

August 31, 1987

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Mr. Saxinger: -- Thank you, Mr. Speaker. Mr. Speaker, I'd like to introduce to you, and through you to the members of this Assembly, a young lady who was taking university in Saskatoon last year to become a therapist. She went on a working holiday for three months – she had a working visa arranged by the university. She just came back last Saturday, and she's going back next week to take university again. She's accompanied by her mother, Stella Waldbillig. Would you please help me welcome these two ladies to this Assembly.

Some Hon Members: Hear, hear!

Hon. Mr. Taylor: -- Mr. Speaker, it's with great pleasure that I welcome to our Assembly, and to our province, a number of people in the Speaker's gallery from the United States that are visiting our province. They're from Illinois and Iowa, Wisconsin and other states in the area.

I welcome you here. I hope you enjoy the debate in the legislature. I hope you enjoy your stay in Saskatchewan and take part of many of the fine things that we have to offer and come back and see us again fairly soon. Thank you.

Some Hon Members: Hear, hear!

ORAL QUESTIONS

Possible Potash Embargo

Mr. Koskie: -- Thank you, Mr. Speaker. I'd like to, Mr. Speaker, direct a question to the Minister of Energy and Mines or the Minister of Economic Development and Trade, whichever opt to answer the question.

The basic essence of my question, Madam Minister, is that there has been a considerable amount of uncertainty created by your government's failure to clearly and effectively deal with the problem that has been created in respect to the dumping of potash in the United States . . . And has been indicated before it's ten days since the decision; it's over seven months since the initial application was put forward, and I want to ask you, Madam Minister, then: can you outline to the people of Saskatchewan today what in fact . . . the plans of your government in dealing with this here very serious problem?

Some Hon Members: Hear, hear!

Hon. Mrs. Smith: -- Mr. Speaker, if there's been any uncertainty, it has certainly been around for some time. And with all due respect to the hon. member from Quill Lakes, I would say that the uncertainty has come in terms of the world markets and the pressure that that has put on the Saskatchewan industry.

As I indicated to the members on Friday, notice was given that there would be a Bill this week. And the member knows full well that when that is given first reading in the House, then he will have access to the legislation, and the details will be known, Mr. Speaker, I believe that that is customary how legislation is treated in this House.

Mr. Koskie: -- Supplement, Mr. Speaker, to the minister. Madam Minister, I want to ask you: have you, in fact, discussed this problem with the industry, because the Premier, down in New Brunswick, indicated the possibility of an embargo. The industry was contacted over the weekend; they opposed the institution of an embargo and indicated that they hadn't been, in fact, consulted. So what I'm asking you: during the seven months, pending this decision, did you meet with the industry? Did you work out some contingency plans?

Some Hon Members: Hear, hear!

Hon. Mrs. Smith: -- Mr. Speaker, I and others in the Department of Energy and Mines, along with my colleague the Minister of Economic Development and Trade, have over the last seven or eight months met several times with various potash producers to talk about some of the problems and the pressures that they were facing. In terms of the problem, I'd indicated earlier the issue of demand and supply; the pressures coming on to the industry were being felt greatly; we ran the potential of losing jobs, seeing mine closures, and we felt that indeed consultation had to take place.

Consultation has taken place in regards to the actions that this government will be taking this week. We have talked to the industry. We have asked for input in terms of how the industry might handle this and how the government might handle it. So the consultation has taken place, contrary to what the member from Quill Lakes has alluded to.

Mr. Koskie: -- It's not what I'm saying, it's what the industry is saying, Madam Minister. I want to ask you, that there's a considerable amount of confusion being left in the . . . as to what this government is doing. The Premier in New Brunswick is talking about an embargo. I want to ask you: is this a consideration? And how is it, in fact, going to protect the 3,800 workers in the potash industry? Is that your plan, for a complete and total embargo?

Some Hon Members: Hear, hear!

Hon. Mrs. Smith: -- Mr. Speaker, when it comes to confusion, I firmly believe the only confusion that rests around here lies with the members opposite and perhaps with some of the media down east. I believe that perhaps some of the interpretation that was taken was taken with a great deal of liberty as to the Premier's remarks on the embargo, and I can tell you that at this point in time it is not our intent to put an embargo on.

Mr. Koskie: -- A new question, Mr. Speaker. Madam Minister, I think that one of the best areas to deal with, in order to get this here ruling turned around, is with the agricultural community in United States. To get it turned around is to deal with the lobby, the agricultural lobbyist. And down in . . . farm leaders recently have been contacted in the state of Iowa, Indiana, Minnesota, Illinois, and throughout United States, and they were not in fact made of aware of it.

What I want to ask you, Madam Minister: are you in fact taking a look at contacting the farmers, the lobby groups in United States who are dependent upon potash? I ask you: who in fact is handling this on behalf of the Government of Saskatchewan, and why have you failed to get a message to the farming community in United States?

Some Hon Members: Hear, hear!

Hon. Mrs. Smith: -- Well, Mr. Speaker, the member from Quill Lakes refers to this action pertaining to the ruling only. I want the House, and particularly the member from Quill Lakes, to understand very clearly that the action being proposed by the government this week is not in direct relationship to the ruling.

The problem has been growing for some time – I would suggest back to perhaps early 1986. What we've had is a problem of demand and supply. The ruling or the anti-dumping action that you've seen come out of the U.S.A. is only a symptom of a much larger problem. So the intent, Mr. Speaker, in dealing with the legislation, is to deal with the problem at large, not to zero in on what the member has referred to.

In terms of his question: have we contacted people in the United States? Yes, we are in contact with the Department of Commerce and other people. However, the member should be aware this is not an action of government against government; this was industry and companies. In our consultation with the companies earlier this year, they, in meeting with their customers, including the fertilizer industry within the United States, were going to be making those contacts. However, I can tell the member that we have going to increase the activities in co-operation with the industry to ensure that perhaps the voice is made much louder in the future.

Mr. Romanow: -- Thank you very much, Mr. Speaker. A new question to the Minister of Energy, Mines and renewable resources. The Saskatoon *Star-Phoenix* reports on Saturday, on the business page, that the producers of potash are only meeting with you, Madam Minister, and other officials of the government presumably, today and tomorrow to discuss the details of this Bill. Is that in fact a correct report?

Some Hon Members: Hear, hear!

Hon. Mrs. Smith: -- Mr. Speaker, I can inform the member from Riversdale that we have been meeting with the various companies, but I was not at liberty to give the details of the Bill to them.

Mr. Romanow: -- Mr. Speaker, if I might, a supplementary. What I'm asking the minister, just so that we understand each other: is it correct to say that the first time that the industry, including union leaders or others associated with the business, that the first time that they're seeing any legislation is today and tomorrow, as reported by the Saskatoon *Star-Phoenix*; is that the position of the government?

Hon. Mrs. Smith: -- Well, Mr. Speaker, they have not seen the legislation. They will see it after it is tabled in this House, and after the opposition has had a chance to look at it. I can tell the member, I have met over the last seven, eight, nine months with various industry people over the difficulties that the potash industry was having. I have not had the opportunity to meet with the union officials, and I believe one of the union officials today has not given his consent whether he wishes to meet with me or not, and will be letting me know early tomorrow morning.

Mr. Romanow: -- Mr. Speaker, a further supplementary. The minister says that she will be undertaking a consultative process with the industry and with the other members in the industry. If that is the case, surely the minister will be explaining some of the key essentials, if not even the details of the legislation to the industry and others; if that's the case, why won't the minister tell the member from Quill Lakes and this Legislative Assembly the details of what's being proposed in the legislation?

Hon. Mrs. Smith: -- I'm not about to bend the rules for the member from Quill Lakes or from the esteemed next leader of the NDP party, Mr. Speaker.

Mortgage Filed Against Gainers Inc.

Mr. Anguish: -- Thank you, Mr. Speaker. My question is to the Minister of Economic Development and Trade. On October 27 in this House I asked if it could be possible that Sedco had a mortgage filed against the Gainers property in the city of North Battleford for, in fact, more than the \$3 million that it had been acknowledged that it would cost to build the plant. After questioning, Mr. Speaker, the member outside the House, and I quote. He said:

The allegation by the member for North Battleford, I suspect, I truly suspect is probably a misstatement or probably a bold-faced lie, and not surprising coming from that member.

Mr. Speaker, I have today a press release from December 11, 1985, by the provincial government, and it says:

Gainer's Inc., rapidly expanding meat packing business based in Edmonton, will build a \$3 million bacon processing, curing, and packaging plant in Saskatchewan, with construction to begin in January and be completed by the spring of 1986.

And I also have today, Mr. Speaker, a copy of the title for the Gainers property in North Battleford in which, on October 7, '86, there was a mortgage filed against that property by Sedco in the amount \$6,222,734. And my question to the minister is: can he confirm these are the facts, and if not, we'd like to hear his interpretation?

Some Hon Members: Hear, hear!

Hon. Mr. Andrew: -- I welcome the question from the member for North Battleford. On the initial observation of the first news release that he talks about was a time before he was elected to this Assembly. But he knows full well because he, and as I believe his seat mate, attended the official opening of the Gainers plant in North Battleford. And at that point in time if he wished to be, what I would say, forthright with the people and with this Assembly, he could read the news release of that day which says:

A new \$7 million Gainers bacon plant was officially opened today.

He might also read the newspapers from North Battleford. If he doesn't read our press releases, I would assume he reads his local newspaper from his own community. And on Thursday, March 26, 1987, the headline, the first part of the story says:

Official opening of a new \$7 million Gainers meat processing plan took place today.

That's from the *News-Optimist*. If he wants to go the *Telegraph*, if that's the one he prefers to read and not the *News-Optimist*, exactly the same story goes.

He was at that meeting. He was at the announcement, and he was there when we explained that in fact early announcement was to build a \$3 million plant. As they got into the plant they saw . . . and we decided that we would go to a larger plant with a capacity of twice the size, which is a \$7 million plant,

not a \$3 million plant. That has been made clear, both at the meeting that you were at . . . At the opening that you were at, it was made clear to you by Gainers' people as you toured the factory along with everyone else.

So that's why I say that what you are doing is selectively choosing press releases from before, to try to somehow mislead the province and mislead this Assembly as to what was going on. The second part of your question from the other day was to allege somehow that there was a subsidy paid for each pork belly that came into this province from outside of Saskatchewan. That is absolutely false. That is absolutely . . .

Mr. Speaker: -- Order. Order, please. That's not the question he asked today.

Mr. Anguish: -- Well thank you, Mr. Speaker. I'm not sure that any of the answer had anything to do with what I had asked in this Assembly. The fact remains, Mr. Speaker, whether it's \$7 million or whether it's \$3 million, the mortgage document shows \$6.2 million; the city of North Battleford threw in in excess of 125,000; they will get money under the industrial incentives program, plus maybe some subsidies we don't even know about. Still, it remains that money we can trace comes to almost the \$7 million. My question, Mr. Speaker, to the minister is: how much did Peter Pocklington and Gainers put into the bacon plant in North Battleford?

Some Hon Members: Hear, hear!

