker. I believe the Member from Regina Downs made some unparliamentary remarks earlier, and I think that the member should, through his experience, not only understand what those remarks are, but that he should apologize to the Assembly for them.

The Speaker: — I heard those remarks from the member. I do not believe, in the context in which it was said, that it's unparliamentary. But it certainly doesn't help to raise the esteem of this legislature, and I ask members to be a little more careful in their pronouncements from their seats. The minister may continue.

Hon. Mr. Cunningham: — Thank you, Mr. Speaker. The changes to the interpretation section of the Act will expand the voting privileges of business corporations in rural municipalities.

Until now, the chief executive officers of business corporations had a right to vote on bylaw or question, but they could not vote for council. This amendment recognizes this government's commitment to supporting and encouraging those who have invested in rural areas.

For the first time, legislation will provide a definition for a municipal road. A recent court case challenged the authority of municipalities over roads previously considered to be under their jurisdiction. The Act will now clearly place all municipal roads under the control and management of the municipality.

Several amendments to election procedures are being made. The changes clarify procedures to be followed in rural elections. They provide for fair and efficient operation of voting for members of council and on bylaws

or questions.

A number of rural municipalities in the province have trailer park developments. These municipalities and a number of trailer park operators have requested the right to license trailers rather than to assess them. Municipalities will now have the option of licensing trailers or continuing to assess them. This option was provided to urban municipalities a number of years ago and has worked effectively.

A safe and consistent supply of potable water is vital to our rural areas and small communities. Rural water pipelines are now becoming increasingly common. This Act provides for municipalities to individually or collectively form corporations to manage the development of water pipelines. These corporations can be granted authority by the municipality to levy a user tax to fund these programs in a manner similar to that used to finance the old rural telephone systems.

Some changes have been made to the tax exemption provisions. For example, greenhouses will now be exempt on their growing areas. The tax exemption provided on residents will be limited to one residence per person.

Municipalities have asked for amendments to the Act to facilitate tax collection. Municipalities will now be able to charge a penalty on tax arrears paid in the month of January. Also municipalities will be able to apportion the cost of tax enforcement with other taxing authorities.

There are also a number of housekeeping provisions in this Bill. This Bill provides an increased autonomy to our rural municipalities and supports this government's commitment to a strong and viable local government structure.

Mr. Speaker, I move second reading of The Rural Municipalities Amendment Act, 1992.

Mr. Boyd: — Thank you, Mr. Speaker. We have a number of questions and concerns with Bill No. 27, the Act to amend The Rural Municipality Act. We would like an opportunity to consult with SARM about these changes, to get their approval on the changes, if indeed they've been consulted. In order to allow us the opportunity to do that, to consult with SARM, our municipal affairs critic would like the opportunity to do that and we would ask that the House adjourn debate on this Bill.

Debate adjourned.

Bill No. 35 — An Act respecting the Production, Supply, Distribution and Sale of Milk

Hon. Mr. Wiens: — Mr. Speaker, Bill No. 35, The Milk Control Act, 1992 is an Act repealing and replacing The Milk Control Act. The Milk Control Act was created in 1934 — 58 years ago — and it requires revision. It is out of date.

There are two main reasons for these revisions: first, to clarify the authority granted to the Milk Control Board by the Act, and secondly to improve the accountability of the

Milk Control Board to the government of the people of Saskatchewan. Rather than simply amend the old Act, we chose to completely rewrite it in order to make it easier to understand and to interpret.

The Milk Control Act set out the framework under which Saskatchewan's dairy industry marketed its milk for the past 58 years. During these years the Milk Control Board established by the Act has regulated the industry and assured consumers of an adequate milk supply.

The Milk Control Act has served the province well. It served in the years when there were many small creameries in our towns and villages. It served through the development about 20 years ago of our current supply management system, and it has served in recent years when we have over 600 modern dairy farmers who last year sold a hundred and two and a half million dollars worth of milk to two processing companies which have only 10 processing plants.

But many things have changed and are changing in the industry. It is time to bring the regulatory framework up to date. The new Milk Control Act, 1992 clarifies the powers and duties of the Milk Control Board which of necessity changed over time but were not clearly spelled out in the old Act. These include the establishment of quotas, milk price-pooling, the collection of levies, and the establishment of funds.

In regard to quota establishment, the new Act clarifies authority for establishing production quotas and quota transfers. Quotas control the supply of milk, matching it to the needs of the market-place and ensuring that the price covers the producer's cost of production. Milk price-pooling, the new Act more clearly provides authority for the procedure whereby producers are paid using a blended or pooled price for their milk. Fluid milk, sold fresh for drinking, commands a higher price than manufacturing milk used for ice cream, yoghurt, butter, or powder. Each producer is paid proportionately for the amount of milk which goes into the two categories rather than one farmer being paid for all fluid and another for all manufacturing.

The new milk control Act 1992 more clearly provides authority for the board to collect levies on behalf of the Canadian Dairy Commission. The Canadian Dairy Commission collects levies to cover the cost of disposal of surplus dairy products which must be sold at world prices.

The new Act also provides authority for the establishment of funds, such as a plant-security fund from which producers could be paid in the event of a foreclosure against a plant.

The new Act clarifies the procedures required for hearings and investigations and increases penalties for individuals and corporations who are in violation of the Act. Again we can see how outdated the former milk control Act had become. The existing penalties for violations of the Act range from 5 to \$50 and from 10 to \$100. These are hardly significant to processors the size of those now in the province which control all of the milk supply here. The new Act increases the penalties to

\$5,000 and \$10,000.

In the past the Milk Control Board operated independently of government: setting regulations, establishing prices, and managing the industry. Members were appointed by the Lieutenant Governor in Council, and the board provided an annual report to the premier. The board has run this business in this fashion since the early '30s. It worked well, and the industry wanted it that way.

But one of the powers of the board is to establish milk control areas in which a processor may be granted exclusive licence to distribute fluid milk. This is done to ensure the viability of a local processing plant in the community in which the milk control area is established. If the exclusive distribution rights were not there, other processors could compete in that area. The local plant would lose market share and become uneconomic. The result might be that the plant would close. Local people would lose jobs, and local dairy farmers would face higher freight costs to move their milk to a distant processing plant and have it hauled back again in litre boxes.

As you can see, the granting of dairy processors' distribution licences in milk control areas has significant impact on the local and provincial economy. This is an impact beyond the board's intended mandate to regulate the dairy industry and assure consumers of an adequate supply of milk. The new Act provides for the Milk Control Board to set milk control areas and gives the Lieutenant Governor in Council the power to set conditions for milk control areas.

In conclusion, Mr. Speaker, The Milk Control Act 1992 will be appreciated by the industry and the Milk Control Board. A failure to revise the former milk control Act may result in challenges to the Act, the regulations, and the Milk Control Board's authority to enforce existing orders and regulations. These changes address major inadequacies of an outdated Act. They allow the community interest to be considered in decisions of the Milk Control Board.

For these reasons, Mr. Speaker, I am pleased to bring forward The Milk Control Act, 1992, and I ask all members of this House to support it. Therefore I move that Bill 35, The Milk Control Act, 1992 be read a second time. Thank you.

Some Hon. Members: Hear, hear!

Mr. Muirhead: — Thank you, Mr. Speaker. The minister's probably right when he says this Bill needs to be updated. And if he just had have been changing it by a few clauses in it . . . but now when the minister says of course this is an entirely new Bill, we have to take a good look at it. I did read through the Bill here and there is some parts that maybe have to have some good questions asked.

But, Mr. Speaker, when the minister gave his remarks now on second reading, there's things that come out on his remarks that I just don't see . . . doesn't seem to jibe with what's in the Bill. But perhaps when we get discussing, it will.

The one thing that kind of bothers me, Mr. Speaker, is it looks like this one question in section 5, clause 2, where it's going to give more powers to the minister. And maybe that's all right where they want to appoint extra board members; we have to understand that. And this government, Mr. Speaker, hasn't been in the habit of going out and talking to the people when they do anything, make any changes, to make any moves, or anything they've been doing they haven't been consulting with people.

So I can assure you, Mr. Speaker, before this Bill . . . that we'll be letting this Bill go on this side, that we'll be consulting with the milk producers ourself, as we hope that they are. I haven't got too many dairies in my area. I have a couple of dairies at Outlook.

And, Mr. Speaker, having said that, I would like to ask for adjournment on Bill 35.

Debate adjourned.

(1430)

Bill No. 36 — An Act to amend The Parks Act

Hon. Mr. Cunningham: — Thank you, Mr. Speaker. I'm pleased to rise today to move second reading of The Parks Amendment Act, 1992.

The purpose of these amendments is to better protect or represent important ecosystems within the province. The amendments will also introduce efficiencies in enforcement, in administration, to reflect the changing needs within the Saskatchewan parks system.

Candle Lake, Douglas, Good Spirit Lake, Marquis Lake, and Meadow Lake provincial parks are being expanded to incorporate adjacent lands of high natural significance. This will broaden the provincial park system's representation of the province's physical features.

These changes will add a total of 215,267 hectares to the provincial parks system. Residents and visitors alike will benefit from the increased recreation potential available in the expanded parklands.

Danielson Provincial Park will be reduced by 761 hectares due to the removal of land which is not suitable for park purposes. The land currently under cultivation will be leased to neighbouring farmers.

Several name and designation changes will be made. The name Nipawin Provincial Park is being changed to Narrow Hills Provincial Park to highlight the park's most prominent physical feature and to reduce the confusion with the town of Nipawin. This name change has been requested by the town of Nipawin.

The Athabasca Sand Dunes Parkland Reserve and the Wildcat Hill protected areas will be designated as provincial wilderness parks. Public meetings have shown that there is a strong support for this recognition of the Athabasca Sand Dunes, a nationally significant physical feature. The provincial wilderness park designation will allow controlled recreation use of these areas, thus

making them more accessible to both Saskatchewan residents and visitors.

A protected area will be designated at Brockelbank Hill in recognition of its significance as habitat for rare and endangered plant species. The Waskwei River protected area will also be expanded. These two changes will add a further 2,711 hectares to the province's protected areas.

Several housekeeping provisions are included in this Bill. A section dealing with speed-measuring devices will allow for better enforcement of speed limits within provincial parks. Minor errors in land description will be corrected.

This Bill provides a better representation of Saskatchewan provincial parks, and it supports this government's commitment to an enhanced parks system.

Mr. Speaker, I move second reading of The Parks Amendment Act, 1992.

Mr. Boyd: — Thank you, Mr. Speaker. We have a number of questions that we would like to ask the minister about the Bill, and we'll be doing that at an appropriate time, particularly with respect to the changes in the name of the provincial park at Nipawin and also whether the people affected by the Bill were consulted on the changes. I understand the name change of the provincial park at Nipawin is going to be changing to the Narrow Hills Provincial Park, and we wanted to consult with people in the area to find out whether they felt it was an appropriate name change.

So at this time, Mr. Speaker, we would like to move to adjourn debate on the Bill.

Debate adjourned.

ADJOURNED DEBATES

SECOND READINGS

Bill No. 21

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lingenfelter that **Bill No. 21 — An Act to continue SaskEnergy Incorporated, to make certain consequential amendments to certain Acts resulting from that continuance and to validate certain transactions involving SaskEnergy Incorporated** be now read a second time.

Mr. Boyd: — Thank you, Mr. Speaker. Once again the SaskEnergy Bill No. 21 is a very lengthy Bill with a number of things in it that are of concern to the opposition. We would like to have the opportunity again to consult with people within the industry. Because of the length of the Bill, it also requires an additional time to look over the provisions within the Bill. So at this time I would move to adjourn debate on Bill No. 21.

Debate adjourned.

Bill No. 28

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Tchorzewski that **Bill No. 28 — An Act to amend The Revenue and Financial Services Act** be now read a second time.

Mr. Swenson: — Thank you, Mr. Speaker. Mr. Speaker, we are going to let this Bill proceed into committee. I would like to mention a couple of things so that the minister is prepared to answer questions at that time. I find it a little strange in reviewing this particular piece of legislation that the Crown's liability for over-collections has been limited to four years while limiting corporate taxpayer liability to five.

And I would think that in designing a piece of work like this that the government would have thought that what's good enough for one is good enough for the other and that there should be some solid reasoning behind having a difference like that. In reviewing this particular piece of legislation I don't see that reasoning at all. It just seems that one figure's been arbitrarily picked for government and one for everyone else, so to speak.

The other one, Mr. Speaker, is some designations of . . . they're actually just word changes in this particular piece of legislation, what a collector is and the way that they have changed some of the wording in it. So with that, Mr. Speaker, I would allow this one to move on to committee.

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

Bill No. 29

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Tchorzewski that **Bill No. 29 — An Act to amend The Education and Health Tax Act** be now read a second time.

Mr. Swenson: — Thank you, Mr. Speaker. Mr. Speaker, normally the practice of members, when they stand in this House, is to say it gives them pleasure to speak on a particular topic. I find no pleasure at all, Mr. Speaker, in talking about this particular Bill. The reason I don't, Mr. Speaker, is because this one is the epitome of betrayal of Saskatchewan people.

The former opposition went at some great length, both in this Assembly and out, to say to Saskatchewan people: you shouldn't be paying any more sales tax. And one only has to remember sitting in this House listening to the tabling of petitions day after day after day to have the impression clearly imprinted in one's mind that the opposition of the day was trying to make a point with Saskatchewan people. And that point was that there should be no increase in sales tax.

They berated the former government for not living up to the promise of eliminating sales taxes over a five-year period of time and always held that one up as one of the broken election promises from 1982.

Well, Mr. Speaker, the very fact was that the sales tax was not eliminated in this province over five years. In fact it increased from 5 to 7 per cent. And it was found by a great number of people in this province that that increase in

sales tax over a period of time was placing an ever-increasing burden, particularly upon our sectors that produce wealth in the province of Saskatchewan. They said, you've got to simply find a better way of using sales tax.

Well, Mr. Speaker, in my opinion that better way was found, because it allowed the most productive sectors in our society, the people in the raw resources industries, the people in manufacturing, people in agricultural production, the people that add value to most of the products that we either grow, mine, or develop in this province . . . they said by using that particular method we at least are going to have the opportunity to invest in tax credits, to become more viable and more competitive in the North American market-place, at the same time recognizing that there had to be significant government revenue generated from sales tax. It's been a fact of life in this province for a long time. It was in the 1970s as it was in the 1980s as it will be in the 1990s.

If you're going to raise that type of revenue you only have certain vehicles available to you. And unfortunately Saskatchewan taxpayers have been paying for the wrong vehicle, in my opinion, since budget day.

They're not happy about it. You walk down the streets of my home community, take a hike down Moose Jaw on Friday afternoon, and it is amazing to hear the comments one year later — one year later when people, when I used to walk down that street last year, saying, what are you doing with harmonization. And it was a very difficult thing to explain to people about how it helped Saskatchewan remain competitive.

But I'll tell you today, Mr. Speaker, now that they've had a year to think about it, they are starting to realize the difference, the difference between raising the old E&H (education and health) tax from 7 to 8 per cent, plus a whole raft of other taxes — utility hikes, rate increases, personal income taxes, taxes on taxes . . . Now they understand the difference.

Even those business people, Mr. Speaker, that were most adversely affected by harmonization — people in the clothing stores, the food industry — all others have had the time to sort of take stock, look around, look at their counterparts in other places in Canada and realize that a lot of the downturn that they experienced in 1991 didn't have anything to do with harmonization because it was affecting their counterparts in every other province.

And I think since then StatsCanada have delivered the figures and they show that Saskatchewan's drop in consumer confidence — in other words the amount of money that consumers spend on an annual basis — in fact was less in Saskatchewan than it was Canada wide.

That is why people are angry. They're going through all of this pain because they had the alternative misrepresented to them. And they had it misrepresented for only one reason and that was politics. That's why we heard day after day, Mr. Speaker, in this Assembly and out in the public the term "enough is enough." And it came from a great variety of people, but it certainly came from the mouths of a lot of New Democrats.

And I think that's why people are so terribly bitter today. It's all over the coffee shops. It's all people talk about out there. Because they've been told for so long, so long, in my home town and everywhere else that this new government, if it were elected, would be different. It would live up to its word. There would be no new taxes. Mr. Speaker, this hasn't been the case and we have a terrible sense of betrayal in every community in Saskatchewan.

And I'm not particularly talking, Mr. Speaker, about things said in the heat of debate in this Chamber. All members of this Chamber take certain amounts of political licence when they're in here talking. This forum has always been available to members to express themselves more fully. But I think people did take words to heart when they were said outside of this legislature, particularly when people went on open line shows, when they appeared at various functions, when they met with various business groups and really staked, in my view, some reputations on the line — staked out some ground that didn't leave a lot of room to move on. And these are the promises about no new taxes, the belief that somehow sales tax was going to disappear in this province that have people so angry.

And it's statements such as the member from . . . the Health minister. You know, this: enough is enough was one of her favourite lines, and she used it in this Chamber, outside of this Chamber; well-quoted in *Hansard*. One is June 7, '91. It went on and on from that member.

I'm sure everyone in this Assembly, Mr. Speaker, remembers the ad recently, the full-page ad in the *Leader-Post*, and I believe it was in the *Star-Phoenix*, sponsored by the Saskatchewan taxpayers' association. The Saskatchewan taxpayers' association and the things that they said on an ongoing basis last year were often referred to as gospel by members of the then NDP opposition.

I mean, Kevin Avram couldn't pop on the stage anywhere in this province and there wasn't a New Democrat sort of trailing along behind, eh. It was the old dog-and-the-puppy theory, I guess. But anyway, they just trailed along behind Kevin Avram. Well all of sudden that particular association doesn't have the same credibility in the minds of NDP members these days and they seem to take a great deal of issue now that the shoe is on the other foot.

And once again, Mr. Speaker, I can only say that that speaks toward the credibility of members doing those things, saying those things, and now wondering why the public is so extremely angry with them.

(1445)

Our Premier has often been quoted in the past, Mr. Speaker. March 24, 1990, *Leader-Post*: I say the people of this province are fed up with taxes and we're going to change that.

A New Democratic Party government would change that.

And the minister from Regina Dewdney, the Minister of Finance, and I quote, March 25, '91, *Hansard*: The problem is on the expenditure side. We have a structural deficit. Revenues cannot fix this deficit. It has to be dealt with at the expenditure side in order to get government under control.

And then we have the Minister of Economic Diversification, Mr. Speaker, the minister from Regina Elphinstone, a little later on in life — this quote though, Mr. Speaker, June 12, '91. We're progressing along here in the whole taxation debate. And the minister said:

We've indicated many, many sources where we would see the government saving the kind of money that would make these massive tax increases unnecessary . . . (i.e., harmonization.)

We don't need to do that because we're going to save a whole lot of money. And the fact of life is, Mr. Speaker, we have the second highest deficit in Saskatchewan's history. And we've had the highest tax grab in Saskatchewan's history. And that is why people are so terribly cynical in Saskatchewan society today.

And everyone wanted to get in on the act of course, Mr. Speaker, so I'll quote the now Minister of Justice, the member from Fairview. We refer to him fondly in here as the minister of patronage.

And I'll quote, and this is from *Hansard*, April 24, '91:

The problem isn't government revenues. I repeat again — government revenues have increased by . . . 70 per cent in the last nine years and the government that can't operate within those kind of numbers is a government that doesn't deserve to be a government . . .