Hon. Mr. Andrew: -- Mr. Speaker, I can advise the hon. member that Peter Pocklington nor Gainers have received any money, any grants, from the Government of Saskatchewan through the industrial incentives program. That, in fact, does not apply until they have performed at least one year's work with those employees. And if and when they complete one year's work, all the money from any industrial incentive program will go to pay down any money advanced on the mortgage. There is a mortgage of approximately \$6 million on the property -- \$7 million originally invested -- \$7.3 million, I believe, invested in the plant. Peter Pocklington and Gainers have put 1.3, I think, 1.3 million initial investment. The rest of it has been by way of mortgage. Any moneys earned by Gainers from the Government of Saskatchewan by way of incentives will go completely to pay down the mortgage, and we will make sure that that money is assigned to pay down the mortgage.

Some Hon Members: Hear, hear!

Mr. Anguish: -- Mr. Speaker, the target keeps moving. It's very difficult to get a straightforward answer from the minister. And I suppose that the fact still remains that there are large sums of money . . . and I would question the \$1.3 million that Gainers has put in, or you say that Gainers has put into the operation.

What we want to know, Mr. Speaker, is when will the minister release the documents, the details, and the conditions of Gainers operations in the province of Saskatchewan -- not wanting anything that's confidential from Sedco -- when will you release the details of the contract so that people in the province of Saskatchewan can determine what the exact arrangements are with Gainers?

Some Hon Members: Hear, hear!

Hon. Mr. Andrew: -- Mr. Speaker, you asked the same question, and I indicated that Gainers will receive some money from incentives based on performance like any other company; that's a dimension with the Government of Saskatchewan. The balance of it is with Sedco, and it's a mortgage with Sedco.

As I indicated to you before, as I indicated a year ago and two years ago and people before me had indicated for the last 15 years, is that Sedco (Saskatchewan Economic Development Corporation) does not make public the basis of how their mortgages are and etc., and nor should they, because it's an investment thing. So when you talk about an agreement, the agreement was, (a) to negotiate a mortgage with Sedco; and number two, on the vacant plant that you have in the city of North Battleford to earn production incentives if they, in fact, hire these people for a full period of one year. That full period of one year has not yet arisen. They haven't made it to that point yet. I think it was opened in February 1987, so it's still some time yet before that comes, and if it does come it will be applied to it.

What I say to the hon. member is this, is that you were at the news conference when that was opened; you toured the facility and you, in my view – and you don't want to hear this – but you, in my view, led the idea there was \$3 million plant was in fact . . . you knew full well it was a \$7 million plant. You were at the meeting and you read the newspapers and . . .

Mr. Speaker: -- Order. Order, please. Okay.

Mr. Anguish: -- Mr. Speaker, in the operations of the plant, Mr. Speaker, at least initially, there were no pork bellies came from the province of Saskatchewan; they were all imported. And the minister tried to get into that whole issue in his first answer. But I would ask the minister on the record here today: does Gainers receive any subsidy for transporting pork bellies into the province of Saskatchewan? And if so, how much do they receive as a subsidy for pork belly?

Some Hon Members: Hear, hear!

Hon. Mr. Andrew: -- I indicated before in my answer to your question, they are, in fact, importing pork bellies into the province of Saskatchewan. They are receiving absolutely no subsidy from the government or from anybody else for importing those pork bellies into our province; that's where you were incorrect again, and I would hope you back down on that one as well.

Mr. Speaker: -- Order, please. Order, please. Order, please.

Cuts in Grants to Urban Municipalities

Mr. Van Mulligen: -- Thank you, Mr. Speaker. My question is to the Minister of Urban Affairs. This morning I released the results of a survey of Saskatchewan cities, towns, and villages in which I had asked them about the impact on them of the latest provincial budget.

Two hundred and forty-two urban municipalities responded and the results show that they have had to cut services or raise taxes or both, in order to cope with cuts in provincial government grants. The majority seem to have postponed capital works or have delayed equipment purchases in order to make up for your reduced financial support.

And my question to the minister is: does he honestly believe that reduced economic activity in our cities, towns, and villages is good for the provincial economy?

Some Hon Members: Hear, hear!

Hon. Mr. Klein: -- I hardly think that, Mr. Speaker, the small cut that was made to the revenue sharing pool has any significant impact on the economic activity of the communities.

And he's referring to some kind of a survey that he made that by his own admission is not complete, and I would ask that he table that survey for all of us to have a look at. Because as he looks at the municipalities that did respond, clearly it doesn't give a true indication of what happened right around the entire province. And I think that if he's going to proceed with this line of questioning, that should be tabled so that we can have a look at it and just see how it compares in reality.

Mr. Van Mulligen: -- Supplementary, Mr. Speaker. I'd be pleased to table the results of our survey for the House. And the minister can choose to attack the survey, but I want to remind him that 242 city, towns, and villages responded, and many responded in great detail.

And I ask the minister: what written surveys did he undertake of Saskatchewan's municipalities to find out about the impact of his government's action? And if he's undertaken any surveys, can he table that with the House?

Some Hon Members: Hear, hear!

Hon. Mr. Klein: -- I guess, Mr. Speaker, the member of the opposition would choose to conduct a survey and maybe purport to be an expert in that field as well. I believe that if we were going to take a survey, we would employ a professional firm, ask the questions in a pertinent manner, and use the information accordingly. To gather our information, Mr. Speaker, I suppose the best explanation that I have is that in consultation with SUMA (Saskatchewan Urban Municipalities Association), these decisions are arrived at.

And I'm really sorry that the member opposite, who has some experience at a municipal level, has total disregard for an association like SUMA that's been around for a long, long time. And I can tell you that since he has departed from the municipal scene, that when these cuts come along it appears now that the mayors and aldermen are prepared to have a look at the situation, unlike the years that when he served on council . . .

Mr. Speaker: -- Order. Next question.

Mr. Van Mulligen: -- Supplementary, Mr. Speaker. The minister earlier indicated that a 1 per cent cut in urban revenue sharing would have no great impact. But he forgot to mention that he completely cut the provincial capital fund of some \$16 million.

The Minister of Finance is fond of saying that personal income taxes in Saskatchewan are the lowest in Canada, but your Local Government Finance Commission indicates that net property taxes are the third highest in Canada. It's generally conceded that property taxes . . .

Mr. Speaker: -- Order, please. Order, please. Order. Order, please. I'm sure that the member knows that his preamble is getting a little long, and I would ask him to put his question.

Mr. Van Mulligen: -- My question is, Mr. Speaker: is it not a regressive move on your part to shift the taxation burden from the province to the backs of property taxpayers in Saskatchewan?

Some Hon Members: Hear, hear!

Hon. Mr. Klein: -- Mr. Speaker, in 1979 and '80 that government -- or the opposition when they were in government in the good times -- chose to cut the capital spending at that time when money was freely

available. And now in a time of restraint, when we have asked the municipalities to do the same, and with their co-operation, Mr. Speaker, because as I visit with the various municipalities around the country, some were looking for relief in that because they didn't have the money at the local level to contribute and take advantage of programs that the provincial government might have sponsored.

Public Hearings into Rafferty-Alameda Project

Mr. Lyons: -- Thank you very much, Mr. Speaker. My question today is to the Minister of the Environment, concerning the \$136 million political boondoggle known as the Rafferty-Alameda project.

Mr. Minister, last week you made an announcement in this House saying that you would extend the review period for the Department of the Environment concerning the Rafferty-Alameda project by 30 days. At the same time you explicitly excluded the public hearings.

Mr. Minister, it's my understanding that over 70 Saskatchewan citizens will tomorrow launch court action against you and your government in order to force you, through the courts, to extend a public review process which you have already admitted needs to be extended. I ask you, sir, to avoid, avoid spending needlessly the money of the people of Saskatchewan, will you agree now to extend the public hearings of the Rafferty-Alameda project?

Some Hon Members: Hear, hear!

Hon Mr. Swan: -- Mr. Speaker, as the hon. member should know, when I appoint a board of inquiry I don't dictate to that board where they hold hearings, when they hold them, or how long they're going to hold them. Rather, I give them an assignment to go out and hold hearings and find out all the problems that the people will express at those hearings – those that express in favour, those expressing in opposition.

I didn't dictate to them that they should finish in 20 days, or 30 days, or 60 days, or 100 days. I simply appointed them as a board of inquiry. They have a job to do. When they complete that job, they'll report to the department. But they were not under any time frame, and that's why I didn't include them in my extension for 60 days.

They were never under a 30-day time frame; their time frame is until the job is done, and for that reason I think the member is out of order in asking for it to be extended, specifically on dates.

ORDERS OF THE DAY

GOVERNMENT MOTIONS

Quorum on Committees

Hon. Mr. Berntson: -- Mr. Speaker, just a few brief remarks on this motion. All members will know, of course, that we had a bit of an impasse relative to the question of quorum on committees when we were dealing with this matter earlier in this session.

And to give you a little of the history of quorum on committees in this legislature, prior to 1981 quorum on committees was, in fact, 50 per cent plus one. The rules committee in 1981 recommended that that requirement be reduced to one-third. The reason the rules committee recommended that, Mr. Speaker,

was that from time to time there was a small degree of embarrassment suffered when a quorum couldn't be mustered and, particularly, when committees were receiving evidence from outside witnesses.

And so there appeared to be no real risk in reducing the quorum because of the significant imbalance between government and opposition in those days prior to the quorum being reduced. I think there was 17 members in opposition at that time, and the balance were here. So a reflection of the House in committee would still leave the government in control of committee with a reduced quorum. That was also the case after 1982 when there was significant imbalance in this House; I think there were eight or nine in opposition, and the balance in the government side of the House, so the question of quorum wasn't a big problem to anyone.

Today it's a little different because the balance, of course, is more in line with what a true democracy should reflect, and so we've run into a problem with the quorum. A reflection of the House with a reduced quorum could, in fact, on a rare occasion with an absent member or something, leave the committee in control of the opposition if they had a quorum, and I think that's not the desire of anyone in this House.

Other jurisdictions have had similar problems, and they have addressed it in the same way that we propose to address the problem here today, and that is to have a quorum set at 50 per cent plus one, I believe, and to allow the committee to . . . allow the chairman of each committee to do business in that committee without having a quorum present. And a quorum must be present, of course, for votes or resolutions, etc.

The other jurisdictions, Mr. Speaker, that do have similar rules relative to their committees are New Brunswick, Newfoundland, Ontario, and the House of Commons. And what we propose here today, Mr. Speaker, I believe is taken directly from the House of Commons, and so I will move this motion, Mr. Speaker, with that explanation. And I move it, seconded by the Minister of Justice:

That Rule 90(1) be deleted and the following substituted therefore:

90(1) A majority of the members of a select, special or standing committee shall constitute a quorum.

90(2) The presence of a quorum shall be required whenever a vote, resolution or other decision is taken by a committee, provided that any committee, by resolution, may authorize the chairman to hold meetings to conduct hearings and receive evidence when a quorum is not present.

and further, that Rule 90(2) be renumbered to read 90(3).

I understand, Mr. Speaker, that members of the rules committee of the day have had some discussion on this, and it is generally accepted that this is the way to go. So I move, seconded by the Minister of Justice, that motion, Mr. Speaker.

Mr. Shillington: -- Mr. Speaker, I have a few comments to address to this. The government Deputy Premier is basically accurate. This has been worked on by agreement. I just want to make a couple of comments, Mr. Speaker.