Well there's one thing about the member from Fairview, Mr. Speaker, he tends to want to put things on the line. I mean he stood in this legislature and told us there wouldn't be one New Democrat back-filled in a government job and we appreciated those comments.

And he's also very, very strident on this tax business. ". . . the government that can't operate within those kind of numbers is a government that doesn't deserve to be a government . . ." Now that, I think, is fairly succinct and to the point.

And the member from Fairview I'm sure must have difficulty some mornings getting up and looking in the mirror and coming into caucus. Because obviously that hasn't been the result at all.

Oh and then we have, Mr. Speaker, the Associate Minister of Finance, the latest addition to cabinet. And I presume the member that was brought along because the member from Regina Dewdney couldn't quite handle the entire portfolio, so in the words of the Premier, we now have a toy minister to help out.

That member was quoted on May 21, '91 as saying: the NDP won't raise any personal taxes for four years. Now

once again, Mr. Speaker, we have a member that must have a difficult time getting up in the morning and looking in the mirror because every time that this government has turned around they promise on one hand not to raise any taxes and then wham — straight between the eyes you get it — the taxpayer gets 'er again, another shot to the head.

And, Mr. Speaker, that's what it's all about in this Bill that we're debating, is that everything that was ever said, either in or out of this Assembly over the last couple of years, they said that that simply would not be acceptable to Saskatchewan people and that no one should undertake a move like that. That it would predicate anybody doing that as being someone that wasn't fit to govern.

Well knowing as we all did, Mr. Speaker . . . And I say we all did because most members in this Assembly are fairly well educated and I think do take time to read and study things. The very fact that this new government could be in office a matter of hours and move with the cancelling of \$180 million worth of sales tax, meant that you're going to have to pick it up somewhere else.

Even though just about every sector in Saskatchewan that was involved in productivity and employing people, the people that'll be I suspect the ones that will pull Saskatchewan out of its economic doldrums in the future, said that harmonization was a reasonable way to progress. These people simply cancelled it within a matter of hours without, I don't believe, doing their homework.

And they justified this because the new Minister of Finance said his department had prepared studies, studies that would show how Saskatchewan's economy would be destroyed with harmonization, that the act of harmonizing federal and provincial sales taxes would destroy the economy, and that thousands of jobs would be lost because you raised hamburgers by 7 cents a hamburger.

So we had no problem with cancelling some sales taxes within a few hours of assuming office, and we had no problem spending taxpayers' money on this study that said how damaging it was. On the other hand, we all wait in anticipation for a budget which finally arrives before us in the month of May. And lo and behold, taxpayers in this province are just whammied at every opportunity by the Minister of Finance.

And you know what, Mr. Speaker? The Minister of Finance stands in the legislature and absolutely refuses — refuses, Mr. Speaker — to table any studies done by his department that would show the effects of the recent tax increases on Saskatchewan's business community, its home owners, on taxpayers in general.

So on one hand we can generate a taxpayer-paid study that shows how devastating harmonization is in just a matter of hours — I mean it's just happened — and yet when we stand and ask the minister: well what happens to the business sector in downtown Moose Jaw when you go from 7 to 8 per cent on E&H, when you have 10 per cent surtax on personal income tax, when you raise utility rates across the board, gasoline goes up, all of the costs of

production for that business person; and we say to the Minister of Finance, well what do your studies show? You had one that showed how bad harmonization was. If you've got all these new taxes, what do your studies show? How many jobs are going to be lost? How many people are going to move to Alberta? What's going to be the outflow of population from our province? You must have some idea, because you quickly generated it on the other side.

And the minister says, well we don't have any of that stuff. We just had to get on with raising some revenue and everybody else is to blame. You know, the feds have cut back my transfer payments and there's too much debt here and you shouldn't have sold off some of the companies, and that sort of thing.

Well, Mr. Speaker, that is called sticking your head in the sand. Because I have no doubt, Mr. Speaker, no doubt in my mind at all, having sat in cabinet for a couple of years, that the Department of Finance did do some studies. They did show that there would be job loss. They did show that there would be an outflow of migration of Saskatchewan people because of these new taxes.

They would show that certain businesses wouldn't look favourably upon this province to do business because their margins are very thin in some cases, and it wouldn't look like Saskatchewan was a good place to do business.

I am sure those studies exist, Mr. Speaker. And perhaps when we get into committee on this Bill, the minister will be prepared to bring those studies forward so that we can answer the questions, so we can ask the questions, so that Saskatchewan taxpayers can get to the bottom of this matter and know exactly where they stand with these massive tax increases.

Mr. Speaker, the people say this government is wrong with what they've done. They say that, we thought a government that prides itself and its family of Crown corporations, wouldn't use those corporations to gouge us. They're saying, we don't want our automobile insurance paying for SGI General adventures across Canada. They're saying that, we don't want to see our natural gas bill go up every month because the Government of Saskatchewan wants to be the owner of the pipeline system, different than every other jurisdiction in North America.

The people that use the telephone, and particularly the people out in rural Saskatchewan who through rationalization of the railroads and elevator companies and schools and rural hospitals are saying, you shouldn't be putting up our telephone rates to fund other areas of government.

And you shouldn't be, at the end of the day, Mr. Speaker, putting a tax on a tax — a deficit surtax as the government calls it, on my personal income, when you clearly had some choices that would have prevented that. I was quite prepared to pay 7 cents on a cup of coffee or a hamburger or a magazine, rather than have a 10 per cent surtax on my personal income tax.

Mr. Speaker, it's strange that when those choices, those

very fundamental choices, were being made by this government, that they didn't look at some of the studies done by the previous administration. Because it would have shown that you had a choice of harmonization or the accumulation of a 1 per cent increase in the E&H, an increase in personal income tax, an increase in gas tax, an increase in all utilities. Because those clearly were outlined. They were outlined two years ago.

Everyone that was in government knew what those choices were. That the fairest way to tax people, the fairest way, is to take more tax from those that spend more on consumer goods because they obviously have more income to dispose of. And those that have less money will spend less money on consumer goods and therefore will not pay as much tax.

And you can do that, Mr. Speaker, because it is entirely voluntary — entirely voluntary. You spend according to your wishes and your wants. And instead we have the government say no, the other way is fair; that will impose certain things on you that you don't have any choice about. It will also go after your ability to create wealth in this province.

And that's why, Mr. Speaker, it's so regressive. Every last resource industry in this province and minister after minister in the government has stood up and said yes, we're a resource economy and we depend on trade and we must ship our products here and there to survive. I've heard the Minister of Economic Development say it many times.

The reality was, Mr. Speaker, that harmonization gave every last one of those resource companies the opportunity to make business decisions that would add to the wealth of the province of Saskatchewan. Increasing the taxes the way they've been done now, the input costs of every one of those through the E&H does not do that. It will not hire one single soul. It will not put another dollar into the treasury of Saskatchewan ultimately.

Mr. Speaker, you can't fool the folks. Two years the members of the New Democratic Party went around this province saying, we will not tax in the way that we have done. And I believe before all is said and done, Mr. Speaker, in this debate on taxation, before this term of government is up — over four years — that the people of this province will remember this betrayal as they have never remembered tax increases before in our history, because they are so wrong-headed, they are so wrong-headed, they are choices that were made strictly to try and get the NDP out of their political problems and they had nothing to do with doing what was right for Saskatchewan taxpayers. And any time Saskatchewan voters are faced with that type of choice, I believe, Mr. Speaker, they will always punish the people that make the political choice rather than the rational one.

And with that, Mr. Speaker, we will be allowing the minister to come into this Chamber in committee and answering some of the questions about his tax increases that everyone out there wants to hear — the studies that we know have been done that are going to show the wrong-headedness of this government. And, Mr. Speaker, we will be asking the minister to come in and explain to

Saskatchewan people exactly what those numbers are.

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

(1500)

Bill No. 30

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Tchorzewski that **Bill No. 30 — An Act to amend The Corporation Capital Tax Act** be now read a second time.

Mr. Swenson: — Thank you, Mr. Speaker. The questions that we have on this particular Bill apply to specific areas of our economy and we'll be happy to ask the minister those in committee.

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

Bill No. 46

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Shillington that **Bill No. 46 — An Act to amend The Income Tax Act** be now read a second time.

Mr. Swenson: — Thank you, Mr. Speaker. As with the previous Bill, I think the questions that we have can best be answered by the minister in committee, because they do get down to the specifics of individuals and companies and that's the proper place to place those questions.

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

COMMITTEE OF FINANCE

The Chair: — Why is the member for Weyburn on his feet?

Mr. Wormsbecker: — I would request leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Wormsbecker: — I rise on behalf of the member from Saskatoon Sutherland-University who's requested me to introduce to the Assembly students from Holy Family School in Saskatoon. There are 19 in number, grades 7 and 8. And accompanying the students are the teachers, Margaret Martin and a teacher's assistant, Marc Duret.

And I welcome the students and their teachers to the Assembly, and I hope they've had an enjoyable afternoon and I hope they continue to enjoy themselves. I will meet with the students after they've had an opportunity to observe the workings of the House and have an opportunity to ask me any questions they wish. And I would like the members to welcome the students.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

Consolidated Fund Expenditure Education Vote 5

Item 1

The Chair: — I would ask the minister to introduce her officials first, Madam Minister.

Hon. Mrs. Teichrob: — Thank you, Mr. Chairman. On my left is Arleen Hynd, deputy minister of the Department of Education; directly behind me is Fred Renihan, the deputy minister . . . assistant deputy minister, pardon me, in curriculum and instruction; and to his left is Rita Archer, director of finance and operations.

Mr. D'Autremont: — Thank you, Mr. Chairman. It's been more than six months since the current government took office; six months of deceit, betrayal, indecision, and political patronage, and misplaced priorities. This year's budget stands out as a pathetic centre-piece of the NDP's dismal first attempt at governing. Each year the budget document sets out clearly the priorities of the government. Let's look at where the priorities of this government lie when it comes to education. Let's start at the top.