It is now day 66, and none of the committees of this legislature have yet met. There are some pressures building up, and we have accepted this as a means of getting the work done, but we think this whole affair was unnecessary from the beginning. We think the former quorum would have worked. Our

members are certainly going to show up at committee, and I would hope that government members would show up at committee. If they don't, the Government Whip needs to do something with them.

Mr. Minister, as I say, we felt the whole affair was unnecessary. But there are pressures building up and this seemed to be a reasonable compromise. On behalf of this caucus I issue a warning to the government members. It's been clear from the beginning that this rule can be abused. It wasn't the problem between '82 and '86 in Public Accounts but it was a problem in Crown Corporations. Just when the government would get in a bit of difficulty with a Crown corporation, the committee wouldn't meet.

Mr. Speaker, I say to members opposite that if you abuse this rule, there's going to be one unholy rumble about it.

Some Hon Members: Hear, hear!

Mr. Shillington: -- We have had your assurance that that won't happen, and if it does, we are going to be very, very angry. These committees need to work, they need to sit regularly, and, Mr. Speaker and members opposite, they do not need to have their work interrupted because government members don't want to show up.

In a way, Mr. Speaker, this represents a failure and a success. It represents a success in that this is . . . a lengthy impasse has now been negotiated and brought to an end. In a way it represents a failure. This is the only thing of significance that is likely to come out of the rules committee.

It has been agreed by members that the rules committee cannot function in this sort of an atmosphere, and while we may meet once or twice to deal with some housekeeping rules, it has been agreed, Mr. Speaker, that the rules committee and any reform of the rules will have to wait another day.

Some Hon Members: Hear, hear!

Hon. Mr. Andrew: -- Mr. Speaker, I'd just to make it clear that, quite frankly, it was myself and the member from Regina Centre that negotiated this particular arrangement. I think it would be fair to say, and I think the member from Regina Centre would say the same thing, and that is that what we found in this rules committee was, I think, probably some personality clashes, number one, and probably a sense following the election of still some bitterness over the election, and the bitterness of politics. And that found us in a position where a rules committee which has traditionally, by this House, been members from all sides sitting down and trying to wrestle with this problem.

I think it would be unfair for the member from Regina Centre to somehow suggest that we have not been trying to seek a resolve of this for some period of time . . . now have come to the resolve of it in a, I think, a gentleman and honest way. And I think this is the outcome of that negotiations. I don't think that one should stand up and in so doing try to point fingers and be critical of people. I think this was an existing problem. It's a real problem that found some remedy and found some negotiation. And for that, I think the hon. member should have probably stated it and put it in that form.

Motion agreed to.

Hon. Mr. Berntson: -- Mr. Speaker, I wonder if we can have leave to go to public bills and orders, adjourned debates, to deal with item number one, which is the resolution or motion dealing with the membership of the various committees.

Leave granted.

PUBLIC BILLS AND ORDERS

ADJOURNED DEBATES

MOTION

Special Committee Appointed to Prepare Lists for Standing Committees

The Assembly resumed the adjourned debate on the proposed motion of Mr. McLaren:

That the first report of the special committee appointed to prepare lists of members to compose the standing committees of the Assembly be now concurred in.

Motion agreed to.

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Human Resources, Labour and Employment Ordinary Expenditure – Vote 20

Item 1 (continued)

Mr. Shillington: -- Thank you. I'll begin, Mr. Minister, with some routine questions which are asked on all estimates, and I assume you have the information ready with you in written form. I would ask for the details of your members of your personal staff, their job titles, and their salaries.

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, there are three individuals on my personal staff. The first is Brenda Syhlonyk, a ministerial assistant D, which is basically my personal secretary, the chief secretary in the office at a salary of 2,244 per month; John Schmeiser, ministerial assistant 1, a salary of 2,542 per month; Debbie McNabb, ministerial assistant, salary of 3,397 per month.

Mr. Shillington: -- Okay, and that comprises all of the people in your office; in effect, I gather, one stenographer and two personal assistants. Is that correct?

Hon. Mr. Schmidt: -- Well there are other people in my office. They are employees of the Department of Social Services.

Mr. Shillington: -- Well, Mr. Minister, why don't you give us your entire staff rather than chopping the dog's tail off an inch at a time? Why don't you give us your entire staff? It would be satisfactory, Mr. Minister, if you gave us this in writing. I don't wish to embarrass the individuals by asking for it publicly. You may give us this in writing if you like, Mr. Minister.

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, we don't have the Social Services material available at this time. We'll send over the Human Resources, Labour, and Employment material at this time.

Mr. Shillington: -- Thank you. Mr. Minister, I'd ask you at this time whether the monthly salary of any of these people has increased in the last 12 months.

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, John Schmeiser just started recently, replacing James Goliath. Debbie McNabb commenced employment with me on November 17, 1986 with a salary of 3,397 per month and has had no increase since. Brenda Syhlonyk, my personal secretary, received January 1986 performance pay increase of 3.8 per cent from 2,098 per month to 2,179 per month. Effective July 1, 1986, Brenda Syhlonyk received a 3 per cent economic adjustment, to a total of 2,244 per month.

Mr. Shillington: -- So that's the total of 6 per cent? Those two are cumulative? What was the figure a year ago, Mr. Minister?

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, a year ago she received 2,098 per month. This is a very experienced secretary who has served the past three ministers of Labour, and she received an increase that was consistent with other secretarial staff.

Mr. Shillington: -- Mr. Minister, I would ask you as well for the details of any out-of-province trips you might have taken. Where was it to? How much did it cost, and what was the purpose of . . . and who accompanied you?

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, in last fiscal year I made the following trips as Minister of Labour, Human Resources, and all the other branches in that department: November 19 to 25, 1986, Vancouver, first ministers' conference (women's issues were on the agenda), cost \$745.60; November 25, 1986, Quebec city, federal-provincial and territorial ministers of Labour (responsible for occupational health and welfare); with me on the trip were Phil Richards, deputy; James Goliath, ministerial assistant; cost \$1,080. As far as I recall on the Vancouver trip, first ministers' conference, I don't believe anyone from my department attended with me.

January 28 to 30, 1987, Ottawa, federal-provincial meeting on labour-market matters; assistant deputy minister Henry Kutarna accompanied me, \$748 was the cost; Halifax, January 20 to 22, 1987, federal-provincial meeting of aboriginal constitutional issues, deputy minister Phil Richards and ministerial assistant James Goliath – cost \$1,277.80. Total \$3,851.40.

Mr. Shillington: -- Mr. Minister, as well I would ask for the salary benefits and perks, of your deputy minister. Again, it's something you may wish to give me in writing, Mr. Minister, so I leave that in your discretion. I ask you for that.

Hon. Mr. Schmidt: -- Mr. Chairman, the deputy minister is Phil Richards – salary of \$6,546 per month, standard deputy benefits.

Mr. Shillington: -- Thank you, Mr. Minister. Mr. Minister, I want, at this point in time, to raise with you something I think I've raised with your predecessor and with you on previous years. What I want to raise with you, Mr. Minister, is the downgrading of this department, and it continues relentlessly.

Mr. Minister, this year, of the 14 subvotes you have, nine have fewer staff, three are unchanged, and two have more. And of the 14 subvotes, nine have less money; one has more, and four are unchanged.

Your department this year, Mr. Minister, has 21 per cent less money and 20 per cent less staff. Mr. Minister, I ask you what kind of priority you pretend to give to the working people whom you're supposed to be serving when your department has been downgraded in the way it has?

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, this is an example of government efficiency. We've amalgamated various branches, secretariats and departments into one large Human Resources, Labour and Employment department. And there are certain economies of scale here, and we are able to do without as many people; you don't have as many policy and research people as you would have if you had five different departments or secretariats.

Also the labour scene is quieter. There is a lot of activity in the construction area with the upgrader, the Weyerhaeuser project, the bacon plant, Vanguard trailer plants. There's more construction, fewer strikes, fewer lock-outs, and we've been able to have a relatively stable labour scene without having quite as many government officials.

Mr. Shillington: -- Well, Mr. Minister, I'm sure that many working people wished you had attained those efficiencies in some other department. Mr. Minister, the overall level of spending in government is up, and has been each year. The staffing is down, but it is an imperceptibly small fall in staff.

Mr. Minister, the fact is that when your government has decided to economize, when your government decides to spend less, it's your department that they cut, and that clearly suggests, Mr. Minister, that working people are simply not a priority, nor are their problems. Mr. Minister, we're going to go through this in some detail, and I want to indicate some areas where you're not beginning to meet the needs.

But, Mr. Minister, your comment that you're simply being more efficient simply doesn't hold water because other departments have not attained the same efficiencies. The truth of the matter is, Mr. Minister, that your department simply isn't a priority of this government.

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, in this department we are quietly doing our job. We have a very capable deputy. We have now a very capable assistant deputy, who formerly worked for this government. He has a Master's in Law, worked for the Government of Saskatchewan in the 1970s, and the Government of Alberta, and Esso Resources -- he is very knowledgeable in this area, and they are quietly doing their job.

Mr. Shillington: -- Well, Mr. Minister, it's not all that quiet, and you're not doing your job. Mr. Minister, in virtually every . . . I wouldn't be as alarmed, Mr. Minister, if this were the first year it happened. But this, as I say, has gone on relentlessly, year after year.

Mr. Minister, in virtually every subvote you're spending less now in this department than you were when this government took office. And I point out for your benefit that overall government spending has gone up by about 40 per cent since you took office. In this department in virtually every subvote you're spending less.

There is two exceptions to that. One is communications, which has grown into . . . your advertising has grown into such a monster that it now becomes a separate subvote. It didn't used to be. And, Mr. Minister, the other subvote which has grown is administration. Those, I think, are the only two subvotes which appear in this set of estimates, and also appeared in your first set of estimates in 1983, a copy of which I have. Those are the only two subvotes in which there isn't less being spent.

Mr. Minister, you can't pretend to do the same job with a fraction of the resources, which is now what you have. Inflation has gone up by about 30 per cent; your total government spending has gone up by 40, but the spending on labour has gone down. So, Mr. Minister, it's not just a problem this year. It's been a problem throughout the full six years that this government has been in office, and it's beginning to show, as I'm going to indicate when I get to some other areas.

But I say, as a general comment, Mr. Minister, that there's no reason why you should take any particular blame for this. There's nothing very new about it. This process of downgrading of a department, of less staff, less money, has gone on virtually without exception. The year '86 might have been an exception, but virtually without exception since this government took office.

Working people know that. They know, Mr. Minister, how little priority you give their concerns, and that's why you were virtually blanked out of the cities in the last election. I say, Mr. Minister, that the evidence here appears in the statistics; it appears in the electoral results, and it would strike me, Mr. Minister, as high time that you and your government started to spend some more time and put some more resources into the very real difficulties being faced by working people.

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, I do acknowledge that government expenditures have been higher in other areas as a percentage of increase, and this year I do agree that Health budget is up \$36 million, and surely we don't run a contest between my department and the Health department as to who can get the biggest chunk of the budget. It goes where it's most needed, and clearly it is most needed in Health and not in having more officials in my department and more employees in my department.

My department does not directly put money into the pockets of the working people of Saskatchewan, but it is more of a supervisory and regulatory department, and you can do a lot in a department of that nature with greater efficiency and good management. For example, in my tenure as Minister of Labour, we've had . . . the Workers' Advocate office had a backlog of 239 cases when I was appointed minister, and we've got it down as low as 37 cases. Now it varies from month to month, but it runs in that range. So quite an efficiency there just with good management -- from 239 to 37 on the backlog.

We've started grievance mediation and it is working well. It is being used. We've made improvements in training and occupational health and safety. And there are general improvements being made in our department. Pouring money on a situation does not guarantee results. We're more interested in results here than we are in statistics.

(1500)

Mr. Shillington: -- Let's get on to some of the other areas then, Mr. Minister. One area which is a subject of continual complaints is the area of heavy industries, occupational health and safety; it's an area which this government has just simply ceased to enforce. Mr. Minister, I tried to find some accident statistics for various industries, and they're not easy to come by.

But Mr. Minister, the complaints which we get, particularly from trade unions, is endless. They allege, Mr. Minister, that you are not enforcing the legislation. Your predecessor used to put it somewhat quaintly when he said that the manager and the boys would work it out together. Well the boys don't think it's being worked out very well, Mr. Minister, and they're not very happy with it.

And I suggest to you, Mr. Minister, it's time that you began to enforce the occupational health and safety. It's time you began to make your political friends in the area of heavy industry and mining – it's time you began to enforce occupational health and safety because it is an ongoing complaint by all trade unions. It's particularly true in the potash, but that's because of, I think, because of the size of the industry. But, Mr. Minister, it's true throughout heavy industry that we are getting complaints that occupational health and safety simply doesn't work any more.

The occupational health and safety committee complains to the management, as is the course. They complain to the government, and nothing happens; problems go on. I understand that in some of the recent strikes – Lanigan was one – unsafe working conditions, to which workers were subject, was a material contributing factor to the work stoppage. So I ask you, Mr. Minister, when you're going to begin again enforcing occupational health and safety legislation.

Hon. Mr. Schmidt: -- Well, Mr. Deputy Chairman, the member opposite refers to the Lanigan strike, and I would think that one of the key factors in the Lanigan strike was politics, and not very bright politics at that. And once that was out of the way, the people were able to sit down and settle the matter and get on with their work.

With respect to the occupational health and safety, there's some discussion about the boys sitting down and doing something or other. Probably the solution there is for our department to hire some women to straighten the boys out. But for the most part total inspections are up, are running in the range of 2,700 per year, are up over what they were three years ago. Inspections three, four years ago used to run in the range of 2,200. They are now running in the range of 27 to 2,800. We found a few more contraventions – 1,235 last year as compared to 681 in 1983-84 and 707 in '82-83. Inspections with contraventions are up. We found 66 contraventions last year as compared to 282 in 1982, so we are checking closer.

I don't think the employers are being less cautious with respect to safety. However, we are inspecting closer than ever, and there are more contraventions, more prosecutions; none in 1982-83, two in '84, and there have been six in the last two years. The amount of fines are up to \$6,800 last year from \$1,800 the year before, and \$1,400 the year before that. So certainly we've gotten tougher on safety, as indicated by the statistics.

Mr. Shillington: -- Well, Mr. Minister, you're doing an exceptionally poor job of communicating your sterling efforts then, because nobody who works . . . none of the working people who work there believe you. They all think you're doing a much worse job.

Mr. Minister, I wonder if you would give me the statistics which you just read. I wonder if you'd give me the statistics on the number of prosecutions, the number of complaints, and the number of inspections, and the number of prosecutions since 1982, since that's the year you began.

Hon. Mr. Schmidt: -- We'll send the material over.

Mr. Shillington: -- Mr. Minister, I had – notwithstanding the wide scope and the breadth of the target – I had not particularly intended to spend this afternoon insulting you. And I'd suggest that you may think you've made a successful career out of insulting everybody else, but I'd suggest that that isn't going to work this afternoon. I'd suggest we try to keep this at a non-personal level.

Mr. Minister, you began with what I thought was a very unfair comment when you said that the strike at Lanigan was over politics. It was over nothing of the sort – it had to do with working conditions. And

the unsafe working conditions there were a material part of the frustration which eventually led to the strike.

I don't know, Mr. Minister, whether or not you took the time to spend any time with the workers there. You might not have, although you should have; you were minister of Labour, I guess, now that I think about it. But when we did, when my colleagues and I spent time with them, they spent a considerable portion of the time which we had allotted to us talking about safety in those mines. So I say, Mr. Minister, whatever you're reading, it isn't showing up on the shop floor, nor is it showing up in the mines. We are . . . Workers are increasingly concerned about the lack of safety.

Mr. Minister, I say to you that there have been very few real improvements in the area of safety in industry and mines. One of the very few improvements, and it was a marked improvement, was the occupational health and safety committee system itself that was set up here in 1971. It marked a giant step forward, but it doesn't work if the employers know that you're not going to do anything and that they can rely upon you to do their bidding for them.

So I say, Mr. Minister, I am satisfied that those workers know what they're talking about. I'm satisfied that they're not making it up, and they are very concerned about their safety. When I spent time as I did, Mr. Minister, calling people whose opinion I trust, and when I asked them what kind of issues do you think you'd raise in labour if you had the opportunity, this was an issue which virtually everyone who works in mining or every industry raised.

If you think it isn't an issue, Mr. Minister, then you need to spend some more time talking to and rubbing elbows with the people you're supposed to be serving, because they clearly think it is.

Hon. Mr. Schmidt: -- Well, Mr. Deputy Chairman, there's no politics in safety. It's non-political. It's simply a matter of caring for the workers to make sure that they work in the safest conditions possible.

What we've heard in this Assembly this afternoon is the NDP admit that they were involved in the Lanigan strike and that the member opposite was there advising the workers, listening to them, counselling them . . . and I don't believe that they followed the counsel that the member from Quill Lakes gave them, who said that they shouldn't strike; it wasn't an opportune time.

I believe that he has some wisdom in that case and that the NDP, as exemplified by the member from Regina Centre, were interfering in the strike, and the information we had was from spouses and families of miners there who were pleading with us to try to have the politics out of that strike so that they could get on with their lives. And here we have, this afternoon, a clear admission by the NDP that they were meddling politically in that strike. We've got it verified; I wasn't speculating. We've got the admission from the member from Regina South.

With respect to safety, my deputy has met with the union there. They have pointed out some of the problems they felt were related to safety. We've had our inspectors in there, and if there are further problems, I invite them to contact my department; we'll send the mine inspectors in and check out every one of the problems they refer to.

Mr. Shillington: -- Mr. Minister, I've listened with embarrassment -- I cannot put it any other way. I've listened with embarrassment over the last two or three days that this House has sat, at you answering questions. Mr. Minister, I say embarrassment because your answers are combative; at the same time they're just foolish. There's no other word for it that I could use in here. I had hoped, Mr. Minister, that things today might be conducted at a somewhat higher plane, but it apparently is not to be.

Mr. Minister, I and my colleagues make no apology for spending time talking to workers on a picket line. We didn't encourage the strike; we didn't advise them to strike; we didn't advise them not to. But when they're on a picket line, I make no apology for going and talking to those workers, and I'm darn proud to do it. And if you were doing your job, Mr. Minister, you'd do the same. You'd go and talk to them and find out what it's like there, instead of standing here pontificating and making an absolute fool out of yourself – and there's no other expression, Mr. Minister, would do it.

An Hon. Member: -- Are you casting aspersions . . .

Mr. Shillington: -- Yes, indeed I am. I am trying to cast aspersions on him. And indeed if I weren't in the Assembly I'd put it a lot stronger than that.

Mr. Minister . . . (inaudible interjection) . . . I'm going to resist the temptation to respond to the member from Morse. The time of the Assembly's too valuable to do so.

Mr. Minister, if you'd spend time talking to them instead of making nonsensical remarks, which you do, you would know that they were genuinely concerned about occupational health and safety, there and elsewhere. They're concerned in all the potash mines, Mr. Minister. It has become virtually, I am led to believe, an honour system . . . (inaudible interjection) . . . If the member from Weyburn is going to add his very considerable wisdom to the rules of this Assembly, Mr. Chairman, I know we'll all be much, much richer for his contribution.

Mr. Minister, it's true in all the potash mines that occupational health and safety is a very serious concern. It seems to be an honour system. If the owners of the mine and the managers of the mine happen to think it's good business, they do a decent job of it. But if they happen to think it's a needless expense, they don't.

As I say, when I used to quiz the member from Yorkton when he was minister of Labour, he used to admit that it wasn't something he philosophically agreed in; he felt that was best left to the management. You're doing the same thing, Mr. Minister. You're just not admitting it.

Hon. Mr. Schmidt: -- Mr. Chairman, if the member opposite will put the safety problems in writing and send them over, we'll check them out.

Mr. Prebble: -- Thank you, Mr. Chairman. I'd like to ask the minister a question with respect to the rights that employees in department stores, grocery stores, and many other retail outlets in this province are supposed to have, the right, Mr. Minister, to be seated in their work place, particularly when they're behind the till or doing some other function where they can reasonably expect to be seated.

Now, Mr. Minister, in 1981 when the NDP was in government, we passed regulations ensuring that workers in retail outlets would have the right to be seated in their work place when the task they were performing was such that it would be reasonable to be seated.

Now, Mr. Minister, I have informed your department of the fact that this regulation is not being enforced on numerous occasions. When I was not in government during the period 1984 to 1985, I wrote to your department on at least two occasions, asking when this regulation was going to be enforced. I was told by the head of your occupational health and safety division that, first of all, he acknowledged that it was not being properly enforced. He then proceeded, in 1985, to assure me by mail that it would be enforced.

Mr. Minister, I've gone into a dozen grocery stores in the city of Saskatoon in the last seven or eight months, and many retail stores, to see if this regulation is being enforced.

I've hardly ever, Mr. Minister, seen a situation where a clerk behind a till has the right to be seated. It's clear, Mr. Minister, that you're not enforcing this regulation, and I suggest to you, sir, that as a result of you failing to enforce this regulation, there are dozens of employees across this province who are suffering back problems and other health problems as a result of having to be on their feet all day. And I say to you, sir, that it is not fair, particularly to older employees, most of whom are women, in these stores, that they have to stand on their feet all day behind a till when they could easily be seated.

And I ask you, sir, can you explain to this Assembly why you failed to enforce that regulation for the last five years, and can you tell us when you are going to enforce that regulation?

(1515)

Some Hon Members: Hear, hear!

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, to the best of the knowledge of my officials, the only complaint on this topic has been from the member for Saskatoon University. We have no complaints from the members of the public . . . (inaudible interjection) . . . There is a regulation that requires employers to provide seating where practical. And where practical is a question sometimes of discretion and judgement.

We haven't had any specific cases to follow up on, and it hasn't been a big issue raised with our department until you raised it today, and we'll check into it further. But the regulation is "where practical", and it hasn't been raised by occupational health and safety committees, nor have any unions raised it with us. And it would be an area that I believe the union could grieve in if they felt aggrieved by the situation.

So if there are any specific instances that you think we should check out, if you want to give us locations that our inspector should check, we'll send them out and have them check them.