Last year in her opening remarks during Committee of Finance debate on Education, the member from Saskatoon Broadway indicated her approval of the appointment of Eleanor Rourke as deputy minister of Education. The member described the appointment as a very positive move on the part of the government and praised Ms. Rourke's credentials and experience. Well, Mr. Chairman, the current government approved of this appointment so much that it chose to fire Ms. Rourke almost immediately upon coming to power. Why, Mr. Chairman? It certainly was not because of her performance, which by all accounts was exceptional. No, Mr. Chairman, it was politics, pure and simple.

Even the most effective and professional of senior officials could not escape the blood-bath of politically motivated civil service firings undertaken by the NDP once they obtained power in October. Politics; it's one of the three pillars of the NDP government. It goes along with the other two pillars: deceit and betrayal.

Mr. Chairman, last year the member from Saskatoon Broadway prefaced her remarks by saying that education didn't do too well in last year's budget. Well, Mr. Chairman, judging from the carnage wreaked upon the education system in the province in this year's budget, the member from Saskatoon Broadway should, in all good conscience, be asking the new minister's resignation.

Mr. Chairman, education has always been a priority of the people of Saskatchewan. It may come as a bit of a surprise to the members opposite, however it is something members on this side of the House have always known and acted upon. It was always a major priority of the previous government, as was demonstrated by the fact that funding to education increased over 70 per cent between 1982 and 1991.

Yet the NDP continually demanded more money for education and promised to provide more if only the people would make them the government. Now those same members have formed government, what do we see? Betrayal and deceit, Mr. Chairman. Not bad — two of the NDP's three pillars in one fell swoop.

What we get is an utter reversal of what the NDP promised time and time again, both before and during the last election. We get funding decreases in every major area from K to 12, the universities, SIAST (Saskatchewan Institute of Applied Science and Technology), student financing assistance, literary, and core curriculum implementation.

Let's talk about priorities. Last year we provided school divisions with a \$13 million increase in operating grants. For that we were soundly criticized by the NDP in general and the member from Saskatoon Broadway and the member from Saskatoon Nutana in particular. They said it wasn't enough. They said they would do better.

Now the NDP is government and what do we get? Deceit and betrayal, Mr. Chairman. What we get is \$7.5 million of cut in the operating funds to school divisions. Madam Minister, is that your idea of doing better? Well it's not good enough.

We've got a news flash for you, Madam Minister. The people of Saskatchewan are serious about quality education. It's a major priority for everyone except this government.

Madam Minister, we challenge you to explain to the people of this province why the NDP government has absolutely failed to recognize the importance of our K to 12 school system and why the NDP government has chosen to ignore every promise it made to educators, parents, and students at the K to 12 level.

(1515)

Hon. Mrs. Teichrob: — Mr. Chairman, in reply to the hon. member, I would say that the education and training of Saskatchewan's people continues to be, as it always has been for our government, a very high priority for the people of this province.

The member opposite talks about what they expect and what they got in the budget with respect to education. What we got was a \$15 billion deficit that they left us which requires that we look at some new directions, some new ways of doing things in the education system to make sure that as many of our scarce resources, our scarce dollars as possible, find their way into the class-room and the program level and reach the student. And this is what our budget and our priorities will attempt to achieve.

The Chair: — The Chair has been negligent and apologizes to the House in having failed to put before us formally what both the hon. member and the minister have assumed, which is item no. 1, administration. So let me put that before you as item 1 agreed.

Mr. D'Autremont: — Thank you, Mr. Chairman. The

minister mentions deficit in this province. And I'm sure we'll get into the deficit later on, Madam Minister, because part of that deficit started in 1934 with the teachers' pension plan. And we will certainly be discussing that.

But at the present time I'd like to ask you some questions, Madam Minister, on the K to 12 system. Over the past 10 years the Progressive Conservative governments have set education as a major priority and have allocated funding increases in education in every year since 1982. Over those same 10 years the NDP sat in opposition and called for additional money for education, accusing the government of underfunding. During last fall's election the NDP candidates went around assuring everyone who would listen that education was a priority and that they would increase funding to education if elected.

Mr. Chairman, voters were sold a bill of goods, and now school divisions and students across the province are paying the price for those hollow promises. In this, the NDP's first budget, those same candidates are betraying the promises by delivering nothing. This budget calls for a funding decrease of 2 per cent to school boards, to school divisions, for operating costs. As the minister is surely aware, this overall 2 per cent decrease translates into a much larger decrease in many individual school divisions around this province.

Would the minister provide the House with a complete account of the operating fund and capital funding allocated to each school division in the province for 1991-92 and for 1991-93 fiscal years?

Hon. Mrs. Teichrob: — Mr. Chairman, I'm pleased to be able to provide the schedule as allocated in the 1992 budget for the operating grants. I will undertake to provide the details of the capital budget.

Mr. D'Autremont: — Thank you, Madam Minister. How many school divisions are experiencing funding increases this year? And how many school divisions will have to swallow a funding decrease of more than 2 per cent?

Hon. Mrs. Teichrob: — Mr. Chairman, in response to the member's question, there are 31 school divisions in total that receive an increase. There are six where it's under 10 per cent . . . or over 10 per cent increase, six that receive between 5 and 10 per cent increase, and 19 that receive up to 5 per cent increase.

Mr. D'Autremont: — Mr. Chairman, I wonder if Madam Minister would table that document that she just read from, please.

Hon. Mrs. Teichrob: — Mr. Chairman, we'll undertake to provide the table that I read from.

Mr. D'Autremont: — Mr. Chairman, if we could, we would appreciate the entire document that she read from, that single page.

Hon. Mrs. Teichrob: — Mr. Chairman, I'm prepared to provide the table that shows the whole range in numbers of school divisions affected by increases or decreases, this

being the table that I read from.

Mr. D'Autremont: — Well thank you, Madam Minister. A new question. Why would you not table the rest of the document?

Hon. Mrs. Teichrob: — Mr. Chairman, it's simply a briefing document.

Mr. D'Autremont: — Mr. Chairman, I believe that if a minister reads from a document in the House that when asked they are to table that entire document, are they not? When she read from a single page, simply asking for that single page.

The Chair: — Just in response to the member's request of the Chair, the minister, I believe, is reading from a briefing note provided to her and she is not required to table that if she makes reference to it.

Hon. Mrs. Teichrob: — I'm prepared to add that there was other information on that page that is not in any way relevant to the question.

Mr. D'Autremont: — Mr. Chairman, the result of the NDP's operating funding cuts to school divisions will leave the boards no choice but to close schools, lay off staff, and reduce the number of courses that will be available in those schools, as well as cut back on extra-curricular activities. It will also result in an increase in the mill rates for many school divisions.

While these funding cuts will do serious damage to the quality of education in schools across this province, schools in rural Saskatchewan will suffer the most. What specific plans does the NDP government make to make sure that students attending schools in rural Saskatchewan will continue to receive the same quality of education as those attending schools in the larger urban centres?

Hon. Mrs. Teichrob: — Mr. Chairman, when we announced . . . or prior to announcing the third-party grants and the amount of funding that would be available this year and in public statements following those announcements, we talked to the stakeholders in the education community and the school boards, universities, SIAST and the regional colleges specifically, about the dollars that were available for us to provide in the form of third-party grants.

We asked them to look closely at their governance structures, at their administrative structures, and to try to prioritize the spending within their jurisdiction to make sure that as much of the money that was available and as much resources that were available found their way into the teacher and the class-room.

We also, within the third-party funding, we did make some substantial adjustments within the funding. We took into consideration the sparsity factor, small-schools factor, and the transportation factor and made some significant adjustments within those categories.

For example, in the small-school situation where a school was 30 kilometres or more away from another school,

there was actually an increase in allocation on the basis that if there is a school that's that distance away from another school, there must be a good reason for it being there such as the avoidance of a longer bus ride for children. And I have been a rural parent and a rural school bus driver, and I know the hardship that that entails. And schools that were within 10 kilometres or more of each other were reduced on the basis that two schools that close together offering the same programs could perhaps be combined without hardship to the pupils or the families.

Mr. D'Autremont: — Well, Mr. Chairman, Madam Minister, what kind of formula did you use to figure out how much money each one of those schools should receive? I'm sure you didn't just use a formula that said if you're more than 30 kilometres apart, then you get an additional grant.

Hon. Mrs. Teichrob: — Mr. Chairman, as the member is aware, the funding formulas for grants to schools are very complicated and take into consideration a wide range of factors in an effort to recognize the disparities that there are in Saskatchewan in the rural school system, and to try and make sure that there is equality of opportunity for all children in Saskatchewan no matter where they live.

So of necessity because of the disparity, it is difficult to be specific in each school unit. But for example in the small school factor, the per pupil rate increased for the elementary student, for example, from \$490 to 525. So that was the \$35 per student at the elementary level. In the middle years it went from 530 to 560. And the secondary level stayed the same, I guess on the basis that it's more of a hardship for younger children if there has to be a change in the configuration which results in more distance for pupils. The kindergarten one, for example, was increased from 250 to \$330 per pupil.

So we didn't take a broad brush, in terms of just taking a percentage off the top, when we found ourselves in serious financial straits due to the condition that you left behind. But we did try to be sensitive to the needs of the rural education system.

Mr. Boyd: — With leave, for the introduction of guests, Mr. Deputy Speaker.

Leave granted.

(1530)

INTRODUCTION OF GUESTS

Mr. Boyd: — Mr. Deputy Speaker, I'd like to introduce to you a group of 23 school students from the Dodsland School in Dodsland, Saskatchewan. They are accompanied here with their teacher Mrs. Worth; chaperons are Mr. Zinger, Mrs. Campbell, Mr. Worth, Mrs. Nak, Mrs. Hamilton, and Mr. and Mrs. Gillen.