Mr. Shillington: -- Mr. Minister, I'm really flabbergasted. I wonder why you wouldn't enforce your own regulations. Why you would think that you've got to have a given volume of complaints, some sort of a crescendo of complaints from women who work behind these tills before you'd do anything. What do you think your role is, Mr. Minister? Your role is to enforce your legislation so that working people are protected. Mr. Minister, if working behind a till is not a practical spot for a person to have a stool, then where on earth . . .

Mr. Chairman: -- Order. I'd ask members to allow the member for Regina Centre to ask his question. All members get an opportunity to get into the debate on both sides of the House in estimates, so I would ask them to allow the member to put his question and allow the minister to answer.

Mr. Shillington: -- Thank you. I note in the midst of your comments that the member from Weyburn left, and that will no doubt do a great deal for the decorum of this Assembly.

Mr. Minister, I ask you: if working behind a till is not a practical place for a stool so that a person doesn't have a bad back, where is? I mean, what would be impractical about giving such a person a stool if they're working behind a till?

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, I do acknowledge that standing all day or walking all day may be strenuous, may be hard on people's backs, depending on the circumstances of their job, but I can't make a blanket statement as to in which circumstances a worker should be seated and in which circumstances a worker should have to stand or move around to do their job. And if the member opposite will send us a list of locations that they wish us to have inspected, we will carry out further inspection.

Mr. Prebble: -- Thank you, Mr. Chairman. I would like to request that you inspect, your department inspect, every grocery store and every large department store in the four major cities of Saskatoon, Regina, Prince Albert, and Moose Jaw to begin with, and provide in writing to myself and the member for Regina Centre the results of those inspections.

Hon. Mr. Schmidt: -- Mr. Chairman, my inspectors, I'm sure, purchase groceries from time to time. It wouldn't be very hard for them to do an inspection, so we'll ask them to have a look next time they're in.

Mr. Shillington: -- Mr. Minister, I want to get on to a different subject. I'm laughing, not with the minister, but at him. Mr. Minister, I want to get on to a different subject.

By way of background, I want to remind the minister of the disparity between wages and profits in this country. It has got to be very, very marked. Mr. Minister, over the last few years the rate of corporate profits have been going up by about 30 per cent. I did a quick calculation using last Monday's *Globe and Mail*, and profits have gone up by 28 per cent.

Mr. Minister, it's many years since wages kept pace with inflation -- many years since wages kept pace with inflation. I ask you, Mr. Minister, if you think that's a fair state of affairs?

Hon. Mr. Schmidt: -- Of course we would like to see wages as high as possible, but profits have not yet been so high that I have been encouraged to go out and buy shares in any publicly traded corporations. And if you'll see my report that I file with the legislature, I believe I own -- is it 10? -- 10 shares in a corporation that's not publicly traded even, and as a matter of fact I'm selling those. So the profits are not so great that I'm rushing out and buying shares in the large corporations, and maybe the member opposite should buy some shares so that he can see what the returns are.

Mr. Shillington: -- Mr. Minister, you missed the bet because, since you have taken office, the TSE (Toronto Stock Exchange) 300 has more than doubled. That's an accurate statement, since 1982. So you've missed the bet.

Mr. Minister, the rising share values, and they've been very, very marked -- 40 per cent . . . that's a bit of an exaggeration, 33 per cent since January of this year, is a direct reflection of the expectation of profits by these companies. These companies are very, very profitable, Mr. Minister, and the TSE, since you want to raise that, the Toronto Stock Exchange, the bell-wether stock exchange, shows that. So if you haven't, Mr. Minister, it's because you don't know how to manage your personal affairs, because if you're possessed with great sums of money, then you might consider that.

An Hon. Member: -- Fifty thousand a year in income tax.

Hon. Mr. Schmidt: -- Yes, 50,000 a year in income tax, I've heard you boast on another occasion.

But, Mr. Minister, I ask you to check with your officials. Profits have gone up by more than 25 per cent for many years. It has been years since wages kept pace with inflation. I want to know if, as a general rule, you think that's fair?

Hon. Mr. Schmidt: -- Mr. Chairman, I don't accept the member opposite's analysis of the profits of corporations. You would have to compare profits with the losses of 1981, losses of 1982. And certainly it's healthy that profits are up. All Canadians would share in these profit increases with respect to wages, with respect to a better economy, with respect to more jobs. And to have a constant harangue against corporations and profits merely gets to the ideological dispute over whether a socialist economy or a capitalist economy is best for this country.

Since we've never had a socialist economy, we don't have a good comparison, but if you look around the world you can find comparisons that, if Canadians really thought about it . . .

An Hon. Member: -- Sweden, Finland, Germany.

Hon. Mr. Schmidt: -- If Canadians really thought about the comparisons around the world, they wouldn't take it into account at all. The member opposite suggests from his seat that we look at Sweden, Germany -- these are not socialist countries, Mr. Chairman, these are countries which have strong economies built on private ownership, and the profits are used for the benefits of the people, and they may be somewhat further down the road towards a welfare state, but certainly are not socialist countries.

Mr. Shillington: -- I just don't know how you deal with someone who is so completely ignorant of facts which are notorious, Mr. Minister. Mr. Minister, the . . . you obviously are not aware of it. I take it you're not being dishonest. I take it your usual quick grasp of things is evidencing itself here.

Mr. Minister, there is a large disparity between wages and profits, and has been for many years. Mr. Minister, you say that everybody's sharing in it; well I say that everybody's not sharing in it. Those who are possessed . . . those who are affluent, are possessed . . . are sharing in it, but those who work for a living, at the bottom of the scale, are certainly not sharing in it. One of the groups which has not shared in it, which indeed has had to carry on a disproportionate burden, is those working on minimum wage.

Mr. Minister, I made these comments, not to get into a philosophical debate with you. I've got better things to do with my time than try to discuss anything with this minister. But I made those as a background comment, Mr. Minister, because at a time when the country is as prosperous as it is -- and that's undeniably true at the moment -- it is unfair that those on minimum wage have not received an increase.

Mr. Minister, when you took office, those on minimum wage were getting \$4.25; they're now getting \$4.50. Mr. Minister, that's a 25-cent increase, an increase I would guess of about 6,7 per cent, on my feet, during a period of time when inflation, as I said earlier, has gone up by 30 per cent. Mr. Minister, while . . . (inaudible interjection) . . . The member from Weyburn's back again, and once again we're having difficulty conducting these things.

Mr. Minister, I'd ask you if you think it's fair that minimum wage . . . that the people on minimum wage have received no increase at a time when the business community in this country is doing better than it ever has.

Hon. Mr. Schmidt: -- Mr. Chairman, if you look at the Saskatchewan economy as a whole, even with the up-coming increases in other provinces -- \$4.70 in Manitoba, \$4.55 in Ontario, \$4.55 in Quebec --

Saskatchewan, without having an increase, will have the fourth highest minimum wage in Canada. Certainly our economy based on agriculture, oil, potash, and commodity prices in general is not the strongest in Canada right now.

Even despite the fact that half of our potash mines are socialized and owned by the government, they don't seem to be making a large amount of money. Even with the land bank that the NDP gave us years ago, the farmers on land bank don't seem to be making any more money than other farmers, so we're looking at a world situation here.

We would like to raise the minimum wage as soon as practical. It's not correct to say people on minimum wage have not received a raise. Some of them may have received a raise. Many of them probably have and are no longer on minimum wage. Others may be starting their employment on minimum wage. We do not pass a law in this province that says an employer must pay no more than \$4.50 per hour, and therefore many people in this province are paid much more than that, depending on the state of the economy and the nature of the employment. And we will examine the situation and raise the minimum wage as soon as practical.

Mr. Shillington: -- Mr. Minister, along the same vein, Conservative governments in this country have contributed to this growing disparity in a number of ways, one of which is minimum wage. It's true that you're not a whole lot worse than the other Canadian provinces, but that's not something I'd be very proud of. To say that you're no worse than the other provinces strikes me, Mr. Minister, as damning one with faint praise.

Mr. Minister, another way in which Conservative governments have contributed to the growing disparity is the freeze on public service wages. Mr. Minister, I wonder by what possible means do you feel it's fair to freeze wages in the public service? In some cases, it's been frozen for years. How is it fair to freeze wages in the public service when inflation marches on; the business community is generally, fairly affluent. Mr. Minister, I wonder how it's fair to ask public servants to bear any particular burden that other people aren't bearing?

I don't deny that they should bear their fair share of the morass that's been caused largely by Conservative economics, but they're being asked to carry a good deal more than that. Wages go up in this country an average of three and one-half to 4 per cent a year. Public service wages have been frozen for two years – in some cases for longer than that, depending on where they're working. I ask you, Mr. Minister, how you think that's fair?

(1530)

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, in Saskatchewan, because we have a lack of free trade in the world – something the members opposite are opposed to – we have a particularly difficult problem in potash, a particularly difficult problem in agriculture.

And I have farm families in my constituency, in excess of 2,000, most of them who are not making minimum wage right now. And we have to have a balance here between people who have higher incomes and those people who've had their income cut out from beneath them by the world economy and a lack of free trade.

It hardly seems fair that I should go, as a government, to those farm families, small business-families, people who are on middle incomes – raise their taxes so that other elements of society who already have

higher incomes, for example, the member from Regina Lakeview, so that she should have an increase, or that her husband should have an increase. That does not seem fair to me.

Mr. Shillington: -- Once again, the minister's adoration for the member from Lakeview shows itself. I just point out in her defence, since she's not here, neither she nor her husband are public servants. And I'd suggest to the minister that if you want to insult members of the Assembly, at least have the decency to do it when they're present and not when they're absent.

Mr. Minister, I've a question with respect to the labour college. Some concern has been expressed, and I put it no higher than that, but some concern has been expressed that the grant to the labour college is going to be discontinued. I ask you, Mr. Minister, what your plans are for this year?

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, a scholarship of \$6,000 from the Government of Saskatchewan to the Labour College of Canada has been discontinued.

Ms. Smart: -- Thank you, Mr. Chairman. Mr. Minister, you're the minister for the Department of Labour, and from what you've been saying it seems to me to translate in your mind that labour equals the trade unions and unionized workers. But your department represents, and has to be accountable for, the well-being of 75 per cent of the labour force in Saskatchewan that's not unionized. And between those people, and total exploitation of the kind that I'm receiving complaints about from my constituents in Saskatoon Centre, is the labour standards branch.

It's with great disappointment that I realize that you've cut the staff in the labour standards branch by two people this year. It's already well understaffed. It's a very important dimension of the Department of Labour, because without that labour standards branch investigating and making sure that the regulations regarding working conditions in Saskatchewan are adhered to, many, many working people have no protection at all.

I have people in my constituency who are working sometimes 80-hour weeks, getting no overtime, getting no recognition for those extra hours, getting no holiday time, being called managers of little, tiny retail outlets that they operate on behalf of the owners, and I'm expressing very grave concern about what's happening to them in their working conditions.

And I want to ask you why you're cutting the staff. You say you're doing it for government efficiency. It is certainly not efficient to cut the staff in such a very important branch. What are you doing to the people and the working people in Saskatchewan?

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, there have been no staff reductions in the field. The reductions are not in Saskatoon. The two positions referred to are in management and not in the field. The allegations that the member opposite makes bear further investigation. If she will give me the details our branch will investigate further.

Citizens commonly are in the practice of complaining to the Labour department, and we do investigate, but if these individuals have not made a complaint, we would welcome them to bring forward their information.

Certainly we are concerned with the inequity between unionized workers and non-unionized workers, and would like to see the benefits and the wages of non-union workers to closer match the benefits and wages of unionized workers. I know what the member opposite is saying. My father was an elevator manager for Saskatchewan Wheat Pool, and his salary was less than the floor sweepers at the terminals

in Vancouver and Thunder Bay. And while he was very proud to serve farmers and be an elevator manager, he thought that an elevator manager had a greater degree of responsibility than the floor sweepers at Thunder Bay.

So there is disparity, and a lot of times it's not based on value or common sense, but it's based on power struggles. And we will try to address these as best possible. Certainly the 75 or more per cent of the people of Saskatchewan who are non-union, plus all of the people who are small business, and big business and farmers, would all like to have higher wages and better working conditions and, as the economy improves, I'm sure that everyone will be able to do better in the future.

Ms. Smart: -- Mr. Minister, one of the allegations -- and I certainly would see to it that you receive these allegations in writing, and I'm sure that you have, because I know many people have been writing to you -- one of the allegations is that people are dismissed from their jobs without any reason given for the dismissal, and the only thing they can do is go to court to try to retrieve back wages. Going to court and paying a lawyer is expensive. They have no other means of retrieving their salary because the labour standards branch is not able, or is not working in their defence. And that's a very crucial and very elemental example of the kinds of things that are happening to the working people that I'm in touch with in Saskatoon Centre.

What are you going to do about a condition like that when you've cut back the staff and you have not increased the funding for the labour standards branch? Are you prepared to help people to get back their salaries when they've been unceremoniously dismissed without cause?

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, we do that in the department -- assist people in recovering wages due to them. The Labour Standards Act has not been reviewed in the last six years, and I'm now starting a review of The Labour Standards Act. We have listened to people for the last two or three years with suggestions for change. I do acknowledge that the law of unjust dismissal could use some revision and possibly some codification as it is a common law passed down to us by judges. And it's possible that it's time to codify this law and to revise The Labour Standards Act at this time. You have my commitment to review that situation and try to do something about it.

Ms. Smart: -- The people I'm speaking on behalf of are unorganized labour. Who will you be consulting with in terms of revising these regulations? Will you be consulting with unorganized people? Will you be going out and talking to them in the stores? How are you going to get that information as to what needs to be done?

Hon. Mr. Schmidt: -- Well the point that the member opposite raises, that the Department of Labour is not the department of unions but the department of workers in this province, is a good point and something that we keep in mind. And we will meet with many people throughout the province who are not unionized and seek their opinions, and we'll try to make some changes that will be truly progressive.

Mr. Mitchell: -- Thank you, Mr. Chairman.

Mr. Minister, I want to ask you a few questions about the labour relations of the construction industry, which I know is a subject of a special interest to you as it has been to a number of ministers of labour over the past few years. The labour relations of this industry have not been sanguine, have not been simple, either in Saskatchewan or anywhere in Canada for the last couple of decades.

It has been a preoccupation with ministers of labour in most of the jurisdictions in Canada as well as their senior officials to find mechanisms in the construction industry to help the collective bargaining

process, to make the collective bargaining process work better. It has been recognized, for example, that there are unique features to the construction industry with respect to which the systems that we've established in Canada haven't always fit that easily. And accordingly, in many provinces you have seen special legislative provisions with respect to collective bargaining in the construction industry, both in the way in which unions become certified and in the way in which they bargain when they're bargaining collective agreements between the trade unions and the employers.

Now, in Saskatchewan we have wrestled with this problem for many years, as I know you and your staff are aware, and have made an attempt to set up multi-bargaining structures, multi-employer structures, through The Construction Industry Labour Relations Act. And that has gone by the boards. And my first question is whether you are contemplating any legislative changes that will apply to the system of collective bargaining in the construction industry, either by multi-employer arrangements or multi-trade arrangements, or both.

Hon. Mr. Schmidt: --Mr. Chairman, we are working on this process. As matter of fact, we're now tied up in estimates, but should we complete these estimates, we'll be proceeding with consultation with organized labour leaders in the construction industry, and with owners, operators, and management. We have tried to achieve some sort of consensus among the parties as to what might practically work in this industry, and the parties are still very, very far apart in what they think would work in this industry.

We will try again and see what can be done in the next month or two towards finding some form of solution that is practical, and we'll continue with construction in a smooth and orderly manner.

Mr. Mitchell: -- Well we've seen grown up in Saskatchewan over the last few years, the practice of unionized employers spinning off new corporations which then operate on a non-union basis. These are called variously spin-off companies or double-breasted corporations. And it's a problem again that's been around for some years, but until relatively recently it was more a theoretical problem than a real one.

But in Saskatchewan in the last . . . well since the repeal of the construction industry labour relations Act, it has become a virtual epidemic. I think all of the major contractors now have their non-union subsidiaries. And this, as I think you'll admit, is causing a greater problem for the collective bargaining system in the industry, and a very, very great problem for the trade unions that are attempting to represent working people in this industry. Now I'd like to know what your thoughts are about this practice of spinning off companies, or creating double-breasted corporations, Mr. Minister, and also ask you whether you have any plans to address that subject in any future legislative changes that you may be introducing in this House?

(1545)

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, in the construction industry, when we had industry-wide bargaining, there was no flexibility at all so that companies in Saskatchewan could not compete with companies in other provinces, nor could they compete with companies within Saskatchewan who are non-unionized.

And the problem that we've had is that negotiations have taken place in the construction industry, but there have been no umbrella agreements signed, there've been no overall agreements signed. And in many projects, unionized firms have been working with, what we would call, "under the table" agreements and should be recognized under The Trade Union Act, so that they have actually had amended agreements and have been working under these amended agreements on specific projects.

It is not only a problem of companies spinning off, but a problem which – *The Constitutional Law of Canada*, that did not exist before 1982. It is difficult under the existing constitution for the Government of Saskatchewan to say to someone's spouse or to someone's son: you are not entitled to run a construction company.

And I'm sure the member opposite knows that prime minister Trudeau and then premier Blakeney brought this constitution to us, and it is extremely difficult, and I don't really know if it's desirable, under – and maybe they did the right thing when they implemented that constitution. Is it desirable to prevent someone's spouse or someone's son or someone's cousin or uncle from owning a construction company? And that is what the member opposite and some of the union leaders are suggesting, that strangers can start new companies, but relatives cannot.

So it's quite a problem. We're looking at the situation. We believe that there are actually agreements and that the union contractors are able to compete these days by these unofficial agreements. And we are looking at the possibility of whether these agreements are not, in fact, really contracts and should be recognized as such, and the usual laws of labour contracts should possibly apply to them.

Mr. Mitchell: -- Mr. Chairman and Mr. Minister, that must be nonsense. You know, I've heard you say a lot of foolish things in that House, but to stand there and tell us that the constitution some way interferes with your ability to deal with spin-off or double-breasted companies has to be the worst nonsense that I've ever heard. I've been over and over and over that constitution, and I can't imagine what provision it is that prevents this Assembly from grappling with a problem such as exists with the spin-off companies in the construction industry.

I mean, if we don't have the right to grab a hold of related operations, related businesses, where it is perfectly obvious to everyone concerned in looking at the situation that it's a deliberate attempt by using corporate veils to get around the effect of a certification order or a collective agreement, then I don't know what powers we have. Of course we have the power to do that, and I would really like to hear from you or your constitutional advisers as to what sections of the Canadian constitution interfere with our right to remedy such an obvious wrong. And it is nothing but that, Mr. Chairman; it is an obvious wrong.

You have a situation in the construction industry where an employer, call him a contractor, is certified by a trade union. The trade union represents the employer of that contractor. Now what we're seeing happen now is the contractor sets up another company. A shareholders may be his lawyer, may be his law firm, may be his spouse, may be his children, as the minister has said, but still everyone involved knows, and it's easily provable, that in reality that person who owned the original company is also the owner of the spin-off.

And then that spin-off goes out into the market and operates on a non-union basis, and, Mr. Chairman, does exactly the same work as the original company. And you have the laughable situation where the contractor is able to determine on any particular circumstances whether he's going to operate union or non-union. It's up to the employer as to whether or not the collective bargaining agreement applies.

Well the minister knows that's wrong. He knows that sister jurisdictions in Ontario, in Alberta, British Columbia, anywhere, have already dealt with that situation, as we had in Saskatchewan under The Construction Industry Labour Relations Act. With the repeal of that Act that provision went down the drain, and now Saskatchewan sits, I think, unique in Canada, not dealing with this problem of double-breasted companies.

And it is damaging to the construction industry. It's damaging to all the people who work in the construction industry. It's a disaster for the trade unions who are representing people in that industry all across North America. And in Saskatchewan they're particularly and peculiarly vulnerable, and the situation is an obvious wrong and ought to be protected, and I think the minister knows that.

It is the former minister of Labour, the member from Yorkton, who in an effort to deal with some of the collective bargaining problems in this industry, set up a conciliation board. The conciliation board was asked to investigate the various disputes and report with recommendations. And the conciliation board was by any test a blue ribbon board in this province. The chair of that board, appointed by the then minister of labour, was Richard Horning from Yorkton, a very prominent practitioner in the field of labour relations. And all Tory members know very well who Richard Horning is. He was the minister's own appointment. The employer appointee to that board was a lawyer from Saskatoon named Larry Seiferling, one of the outstanding employer lawyers in this province. The trade union nominee to the board was Nick Sherstobitoff, who is now a justice on the court of appeal, and was the nominee of the trade union. The minister laughs, and I don't know why the laugh, but he'll no doubt explain that when he stands up.

But the fact of the matter is that these three people, experts in the field of labour relation far beyond where the minister will ever go in terms of knowledge, got together and held hearings. And they met with all of the parties involved, and they met with each other, and they came down with a unanimous report – a report which each of them signed.

And one of the things that they recommended is that the Saskatchewan legislation be amended to take care of this spin-off or double-breast problem. Now that was perfectly clear in the report. I know the report said more than that, Mr. Chairman, and Mr. Minister, but I would like to ask you how you respond, how you react, to the unanimous report of the board of conciliation on this subject.

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, section 6 of the Constitution of Canada reads . . . in 6(2) . . . I should read 6(1) just so that people will take into account what it says there:

Every citizen of Canada has the right to enter, remain in and leave Canada.

This has not got much to do with labour, but it certainly has a lot to do with the comparison of rights in this country and socialist countries around the world. But section 6(2) says:

Every citizen of Canada and every person who has the status of a permanent resident of Canada, has the right (to)

(a) to move to and take up residence in any province, and

(b) to pursue the gaining of a livelihood in any province.

The Constitution of Canada guarantees the citizens of this country a right to work and a right to do business. Now that cannot be infringed on and has to be weighed carefully if you were to pass legislation of the nature that, as we would say in court, my learned friend – he hasn't been that kind to me; I will say the member from the NDP – has stated.

In addition, section 6(3) puts a limitation on that right:

The rights specified in subsection (2) are subject to

- (a) (and that's the only one that's applicable here) any laws or practices of general application in force in a province other than those that discriminate among persons primarily on the basis of province of present or previous residence;

So if I could ban spinning off of companies in Saskatchewan, I could not ban a spun-off company from another province from doing business in this province.