I'd like to welcome them to the Assembly in Regina here today, and please join with me in welcoming these students to the Assembly.

Hon. Members: Hear, hear!

Hon. Mr. Wiens: — Yes, Mr. Deputy Speaker, and I'd also like to welcome this group of students and teachers and bus drivers here. These are people that I've had an association with for my 17 years in the school board before I came to this new life. Welcome to Regina, and I hope you enjoy your stay here.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

Consolidated Fund Expenditure Education Vote 5

Item 1 (continued)

Mr. D'Autremont: — Madam Minister, can you provide us though with the formula that you used to figure out the base for your student grants?

Hon. Mrs. Teichrob: — Mr. Chairman, it is a very complicated arithmetic formula and we don't have it here, but we certainly can undertake to provide it.

Mr. D'Autremont: — Thank you, Madam Minister. I'd like to refer to the information you provided us. You show that two rural schools and one town school will receive a 25 per cent decrease in their funding, in their provincial funding. Can you identify those school divisions, please?

Hon. Mrs. Teichrob: — Mr. Chairman, I'm sorry, I missed the . . . while I was looking for the table in anticipation of the question, I missed the exact two that the member would like an answer for.

Mr. D'Autremont: — Those that received more than a 25 per cent decrease.

Hon. Mrs. Teichrob: — There were three in that category, Mr. Chairman. They were Weyburn Central, Wolseley, and Estevan Rural.

Mr. D'Autremont: — Thank you, Madam Minister. Madam Minister, would it be possible for you to provide us with a complete list of all the school divisions and whether they received an increase or a decrease, and by what amounts?

Hon. Mrs. Teichrob: — Mr. Chairman, I believe that the document that was tabled first that reflected the operating grants and indicated the 1991-92 and 1992-93 for comparison, would give the member exactly the information that he is requesting.

Mr. D'Autremont: — Last month the minister indicated that there would be \$14 million available to school divisions for emergency capital projects this year. This week the minister changed her mind and said only 8.8 million would be available. This constitutes a reduction in the emergency capital funding of almost 40 per cent.

What advice does the minister have for school boards who have been led to believe emergency funding will be available and who are now faced with having to pay 100 per cent of the bill for repairing and renovating facilities

that at this moment pose a safety risk for students?

Hon. Mrs. Teichrob: — Mr. Chairman, the announcement that the member refers to was \$14 million in total that had been provided for in capital. Three million of that, it was made clear, was to be available to the post-secondary sector. The total . . . the announcement that was made last week that provided for \$8.8 million for a number of projects that have been identified as schools that had conditions affecting health and safety was just the beginning — the first ones, the highest priority ones. So the balance between 8.8 million and the 11 that was said to be available is still available.

But we have a somewhat different philosophy than has prevailed in the last nine and a half years, and we know that there is still a number of months of this fiscal year left and there may be some contingencies, some emergencies, develop between now and the end of this fiscal year that we're not aware of, so we're providing a reserve to meet those. We're not spending all our money before we get it or before the situations arise.

Mr. D'Autremont: — Madam Minister, what is the total amount of funds that you have available in the budget for capital projects?

Hon. Mrs. Teichrob: — Mr. Chairman, I'm not sure if the member is asking . . . there's 7.5 million will be the government's share, and then there's the share that's contributed by the local school division which is requesting the work to be done, and that the share varies depending on the nature of the project.

Mr. D'Autremont: — Mr. Chairman, the figure I'm interested in is the amount that the government will provide for capital funding in the budget.

Hon. Mrs. Teichrob: — The amount that will be available as the provincial contribution in this fiscal year will be 7.5 million.

Mr. D'Autremont: — Madam Minister, is not the figure 70 million dollars-plus for capital funding in this budget?

Hon. Mrs. Teichrob: — Mr. Chairman, the member was asking about the emergency repairs. If we're talking about all capital, there is approximately \$65 million that is earmarked for payments towards capital that has already been spent — schools that have been built in the previous years that there is a commitment for us to pay. In other words, the annual mortgage payment on new schools that are already there.

Mr. D'Autremont: — And, Mr. Chairman, the minister says \$65 million for payments to prior commitments. Where is the other 5 million then? What's it allocated for?

Hon. Mrs. Teichrob: — Mr. Chairman, it's as we stated, that 3 million is for post-secondary — that's the provincial contribution; 7.5 million is the total of the provincial contribution in K to 12 for this year; \$65 million is our commitment in this annual term to pay for construction that was previously done. In other words, schools that were built by the Tories that they didn't pay for, and we're paying for them now.

Mr. D'Autremont: — Well, Madam Minister, if your government was embarked on some capital project spending, I'm sure that you would not pay for the whole construction of all the schools in the province in a single fell swoop. Since you are not providing any capital funding for any new buildings, you don't have to provide for that.

The minister has indicated that there is a new capital funding process in place this year at Saskatchewan Education. Will the minister explain how this new system works and how it differs from the system used in previous years?

Hon. Mrs. Teichrob: — Well, Mr. Chairman, I would like to make clear that at this particular time, the new capital funding plan is only a proposal. It was developed within the facilities branch. It has many what we feel are good features. But we are taking it out to the stakeholders in the education community for them to look at, for them to make comments on. And it's a process that has not been adopted.

I think what the intent of it is is to completely depoliticize the allocation of capital in the education system and to prevent things happening like happened last year where just prior to the election the previous administration made promises or approvals in principle, mind you, of new school construction to the value of \$51 million; went out and made those promises to school boards without allocating one penny to pay for them.

And this is the system that we want to change. And we want to make sure that when scarce dollars are available to provide capital for the school system, that they're spent in the highest priority areas and not a situation where brand-new schools are being built and five or six years later having to be closed, as was the case in the previous administration.

Mr. D'Autremont: — Mr. Chairman, the minister has made an accusation that the previous government provided absolutely no funding to match any promises they made on capital funding. Do you have any proof of that, Madam Minister?

Hon. Mrs. Teichrob: — Well I think that the \$65 million that were committed to pay for this year for past construction is certain partial proof. And we have . . . if you think in terms of the commitments that we have in years ahead to construction that was done during your administration without any provision being made for that, all of those commitments are being paid for and were paid for under your administration with borrowed dollars. And that's not a sound way to finance the education of the young people in this province.

Mr. D'Autremont: — Madam Minister, would you provide us with a list of schools to which that \$65 million is being allocated and the amounts being provided to each?

Hon. Mrs. Teichrob: — Mr. Chairman, I find it somewhat passing strange that members opposite don't remember which schools they built or how much money they spent.

But if they want to be reminded, we can certainly undertake to provide them with a list of what they did.

Mr. D'Autremont: — Well, Madam Minister, had I been part of building those schools, I would have remembered. But since I'm a new member also, I was not part of that.

Madam Minister, has your government consulted in any way with any of the stakeholders in education in the K to 12 system where you are cutting the budgets?

Hon. Mrs. Teichrob: — Mr. Chairman, in response to that question, we did have extensive consultations both prior to the budget, during the budgeting process, and following the announcement of the levels of third-party funding and following the budget itself.

Mr. D'Autremont: — Would the minister be willing to indicate who she consulted with?

Hon. Mrs. Teichrob: — Mr. Chairman, we talked to all of the stakeholders in education. We had meetings with the school trustees association, the teachers' federation, LEADS (League of Educational Administrators, Directors and Superintendents), the business officials. If your question was framed in terms of the K to 12 system only, those would be the main ones.

Mr. D'Autremont: — Well, Madam Minister, I find it strange that the stakeholders in the K to 12 system would have advised you to cut programming, to cut funding, to cut teachers. Can you table any of the documents that were part of that consultation process?

Hon. Mrs. Teichrob: — Mr. Chairman, these were serious discussions held with these people. And I should have added that the directors from the Department of Education would have talked with the local boards and the school divisions as well.

I think that it's not a good atmosphere when you have to talk to people about reducing funding, but all of those people without an exception understand that they are citizens of this province, that they want to make a contribution to the financial health and recovery of this province. They realized that things were going to be tough. They wanted to do their share. And they undertook to provide the best educational opportunity they were able to to the students in our province within whatever financial constraints they were faced with. And they're doing that.

Mr. D'Autremont: — Well, Madam Minister, I'd like to ask you some questions now on the core curriculum area. Saskatchewan is on the leading edge of curriculum reform in North America with the implementation of the new core curriculum. This major curriculum change is designed to give Saskatchewan's young people the skills they will need to compete successfully in the world in the 21st century. Core curriculum has the support of every major educational stakeholder in this province.

Criticism of core has tended to be directed at the funding level. Many educators and administrators have expressed concern that they are being asked to implement the new core curriculum without the necessary teaching

resources and in-service requirements.

While in opposition the NDP, especially the members for Saskatoon Nutana and Saskatoon Broadway, chastised the previous government for underfunding the core curriculum. Madam Minister, you said you would do better. You said you would provide more of everything. And now the NDP has formed government, and what do we see?

Not only has the NDP failed to come through with their hollow promises of more money, you and your NDP colleagues have seen fit to cut back on the funding for the core curriculum by more than 10 per cent in this budget. Madam Minister, did you consult with the education stakeholders about what you would do with the core curriculum before you inflicted these cuts?

(1545)

Hon. Mrs. Teichrob: — Mr. Chairman, we did consult extensively, starting right after November 1, with the education community with our commitment to the development of the core curriculum in mind. We recognized that there would be financial shortfalls, that it would be difficult. And keeping in mind that the core curriculum is a resource based curriculum and that in order to continue the pace of implementation, it would be required to spend a great deal of money especially at the outset, acquiring new resource materials, the new books that would be required.