So these are constitutional implications that I would think the member from Saskatoon Fairview, being a lawyer, would take interest in. But clearly he hasn't considered these implications.

Mr. Mitchell: -- Well that's worse nonsense than the previous intervention of the minister.

The question is not whether people can spin off companies or not; they can do what they like. They can set up shareholders of their . . . and make shareholders of their spouse or their children or their lawyers or whoever they like. But the point is, Mr. Minister, that you, as the minister responsible, ought not to sit by and let this technique be used in order to circumvent the legislation of this Assembly, namely The Trade Union Act.

It's not a question of them not being able to spin off companies; they can do that. The point is that they can't avoid their obligations under The Trade Union Act by the device of spinning off a company. And that doesn't offend section 6 of the charter, either subsections (1), (2), or (3). They can do whatever they like. What they can't do is to use that kind of a device in order to walk around the legal obligations which this Assembly has imposed upon them and which you, as the minister responsible, are responsible for enforcing. That's my simple point.

Now I had asked you about the unanimous report of this board of conciliation. And I had pointed out to you that that board had unanimously recommended changes to Saskatchewan legislation which would deal with this problem of spin-off companies. And I'd like your reaction to the report of the conciliation board.

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, in that report that the member from Saskatoon Fairview refers to, the report of the three learned men who my colleague here in the legislature has referred to and has given you a run-down of their credentials, the report suggested final offer selection arbitration. And management was not in favour of that; the unions were not in favour. As a matter of fact, the Government of Manitoba at present is trying to bring in that type of legislation, and I have read articles in Manitoba papers where the union leaders are totally opposed to that legislation. And as far as I know, the Government of Manitoba is backing down on that legislation.

So in the absence of any agreement that final offer selection arbitration, as recommended in the report, be implemented, we couldn't see why if none of the parties thought that was a solution, why we should implement final offer selection arbitration, and have really no intention to do that.

Mr. Mitchell: -- I want to ask my question, and I'll speak more slowly and try and enunciate more succinctly so that you catch what my question is. That was a report that had many parts to it, Mr. Minister. But that part that I'm interested in is the part that recommended that you introduce changes to the Act to deal with the problem of spin-off companies -- nothing to do with final offer selection, nothing to do with multi-party bargaining, but with spin-off companies.

Now that report has been on your desk for every day that you've been a minister, I think, or shortly after your appointment, and that goes back some time now. And all I'm asking you to do is tell the Assembly what your reaction is to that recommendation respecting spin-off companies.

Hon. Mr. Schmidt: -- Mr. Chairman, if there is a solution to the spin-off company proposal that will allow Saskatchewan companies to compete with other Saskatchewan companies and allow Saskatchewan companies to compete in the western Canadian market-place, then we will implement it. As yet, the solution has not been found.

Mr. Shillington: -- Thank you very much. Mr. Minister, one quick question. You have talked about introducing amendments to The Trade Union Act and possibly The Labour Standards Act. I wonder if you're in a position to share with this Assembly any information about the timing of the introduction of such legislation.

(1600)

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, such legislation will be introduced when it's ready.

Mr. Shillington: -- Well the minister might have said, no, he's not, and I suppose that would have put the matter more succinctly.

Mr. Minister, I want to turn to an area, and we'll be on it for some time if you want to have a shuffling of your officials. It is the WCB (Workers' Compensation Board). I expect we will be on this subject for some time, Mr. Minister.

An Hon. Member: -- He doesn't know what that is.

Mr. Shillington: -- That's the Workers' Compensation Board. I can see we're not off to a very good start here.

Mr. Minister, the English language is a thing of both beauty and power, but in this context it's almost inadequate to describe what happened with respect to workers' compensation. I think it's fair to say of most urban members – the member from Regina South would be exempted, because none would live in his riding – but I think it's fair to say of most urban members, we spend half our time dealing with WCB complaints.

Mr. Minister, this is no exaggeration. I say that I am ashamed to be a member of a society which treats people as shabbily as workers' compensation treats injured workers.

Some Hon Members: Hear, hear!

Mr. Shillington: -- There are times, Mr. Minister, when politicians on this side take a crass delight in some of the mistakes you make, but this is certainly not one of them. This is a painful area for us; it is just so badly administered and so badly run.

Mr. Minister, I want to read – I have raised this subject every year that I have been the Labour critic, which is since 1982, and every year, Mr. Minister, I have been pooh-poohed by yourself and the member from Yorkton. I now, Mr. Minister, have some authority for my comments that there are some very serious problems with WCB. I refer to the report of The Workers' Compensation Act review committee. On page 20 of this document, the following statement is contained:

The committee recommends that the principles on which the phrase “estimated to be capable of earning a suitable occupation” are to be interpreted as follows:

And this is the unusual nature of the statement. I’ve never seen this before in a report. They then go to say:

And the committee further recommends that the board implement this policy as soon as possible.

I’ve never seen that comment in an official report before. It’s usually left to government discretion.

That comment, Mr. Minister, indicates how very serious this problem is. Mr. Minister, the problems are many-fold, but I think the most serious problems have to do with deeming. Mr. Minister, this was, as the report correctly notes, this was set up at the time of the amendments, I believe in 1979, and it was intended to deal with exceptional circumstances.

As the minister will know, under the old legislation you got paid so much for a lost hand, so much for a lost finger, so much for a broken leg, so much for a limp, etc., etc. You got what was sometimes referred to, in a rather crass way, as the meat chart. If you lost a foot you got so much; if you lost a leg you got so much.

That was changed in 1979, I believe was the year, Mr. Minister. It was changed to a system which was thought to be more humane. And that is because a lost finger didn’t affect everybody equally. I wouldn’t particularly, I think, suffer a great deal if I lost one of my fingers. It might be disfiguring, but I don’t think my life would change drastically. However the stenographers with whom I work in the office, their life would change pretty drastically if they lost a finger. So the problem with the old system was . . . the problem with the meat chart, it didn’t adequately compensate people for their loss.

So in 1979 a new system was brought in which was the present system. It’s an attempt to replace income. At that time, and introduced at that time, was a provision whereby you could deem people capable of earning wages. It was intended to deal with only exceptional circumstances. A person might retire for personal health reasons. A person might win the lottery, in which case you no longer have to work, and you might, therefore, retire. Your uncle might leave you the farm, etc. They’re intended to deal with exceptional circumstances.

Now, Mr. Minister, virtually everybody is deemed to be capable of earning income, no matter how ludicrous it is. I have an acquaintance – indeed he’s more than that, this man is a good friend of mine – who is late fifties, was injured at work; as a result he has a bad back. He cannot sit for very long. He cannot stand for very long. He cannot lift. He was deemed capable of earning \$8 an hour as a security personnel. If there were any security personnel jobs open, which there aren’t, it’s almost all done by commission . . . if there were any jobs available, which there aren’t, the long waiting lists for those jobs . . . if there were any jobs available, he certainly couldn’t get; he’s just not capable of doing it.

Mr. Minister, The Workers’ Compensation Act, and I should point out for the minister if you don’t know what the WCB (Workers’ Compensation Board) is, you might not know who sat on the WCB review committee – Judge Muir chaired it. This is the fourth one he has chaired. He has made a very significant contribution to this province in chairing these. It included – I won’t go through it all – it included: Mr. Brown, Mr. Antonini, Mr. Maxwell, Mr. Magnan; those, I may say, are successful business men. I think that’s true in all cases. It included Mr. Norheim, Mr. Munt, Mr. Zaba. Some of those represent workers – Mr. Norheim is an employee of the Canadian Labour Congress. They

unanimously made this recommendation and, as I say, they included a comment that I've never seen in a report before: "And the committee further recommends that the board implement this policy as soon as possible."

Mr. Minister, you got this in September of '86. You got this report in lots of time to deal with it at this current session. Whatever else one might say about a session that starts in June, there's not a whole lot to be said about it that's very good. It would at least give you an extra three or four months to prepare the legislation which you need to implement these changes.

So I ask you, Mr. Minister, when you are going to deal with some of these problems and, in particular, when are we going to deal with this problem of having injured workmen who are physically incapable of working of an age where they simply can't land a job?

Anyone who thinks there isn't age discrimination in our work place has never been in your '50s or '60s and tried to find a job; a very difficult thing to do – hard enough for men, much harder for women. So I say, Mr. Minister, that you are deeming people to be capable of earning wages, which is just fanciful. Nobody pays . . . my friend again . . . nobody pays \$8 an hour for security people; he couldn't do it if there were any jobs, and there aren't any jobs available. So I ask you, Mr. Minister, when you are going to deal with this very serious problem with WCB? As I say, I'm just ashamed to be a member of a society which treats people in such a shabby fashion.

Hon. Mr. Schmidt: -- Mr. Chairman, I do detect some crass delight in the members opposite – as much as they protest that they have no crass delight in seeing people with problems – but I do detect some.

The 1979 changes to The Workers' Compensation Act – I have to compliment the former government – were good for workers and were good for employees. They were the right thing to do at the time, and there were some problems in that 1979 Act that have been worked out since then. And this is one area in the Workers' Compensation Board where there has been very little politics, Mr. Deputy Chairman. Over the years each government has improved The Workers' Compensation Act, whether it was Liberal, CCF, NDP, or Conservative, and improvements continue.

No government has dipped into the funds of the Workers' Compensation Board at election time to be generous with the funds in that board. The board has operated, for the most part, independently of government, has done an excellent job, and Saskatchewan is recognized to have one of the best workers' compensation plans in Canada. And we have people from other parts of Canada coming to Saskatchewan to study our plan. We've had the Governor of Colorado study our plan, other states in the United States, by using Saskatchewan as an example.

And so what was done? In 1979 improvements were made. I've given credit to the NDP government of the time for those improvements. We made two other major improvements. We opened the books as we felt that information should be available, and we went to 95 per cent of net, which was fair to families and not quite as generous to single employees.

And I do agree with the member opposite that this "deeming" has become a problem, not a problem created by our government, and possibly not intended by his government in 1979. And as much as I can influence the board without changing the legislation, I am now directing the board to try to find a solution to the deeming. I don't know if it can be exactly as recommended by the board that studied the Act, but I do admit that deeming is a problem, and in some cases is unfair, and is probably the major problem before the board right now. And I would be hopeful that the board can work out a solution to this before the end of this calendar year.

There is something you have to consider though, that the emphasis has been on rehabilitation. And Judge Muir, with whom I met very recently, indicates that he believes strongly that rehabilitation is the right direction to go. I tend to agree with him. And then you have to at some stage say to a person: you have been rehabilitated; therefore, you have to go out and earn a living and you cannot remain on the pension for ever. But you have been rehabilitated or you have been re-educated so that you can now do a different job.

I do agree that deeming has to be looked at, and it will be looked at, and I have given you a commitment that by the end of this calendar year we hope to have the board with a new policy on deeming.

Mr. Shillington: -- Mr. Minister, why on earth does it take 16 months to deal with a problem which is as serious as this one? That would be an unacceptable period of time if you had to find the solution, but the solution was presented to you 16 months ago. If it were the oil companies or big business, to which you pay such fond regard, the problem would have been solved by the end of September in 1986. Here it is September '87; you're talking about a solution at the end of the year. I wished I had some faith in that. But let's assume that you actually meet that. Why on earth does it take 16 months to deal with such a serious problem?