We did set up a review committee chaired by the assistant dean of the U of S (University of Saskatchewan) in education and asked him to consult and provide us with a revised timetable for the implementation of core within the financial constraints we face so that we could continue to develop the curriculum, continue to make sure that school boards would have the required resources to provide in-service for the teachers because we didn't want to continue the pace without having the resources available and frustrate teachers and students. We felt it was much more important to do it right — that's implementation of core — than to try to do it quickly.

It was originally a 10-year program. The timetable had been altered at one previous time to make it 12, and we're saying now that we want to carefully prioritize the way it's implemented, making sure that resources are available . . . does not dilute our commitment to the core but it does make sure that it's very sensitively done.

Mr. D'Autremont: — Madam Minister, do you have a time line for the implementation of core at the present time?

Hon. Mrs. Teichrob: — Mr. Chairman, I'm advised that the committee that I mentioned, chaired by the assistant dean of Education at the U of S, has just recently reported that the recommendation is that the implementation of core curriculum will be complete by the year 2000 and further that teachers and all the people in the education community that were consulted with were very supportive of the changes in the timetable.

Mr. D'Autremont: — Madam Minister, would you be

prepared at this time to table that report?

Hon. Mrs. Teichrob: — Mr. Chairman, in due course. As I said, the report was received very recently, and I have not even seen it yet myself. But in due course we will be prepared to table it.

Mr. D'Autremont: — Thank you, Madam Minister. What advice have you provided to the school boards and to the educators who are being asked to continue the process of core implementation but without access to the adequate funding to provide the proper services?

Hon. Mrs. Teichrob: — Mr. Chairman, the implementation window of three years remains unchanged. The curriculum development within the department will continue. And working towards the time frame that's been recommended and supported, we will do everything possible to support teachers and boards in providing resources and making sure that the implementation remains on that schedule.

Mr. D'Autremont: — Madam Minister, you've cut the core curriculum budget by \$2 million. You're going to implement the program you say in three years. How are the parents and the teachers and the school boards to implement this program? They can't start it off with half a class-room. You either have the facilities in the class-room or you don't have. So what advice are you giving to them in the meantime? How do they provide those services to those students?

Hon. Mrs. Teichrob: — Mr. Chairman, quite a large part of the allocation would have been devoted to development. A great deal of development work has already been done. We do continue to support the in-service portion of the budget.

Mr. D'Autremont: — Madam Minister, are you advising some of the school divisions to discontinue the core curriculum activities at this time because of the funding shortfalls?

Hon. Mrs. Teichrob: — No, Mr. Chairman, on the contrary. As I said, we still have and the education community has — and we appreciate that support — a very strong commitment to core. But on the basis, as I said, that it's important to do it right rather than do it quickly, we are working with them at all levels within the department, in the field, to attempt to do the job as thoroughly as possible.

Mr. D'Autremont: — Well, Madam Minister, prior to forming the government, your party demanded more money for the core curriculum. It was never good enough. And now we see a flip-flop on that issue.

Is your government really committed to the core curriculum or will we see this important process disappear? You say it's to be done right rather than quickly. If you're not going to provide the funding for development, how is it even going to be done right?

Hon. Mrs. Teichrob: — Mr. Chairman, we have had to be, within our very strong commitment to core with the new timetable, we have to be very selective about

priorizing the way energy and dollars are devoted to this initiative. And we are doing that.

And I repeat that our commitment and the commitment of the education community to the development, implementation of core is not diluted. But in the face of the fiscal realities that were left to us, we have to be very careful and we have to prioritize. We're doing that in concert with the partners that deliver the program and I'm sure that it will be a success.

Mr. Martens: — Thank you, Mr. Chairman. Madam Minister, in our discussion with the minister responsible for the Saskatchewan Property Management Corporation we asked about the transfer of debt from the Saskatchewan Property Management Corporation in each of the departments. And he indicated to us that that information would be provided by each of the ministers. And I wonder if you would provide the volume of dollars.

In the budget speech it talks about \$715 million going from the various departments to the Consolidated Fund. Would you provide for us the volumes of dollars that were transferred in debt from the Saskatchewan Property Management Corporation to the Department of Finance, and how that worked through into the Consolidated Fund?

Hon. Mrs. Teichrob: — Mr. Chairman, the question that the hon. member, the member opposite poses doesn't have a very large significance within the Education capital budget. Within the K to 12 system, it's not applicable at all.

The only reference I can think of that may be included in his question is some portion of long-term debt repayments committed to the university sector. And there was a portion of that repayment that was transferred to the consolidated revenue fund. And I do not have the figure here. I can undertake to provide it.

That's the only portion of the debt management — and debt management we're doing a lot of these days — but that's the only portion that would be applicable to the question, I believe.

Mr. Martens: — Well in each of the, Mr. Chairman, each of the places that it talks about the Saskatchewan Property Management Corporation in your *Estimates* it says that, "The accommodation charges reflect a change in the Province's accounting . . ." Would you then describe for me how that process worked that you changed, and would you define that for me? And I'd like to have the volume of dollars that you transferred through that system to the universities.

I'm not sure whether I'm making myself clear, but I thought that there was some transferred in the K to 12. And I ask then about the technical schools; was there any done in the technical school side?

Hon. Mrs. Teichrob: — Mr. Chairman, I'm not sure that the member's question is quite clear but I'm quite sure that my answer with respect to the K to 12 system was correct. There wasn't any such transfer made with respect to the K to 12 capital. There was an amount with respect

to university capital.

The only adjustment with respect to any other portion of the system would have been the discount system on the rents to SIAST, and I'm not sure what that number was. But it was the jiggery-pokery that was being done under your administration with adjustments made at the end of the year so that no institution that was paying rent to SPMC (Saskatchewan Property Management Corporation) could ever figure out exactly what the final number was going to be. And we stopped doing that.

Mr. Martens: — Would you explain to me then how schools from K to 12 have been financed?

(1600)

Hon. Mrs. Teichrob: — Well, Mr. Chairman, there is a provincial contribution. Once a construction project that's in the approval process within the Department of Education is approved in principle and approved to go ahead, then there is a formula that provides for a provincial contribution, usually in the neighbourhood of 80 per cent. And the local school board issues bonds to raise . . . or uses whatever means are available to them to raise their portion.

And as the member knows, those amounts for new construction are never shown in the current year because it's all in the form of debt and is reflected in, for instance, the \$65 million that we have allocated for this year is to pay those obligations that were incurred in previous years.

Mr. Martens: — I just want to make an observation, Madam Minister, that you were berating us for us spending the \$65 million. And I'm not saying one way or the other whether that was good or bad, but I know that in the last 10 years there have been five schools built in my constituency and that the one that's the oldest was probably built before you were born and before . . . well I know it was before I was born, and I'm not saying how old you are, but it was prior to either one of us being involved in any of the debate that we have here today, that is for sure.

But I want to say too, that the \$65 million is, on the basis of what you just said now, going to be allocated for how long in determining when these debentures are going to be paid off, or this volume of dollars is going to be paid off?

Hon. Mrs. Teichrob: — Mr. Chairman, the member opposite flatters me. I think most of the schools that were built before I was born have probably fallen down already. But the \$65 million that is an obligation for this administration in this year is repayment for previous commitments. If we didn't build a single . . . if we didn't hammer a single nail this year, we'd still be committed to that 65 million. It will decline in '93-94 as the capital payments which range in time, depending on the project, as they diminish.

Mr. Martens: — Madam Minister, how long has this process been in existence?

Hon. Mrs. Teichrob: — Mr. Chairman, probably, as with the previous reference to the condition of schools that are the same age as me, I think this formula has probably been around that long as well. And I think that if we didn't build . . . it's a maximum of 10 years, the repayment schedule. So if we didn't build a single school for 10 years, the contribution to capital that's reflected in that \$65 million would by then have reached zero.

Mr. Martens: — What's the volume of debt carried through the K to 12 system if you add the 65 million on? What's the value of that indebtedness?

Hon. Mrs. Teichrob: — Mr. Chairman, it's interesting, but telling I guess, that the member opposite is asking me to define the total of the debt that was incurred by capital construction that they did. We certainly could calculate the repayment schedule as it declines and give you a total. But at this point I don't have it with me. I could undertake to provide it.

Mr. Martens: — Well, Madam Minister, I wish you would. And I wish you would also provide for us the transfer of payments from the department to . . . or from the Sask Property Management into the Consolidated Fund for the universities that you talked about earlier. I'd like to have that volume of dollars as well.

I just want to make a point. There isn't any one of us here who are in rural Saskatchewan that don't understand debt financing and debt financing to improve ourselves. And I would hazard a guess, Madam Minister, that an investment in young people in this province is an investment in the future. And that investment is also going to take care of it if we administer the dollars after we have the education process involved and have young men and women who are going to continue to provide resource dollars for this province if we provide work for them.

And I don't ever consider a dollar spent in education as a non-recoverable asset because it's going to be recoverable with the kinds of conditions that we provide for our young men and women in this province. And I will never say that that was a dollar that wasn't well worth spent. Even the five schools in my constituency were money that was well worth spending. And I believe that.

And I think that there is an opportunity there for young men and women, children, to learn the kinds of things that they're supposed to learn. And I think that with the quality of teaching staff that I know that are in my constituency — I know the majority of the teachers really well — they need the tools to provide the work environment to provide the children with the kinds of education that they have to have in competition with the market-place.

And so I will not be intimidated, Madam Minister, by the volume of dollars that you're going to tell me that we spent in the 10 years. And I'm not going to be intimidated by that because that's an investment in my children's future, and it's an investment in my grandchildren's future. That was the same dream that those people had that built the schools in the first place. And I believe that that is a very, very important part.

On the Property Management Corporation, were there any monies transferred from the Department of Education to Sask Property, Sask Property to the Department of Education, that dealt with any of the operating grants that we have in the votes that we are having here in Education.

Hon. Mrs. Teichrob: — Mr. Chairman, there are only two instances of payments to SPMC from the Department of Education — one being in relation to the leasehold arrangements for the head office on College, which would be \$2.9534 million, and the other one is with respect to SIAST; it is shown in the budget as \$16,297,600. That's a reduction of \$5 million from the prior year, reflecting, as I said earlier, the year-end adjustments that we're no longer making.

Mr. Martens: — How long, Madam Minister, do these debentures that these schools have usually continue? What's been the practice that has been followed in funding your 80 per cent of the funding for capital projects?

Hon. Mrs. Teichrob: — Mr. Chairman, the normal practice has been a maximum of a 10-year term.

Mr. Martens: — So I guess that we probably are now at the 10-year term from when we started building schools in the total of the capital project. Have you any idea how many dollars we paid off during the 10 years that were there, the 10 years of your administration, that the volume of dollars that that would have been equivalent to?

Hon. Mrs. Teichrob: — Mr. Chairman, we don't have that information here but we could certainly undertake to provide it.

Mr. Martens: — I'd like to have that, Madam Minister. I have another question here that deals with the teachers' pension plan. Would you be able to give me the volume of dollars that the Saskatchewan teachers' pension plan, in the formula side, how many dollars there are unfunded?

Hon. Mrs. Teichrob: — Mr. Chairman, the estimate that we have on hand at the moment would be in the range of 1.6 to \$1.8 billion, but we are this year having an actuarial review which will further refine the extent of that liability.

Mr. Martens: — When was the last time that that was done?

Hon. Mrs. Teichrob: — Mr. Chairman, that was last done, I believe, at June 30, 1989.

Mr. Martens: — The plan on how you do these, can I have you provide me some information on how you set up the actuary? For example, how many teachers are involved in all? How many possible pensioners that there would be? Could you provide that for me? And also could you provide for me today how many teachers there are on the formula plan in the province?

Hon. Mrs. Teichrob: — Mr. Chairman, I thought we might have the latest estimate of the number of teachers that are currently in that plan; we don't seem to have it

here but we can undertake to provide it.

And as to the terms of the actuary review, it is usually done by . . . the practice has been to have that done by an outside consulting firm that specializes in that work and which takes into account such factors as the number of teachers that still are on the plan.

Mr. Martens: — I'd like to have that information, Madam Minister. I think . . . could you break it down for those teachers who are still under the formula plan and are still working, and then those people who are already retired and under the formula plan.

Hon. Mrs. Teichrob: — Yes, Mr. Chairman, we can undertake to provide that information.

Mr. Martens: — On the basis of a 1.6 to \$1.8 billion shortfall, was that the actuaries estimate in 1989?

(1615)

Hon. Mrs. Teichrob: — Mr. Chairman, the answer to that question is yes.

Mr. Martens: — Could you describe to me how the formula plan is paid out, or on what basis it's paid?

Hon. Mrs. Teichrob: — Mr. Chairman, the basis that the formula plan is paid out on is the average of the highest five years of earnings of the teacher.

Mr. D'Autremont: — Thank you, Mr. Chairman. Madam Minister, I'd like to ask you some questions about the foundation operating grant information you provided us. The Arcola School Division had a decrease in the student population of one, and yet they had a decrease in their grant. Can you explain why this occurred?

Hon. Mrs. Teichrob: — Mr. Chairman, the number doesn't seem to correspond with the name of the school division that the member quoted and I'm wondering if he'll just repeat his question.

Mr. D'Autremont: — School Division No. 72 had an enrolment change of one student — decreased by one and yet their capital grant . . . not the capital grant, sorry, the foundation grant decreased by \$80,000. Can you explain it?

Hon. Mrs. Teichrob: — Mr. Chairman, I'm just having some difficulty reconciling the numbers that the member is quoting because with respect to the Arcola School Division there's an effect of . . . the grant redistribution effect of the equalization. Increasing the equalization factor by 3 mills and the basic rates by 3.1, the effect on the grant is a minus 36,400. But I don't have any numbers in this analysis that would equate to the 80,000 that the member is referring to. I'm sorry, if he could clarify his question I'd be pleased to answer it.

Mr. D'Autremont: — Well, Madam Minister, in the information you provided us, the 1992 grant is \$3,031,691; the 1991 grant was \$3,120,953. This is your information.

Hon. Mrs. Teichrob: — Mr. Chairman, I guess I think the problem that we have here is partly solved in that I was looking for an \$80,000 figure, as referred to by the member opposite, and the difference is really 89. And it is, as I said before, the largest portion is with respect to the effect of equalization on the grant distribution.

And it is . . . there's a whole range of adjustments, some up and some down. The net effect is 89. And it has to do with mill rates, with population, with changes in transportation, depending on the configuration of the school district and where the population is now. So there would be a number of profound changes in the configuration of the system in that school division besides the net loss of one pupil that would result in that \$89,262 figure.

Mr. D'Autremont: — Madam Minister, you talk of a change in the equalization formula. How are parents and school boards supposed to know whether or not they were given a fair hearing on this change and whether or not their school board got the proper amount of change, up or down, as compared to the next school board? How do you explain to them whether or not they received the proportion they should receive?

Hon. Mrs. Teichrob: — Mr. Chairman, the director of education for each school division is given the whole detail and is part of the process in terms of explaining how the changes in funding will affect the school division and how they were arrived at.

So there's certainly . . . It's not a mystery. There certainly is a mechanism where each individual school board can find out which changes in their division or which changes in the policy affect the level of grant that they ultimately receive.

Mr. D'Autremont: — Is the formula that you use, Madam Minister, the same for every school board?

Hon. Mrs. Teichrob: — Yes, the formula, as well as being very comprehensive, it attempts to be very equitable and it is applied in exactly the same way to all the same factors in each and every school division.

Mr. D'Autremont: — Madam Minister, I haven't had to deal with this formula before. Would you mind explaining to me how it works?

Hon. Mrs. Teichrob: — Mr. Chairman, since the member opposite has asked for a comprehensive explanation of this highly complicated formula, which the basis has been in place for many, many years and as conditions changed, the Department of Education, under various administrations, has attempted to be responsive to those changes and still meet the objectives of the funding formula. But I will go over it in detail and describe the objective of the foundation formula as being to distribute grant funds to school boards equitably.

There are three major principles of the formula, being, first, equity: the board's ability to generate local revenue affects the level of the grant. In other words, a municipality or a school division with a high assessment would have a better ability to generate funds locally and

would likely require less assistance.

Responsiveness: the unique needs of specific groups of students; for example, special education, enrolment decline, and small schools is recognized. There is unconditionality: the major portion of the grant is unconditional, allowing boards to establish their own budgets within their own priorities.

And the structure of the formula is based upon a range of recognized expenditures. And we take, number one, need; to try to define the need in terms of dollars. Take the enrolment times the basic rates in the formula, the incremental rates for comprehensive high schools, special education, enrolment decline, sparsity, and the small-schools factor are all taken into consideration together with any tuition fees that might be applicable, transportation, facility rental, and a whole other range of recognized expenditures.

Then we deduct from that recognized revenue, which recognizes the ability to pay. Take the equalized assessment times the equalization factor, the mill rate, tuition fee receipts as a recognized revenue, and any other recognized revenues that the school division might accrue to the school division. That is subtracted from the recognized expenditures, and we arrive at the unconditional grant. The payments are scheduled. The operation of the formula — if enrolments increase the need is increased, obviously, and the grant goes up; if the assessment increases, the ability to pay increases, and the grant goes down.

So that's just a basic overview of the macro-factors that are taken into account in trying to deliver equity to the student no matter where they live in the province, no matter what the assessment of the municipalities in the local school divisions, and try to address the unique needs of the school division in terms of the needs of the individuals in the student body.

Mr. D'Autremont: — Mr. Chairman, would Madam Minister table that please for us?

Hon. Mrs. Teichrob: — Mr. Chairman, with the assistance of a page we'll undertake to have a copy made of this one and provide you with it shortly.

Mr. D'Autremont: — Thank you, Madam Minister, that would be nice. Back to the Arcola School Division. Now that you have told us all the implements in the formula, what changed in the Arcola School Division?

(1630)

Hon. Mrs. Teichrob: — Mr. Chairman, in response to the question with respect to the Arcola school division, the formula is indeed very complicated, with a whole range of pluses and minuses. But the major factor here would be . . . and the misleading part of this is it says net enrolment change, but this includes tuition fee students in and out. So there really was a net loss of 27 students, a large number of whom paid tuition. So there was a substantial adjustment in that factor, so I think we're being misled by the net enrolment change being one.

And I can understand the nature of your question, you know, how come one student, \$90,000? But it was a net of one, in and out, and a number of the out ones were tuition fee paying. So there was a very large drop in revenue with respect to the tuition fee factor.

And then there's a number of others, like the change in the equalization factor, that would have had some effect. So in all, the total change is \$89,262, but there were many more profound changes than just the gain or loss of one student.

Mr. D'Autremont: — Madam Minister, on the change of tuition paying students in and out, was that an increase or a decrease of tuition paying students?

Hon. Mrs. Teichrob: — Mr. Chairman, there would have been a substantial decrease.

Mr. D'Autremont: — Okay. There is a decrease in tuition paying students, therefore the school board would be receiving less money coming in to them from outside sources, and yet they received an \$89,000 decrease. I would have thought that if they had more students that were from the division and should have been receiving grants, that they should have received an increase then, rather than a decrease of 89,000.

Hon. Mrs. Teichrob: — Well, Mr. Chairman, that's some of the convoluted logic, I guess, that got us into the financial position that we're in, is that the students were not there, were not paying tuition fees. But the division was also not educating those students, so they didn't have any of the costs of providing for those students.

Mr. D'Autremont: — So these students that were . . . Tuition fees, this was tuition fees being paid by the division out to another division rather than tuition fees being received by the division.

Hon. Mrs. Teichrob: — No. A drop accompanied by a reduction in the number of students would indicate that they must have been students from outside the division that were being educated in the division, and tuition was being paid on their behalf by another division. And those arrangements obviously changed, and so it's a loss of revenue to the Arcola School Division, but an accompanying decline in enrolment because the students went elsewhere.

Mr. D'Autremont: — Well, Madam Minister, the students went elsewhere, and yet we only have a net change of one. That means there must have been an additional 26 students from within the division that have started attending schools. The unit is receiving less money because of no tuition fees coming in, and yet you've cut their grant by 89,000. How do you explain that?

Hon. Mrs. Teichrob: — Mr. Chairman, I've tried to indicate previously that this is misleading because we don't normally count, in the enrolment we don't count the tuition fee students in that division. So the net enrolment change figure is misleading. It's not meant to be, but it's just that now that we're relating it to the changes in the grant which makes it appear that there's

this one student accounting for \$89,000, it does not reflect the influx or leaving of tuition fee students, the enrolment numbers don't.

Mr. D'Autremont: — Madam Minister, what effect then on your formula would a tuition paying student coming into the division have?

Hon. Mrs. Teichrob: — Mr. Chairman, there is a variety of different arrangements. There are some school divisions that accept students from neighbouring school divisions without charging tuition fees at all. When tuition fees are paid, it's recognized by the formula and by the department as an expense and revenue in the corresponding school divisions. So it's an offset really and that the arrangements do vary. And as I say, there are some school divisions that don't charge tuition at all.

Mr. D'Autremont: — Well, Madam Minister, if you say that tuition paying students . . . the revenues generated into the division is offset by the expenses they would have, then they should have no effect on the formula. Therefore the net change is one student for the Arcola School Division equals \$89,000. Is that not right?

Hon. Mrs. Teichrob: — Mr. Chairman, as I said before and as is becoming increasingly obvious, these are very complicated formulas. And all I can really say is that there was a change in the equalization. There was a change in the transportation.

There was a very large change in the tuition fees revenue, where the real number was 27, the loss of 27 tuition paying students, who don't show up here because the tuition paying students are not counted in that school division. Beyond that, the loss of the 27 students probably would have cost or accounted for almost the whole difference between the two numbers on the table between '91 and '92, and so it isn't \$89,000, one pupil. It's much more complex than that, but it's really 27 tuition paying pupils that made most of the difference.

Mr. D'Autremont: — Well, Madam Minister, this loss of the 27 or 26 students, is that because they are no longer in the school division or because they're no longer counted in the formulation?

Hon. Mrs. Teichrob: — Well, Mr. Chairman, I can't be definitive about that. They may have been students who graduated, who aren't in the system any more. They may have been students who are being educated in another school division. They may have a different transportation arrangement. So I cannot be definitive in an answer to that question, Mr. Chairman.

Mr. D'Autremont: — Madam Minister, in the information you gave us regarding the formula for the operation grants, you have a basic rate. Will you mind saying what that is and how it's calculated?

(1645)

Hon. Mrs. Teichrob: — Mr. Chairman, these numbers are public knowledge because as they're adjusted, they're published each year in the regulations.

But for the benefit of the member opposite and in reply to his question, the basic per pupil rate for kindergarten in major urban school divisions is \$1,555. And all others, which would be rural and small urbans, is \$1,640.

The elementary basic per pupil rate in major urban divisions is 3,007, and the corresponding rate for rural and small urbans is 3,156. In the middle years the basic per pupil rate for major urban divisions is \$3,224, with all others, being small urbans and rural, 3,383. And at the secondary level, major urbans are 3,714, and the rural and small urbans is \$3,883 as a basic per pupil rate.

Mr. D'Autremont: — Thank you, Madam Minister. Will you table that, please?

Hon. Mrs. Teichrob: — Again, Mr. Chairman, I would like to table the table on a separate sheet of paper because there is some other information on this particular page which is not relevant to the question.

Mr. D'Autremont: — Well, Madam Minister, since we went through this before and I only got half the page, I guess I'll have to accept it again.

On the second part of the formula where computational mill rate or equalization factor . . . how is that calculated?

Hon. Mrs. Teichrob: — Mr. Chairman, in theory this equalized assessment is supposed to be . . . supposed to represent the weighted average provincial mill rate. This is difficult with as many municipalities and school divisions in the province that we have, but that's the closest short version of a definition that I can give you.

Mr. D'Autremont: — Madam Minister, how is the general public supposed to know whether or not their school division is being treated fairly and equal to the other school divisions around the province when you can't give an answer that will define how this equalization factor is calculated?

Hon. Mrs. Teichrob: — Well, Mr. Chairman, this year's calculation or representation of that provincial weighted average mill rate is 70.5 mills. So a school division could look at what their actual mill rate is and compare it to that theoretical provincial weighted average and then they could be assured whether they were above or below that. They could be assured that whatever else happens, based on that number, that their application of the formula to their situation will be exactly the same as the application of the formula in every other school division in the province. It's very even-handed in that way, as complicated as it is.

Mr. D'Autremont: — Madam Minister, what factors are involved in decided how that formula is weighted?

Hon. Mrs. Teichrob: — Mr. Chairman, it's simply that the assessment within the school division is multiplied by the computational factor. And that's done in every case.

Mr. D'Autremont: — Well, Madam Minister, you said that the equalization factor was determined by the weighted assessment mill rates across the province, and yet you turn around and saying it's figured out by

multiplying it times the computational factor. You're going in a circle there.

How does it work?

Hon. Mrs. Teichrob: — No, Mr. Chairman. If, for instance, if the actual mill rate in a school division was lower than the computational rate, then the school division would know that they're not getting the full benefit of equalization. So every rate payer in every school division, by comparing their actual situation to the provincial average situation, can tell how they are faring in the disbursement of equalization.

Mr. D'Autremont: — Madam Minister, you're saying if your division board's mill rate is below the computational mill rate, that they would receive less funding, and if they're above it they would receive more from their foundation grants?

Hon. Mrs. Teichrob: — Mr. Chairman, I think what we're reflecting on here is the difficulty of trying to find an average when there are such disparate situations in the province. And I guess one of the things about an average is that we use the computational mill rate, or this provincial weighted average, and apply it equally across the assessment.

But as you know, a mill — depending on the assessment in the school division — a mill in one school division in actual fact will raise more or less money than a mill in a neighbouring or another school division, depending on the assessment. So that's the problem that you get into when you start using an average.

But if we tried to use a actual, then we would be . . . we'd be providing for very disparate situations. And that's what we're attempting to do through the equalization formula, is to make it even handed so that pupils in every school division in the province no matter where they're situated, whether their school is rural or urban, has an equal opportunity.

Mr. D'Autremont: — Well, Madam Minister, I'll ask you a question dealing with another school division then. The Oxbow School Division has a change of approximately \$176,000 from 1991 to 1992, and yet they have a net change in their enrolment of plus 30. They've gone up 30 students and dropped \$176,000, whereas Arcola, according to your information — and we've already been through the tuition students — had a net change of minus one, and dropped 89,000. How do you explain the differences?

Hon. Mrs. Teichrob: — Well, Mr. Chairman, as we said before, in answer to the question on the Arcola School Division, the same thing would apply to Oxbow as the questions that have ensued and the answers in between, that it is a very complicated formula which recognizes many, many, many more factors than an increase or decrease in students. It depends where the students are, depends whether or not they're tuition paying students; it depends upon a whole range of factors.

The Oxbow School Division would most certainly have the detailed information and have had the director of

education for their division go over an analysis with them. So they will understand exactly how and why they are affected, and there will be much more taken into account than student enrolment.

Mr. D'Autremont: — Well, Madam Minister, would you provide us with the information that what those changes were in the Oxbow School Division, so that the rest of the people in the province can understand why in one school division you have a net change of negative one, another one you have an increase of 30, and yet the one that has the increase of 30 has a much bigger drop in their foundation grant.

Hon. Mrs. Teichrob: — Mr. Chairman, rather than pick up pieces of this, I have an analysis of the Oxbow School Division No. 51, and I will read it for the member. It shows a summary of enrolment in 1992 being 1,264; in 1991, 1,234, a net change of 30. The basic grant that . . . the difference is minus 176,373.

Now for some of the factors, there's changes in expenditures. There's a change because of the 30-pupil increase to 219,950. The other adjustments, the ones that we referred to earlier where we tried to refine the formula — the sparsity, the small school, the enrolment decline — results in a downward adjustment of \$95,033. Tuition fee expenditures declined by \$19,464. Transportation costs increased by \$34,641. Other recognized expenditures which this summary doesn't define are \$35,602 for a total recognized expenditure change of \$100,264.

Then in the revenue, local tax revenues increased, I assume by a change in the mill rate, growth in the local assessment, and a change in the equalization factor, for a total of 205,265. Then there's other revenue shown as 11,649, for a total revenue change of 216,914. So there's an impact, a negative impact of \$116,650.

Then the grant redistribution effective equalization — the factor that we've been talking about — increasing of the equalization factor by 3 mills and the basic rates by 3.1 per cent. The effect on the grant is minus 72,000.

The factors, in summary, contributing to a change in the basic grant, the losses would be the increase in equalization factor of 3 mills, the decrease in adjustment factors, the decrease in tuition fee expenditures, a decrease in some other recognized expenditures, for total losses of \$346,000.

The gains would be the increase in enrolment of 30 pupils for \$95,000; increase in basic rates of 3.1 per cent, \$125,000; an increase in transportation recognition, \$35,000. So the gains would be 255,000 and the approximate effect of both of those would be minus \$91,000.

The Chair: — Order, order. It being past 5 o'clock, the committee stands recessed until 7 o'clock p.m.

The Assembly recessed until 7 p.m.