The rank injustices which are occurring to these people just should not be tolerated. And I say to you, Mr. Minister, that you ought to have done it long before the passage of 16 months.

Let me just make a small guess. You're going to wait until after this session is over, and then your solution will necessitate legislation. So we'll be back into another session, and it won't happen again; you won't get the legislation passed until the middle of 1988, and then you'll take a period of some months to draft the legislation. Lo and behold! 1988 will pass by with the solution still not in hand.

Mr. Minister, you wonder why I'm so cynical. Because that's what happened with the last report that you had, and that's what happened with the report from the Minimum Wage Board. These reports which are designed to alleviate the plight of working people – you have developed a standard pattern which puts off the solution just as long as you conceivably can – you take 16 months to consider what is a straightforward recommendation comprising not more than 2- or 300 words. You put it off until after the session is over. Then you discover legislation is necessary, so you bring in the legislation and you don't get that passed for another six months. Then you took, as you have in previous occasions, months – sometimes up to a year – to get the regulations passed. Two or three years goes by without a solution to what is a very serious problem for those individuals involved.

I say to you, Mr. Minister, that I am not at all relieved when I hear you talking about a solution by the end of the year. That, I think, is your guess as to when this session is going to be over. Mr. Minister, if you were at all sincere in dealing with this problem, the solution would have been in hand and would have been implemented before now, and if it concerned anything other than working people, it would have been done.

(1615)

If it was Imperial Oil that was suffering, or any of your other big business friends, you'd find a way to do it right away. You would do it right away. But because it's an injured workman, who is largely voiceless, who you think has no political strength, you feel free to ignore it for years. And that, I say, Mr. Minister, is what you're going to do here.

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, when you change a provision like deeming that was implemented many years ago, there has to be a calculation as to the cost that will be involved and who will pay for it. Now we just about have that calculation completed, and once that calculation is completed, we anticipate making changes.

I didn't say we'd wait until the end of the year. I said we would do it before the end of the year, and that would be the latest that it would be done. Possibly the policies can be changed very soon, but we're waiting for the detailed calculation so we know exactly who will gain and who will benefit.

Mr. Shillington: -- But, Mr. Minister, let me remind you that this particular piece of legislation is not an act of charity. This was a contract entered into and in which each side gave up something. Initially, some decades ago, workmen gave up the right to sue their employer when they got hurt. They no longer have that right. Employers, likewise, got a freedom from the expense of legal suits. Back in . . . and that was the deal that was struck.

And back in 1979, Mr. Minister, that contract was amended with each party getting something. The workers gave up what was a sure thing that nobody could do them out of. If you lost a finger, you got the money. It might have been rough justice, and it often was a pretty crude system, but it was sure. They gave that up because they trusted in the fairness of the government which was administering this program. And employers got some things of this, too. So it was a bargain, a contract.

I say to you, Mr. Minister, that it doesn't matter. I can't believe the cost is going to be that high. I understand from the board, who've considered it, that it isn't going to be that high. But I say to you, Mr. Minister, that whatever the cost, the working people have been cheated out of their side of this bargain because they're no longer getting what they're entitled to.

I can't believe, Mr. Minister, that it's taken you 12 months to add up the figures. I have met with various members of the board and they have told me what they think it'll cost, and it's not exorbitant. I can't believe it takes you 12 months to add up the figures. I just can't believe that.

I say, Mr. Minister, that this is like everything else, whether it be the report of the minimum wage board which we waited on for some years; whether it be the regulations for accessibility to buildings which we waited on for some years, if it concerns the poor and the disadvantaged it takes for ever. If it's big business, you people can act with the speed of lightning.

Mr. Minister, it's just not satisfactory for you to stand here and say you've got to know what it costs. That is not good enough. Working people have been cheated under this system, and that's the kind of language I may say which many members of the board use as well. It is just a fraud upon working people.

For you to sit here and say that you've got to take your time adding up the figures, it will just not do, Mr. Minister. I don't know whether or not I'm conveying to you the outrage which I and members of this caucus feel, but it's very considerable. If there is one issue which I wished we could tie up this Assembly with for two or three weeks, it would be this one. There are very few things I feel as strongly about as this, Mr. Minister. I'm angry about it, and I wish that I could convey to you some of that anger.

Hon. Mr. Schmidt: -- Mr. Chairman, the member opposite is being repetitive and can be repetitive as long as he wishes. The rules of this Assembly are within your jurisdiction.

The system that we have in Workers' Compensation is a no-fault system, and the trade-offs that were made between employees and employers that he stated were in fact made, yes. But he also didn't taken into account that it's a no-fault system and, as a result of The Workers' Compensation Act, the employee is now also compensated for his or her own negligence which could not be sued upon in the past, only if there was negligence on the part of the employer.

In addition, the system is entirely paid for by the employer. We have estimates of the cost on a deeming change at between 5 and \$15 million; we'd like to get that narrowed down a bit more. We have a responsibility at the Workers' Compensation Board to treat workers fairly but also to prevent abuse. With respect to deeming, I agree that it's a problem, and it's not as an immediate problem as you suggest because the board has a discretion to hear appeals to consider the cases. I do agree that at the operative level some of the employees may be exercising their discretion on deeming in a somewhat unreasonable manner, and the board has the power to deal with those instances. It is not as serious a problem as you suggest; however, I do agree that it's a problem, and we will try to deal with it as soon as possible.

Mr. Trew: -- Thank you, Mr. Chairman. I want to first preface my remarks by simply saying to the minister it is every bit as serious a problem as the member for Regina Centre has stated. If anything, the member for Regina Centre is understating the problem of deeming – understating. And I use that word very carefully. I just want to add that from my perspective as an urban member representing Regina North, the biggest single issue, the biggest single item that I receive phone calls and letters about is dealing with the Workers' Compensation Board. And in the vast majority of those instances where I'm dealing with the Workers' Compensation Board, deeming is the number one problem.

The member from Regina Centre did not overstate the problem; he understated it. The member for Regina Centre talked a little bit about the so-called meat chart that was in place up until the very late 1970s. And at that time, Mr. Minister, the deal was struck that the meat chart would disappear because one or two fingers for a politician does not directly affect our means of livelihood, but one or two fingers for a typist is very serious. One or two fingers for most types of musicians can mean, essentially, their livelihood. That's why the meat chart was so unfair. That's why the meat chart was eliminated, if you like, after a unanimous recommendation from the Workers' Compensation review committee of that time.

There's two concerns that I want to deal with primarily today. First is – and the two are actually tied right together – rehabilitation and deeming. And the two go hand and hand.

We should be, Mr. Minister, we should be helping workers that have been injured in the course of their employment. These workers never ever asked to be injured. They've never asked for the pain. They've never asked for the suffering that results directly from the injury. They've never asked for the loss of jobs which, in many cases, many of them are experiencing – a loss of jobs as they can no longer physically do the jobs they had earlier. Injured workers never ask for the loss in self-esteem that goes with having a job. We've in a society that that measures men and women by the jobs that they have, injured workers never ask for the loss in a career path that many of them have suffered, and that's a very important consideration. And they've certainly never asked for the uncertainty about their future, nor did they ask to be turned out in a very, very harsh job market.

Workers, Mr. Minister, should be rehabilitated. Rehabilitation should not simply mean sending a meat-cutter for example, on a five-week training course to allow that meat-cutter to enter some completely unrelated field. Rehabilitation should rather be something that is agreed by the Workers' Compensation Board and more importantly, by the injured worker, that yes, there is a new career path that this worker

is interested in pursuing. Then, I submit to you, the responsibility of the Workers' Compensation Board is that of trying to accommodate that injured worker and get that man or that woman back embarked on a career path where they can continue earning moneys, continue being a productive member of our society and, indeed, maybe even continue paying some taxes to try and pay off some of your deficit.

On top of the rehabilitation problem, on top of all of the other humiliations that are heaped upon injured workers, there is the additional and persistent practice of deeming. And injured men and women certainly know what I'm talking about when I talk of deeming. That practice, as you've agreed, was started in the late 1970s and it was intended, as the member for Regina Centre pointed out, the practice of deeming was intended for use when suitable employment was found injured workers. And by "suitable" we mean work that the injured person is trained to do, is capable of doing, is physically capable of doing and mentally capable of doing, and then you deem that person for an actual job – not a non-existent job, not some airy-fairy job that somebody deems there is.

I've got a specific example, Mr. Minister, of an unfair deeming practice that happened to one of my constituents. Contrary to what you're saying in your earlier response to the member from Regina Centre, I take no crass delight in this whatsoever, and I resent very much that you would even insinuate that we on this side of the House somehow take some crass delight in the pain and the suffering that other human beings are having. I don't accuse you of taking some crass delight in their misfortune, and I would appreciate it if you did not accuse us of the same, because we do not take any delight whatsoever in the suffering, particularly of injured workers.

The case I want to relate to you, Mr. Minister, is that of a meat cutter who injured his back at work. He tried dealing with the rehabilitation department of the Workers' Compensation Board, and for various reasons this injured worker and the Workers' Compensation Board could not come to some agreement on how he could be best rehabilitated, or more succinctly put, how he could best be retrained. There was either a real problem, or a real problem in communication. Either way the result is the same – an agreement could not be struck.

(1630)

So after many, many, many months of frustration, I'm sure by the Workers' Compensation Board – but I can assure you, equally from my constituent – after many months of that, the Workers' Compensation Board went on a little expedition; I'm not sure what the word I want to use is, but they went on a little expedition to think up what job this man could do.

And they deemed him for, Mr. Minister, they deemed this man for a non-existent job – totally non-existent. They deemed this person capable of being a meat order taker at the desk. When you saw the job title, it became readily apparent that nowhere in the meat industry was there such a position. There was, however, one position remotely close. The closest we could find to this position, and the pay, Mr. Minister, at this real job was substantially less than the pay that the board deemed this non-existent job would entail.

This has, of course, caused a great deal of problems. You're aware that once my constituent was deemed as capable of working at this non-existent job, his compensation was reduced by the amount he was deemed capable of earning, even though there is no such job. And it's just very, very frustrating . . . I get very frustrated trying to convey to you the frustrations that my constituent feels, and I'm sure he's not alone in that.

Are you, Mr. Minister, dealing with this unfairness of the deeming situation, and I know you have assured us that by the end of the year you're going to have the deeming problem resolved. I share some doubts about that because deeming has been going on since 1979. You have known about the problem, or your government should have known about the problem, since 1982 or, assuming you're slow learners, 1983 or 1984, but certainly not after that. Here we are in 1987 getting to the stage where we can see the end of the year, and still no action on this incredibly important issue of deeming.

My question, Mr. Minister, is: what are you going to do in the cases – specifically in the case that I'm relating to you – but in cases like that? What are you going to do about the deeming situation for those people that are trapped in an untenable situation right now that is just patently unfair?

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, we don't discuss individual cases in the committee. If the member opposite will send me the name of the individual, we'll look into it. Usually what people have to do is appeal. There are appeal routes within the Workers' Compensation Board. I've had constituents of my own who've taken appeals.

Mr. Deputy Chairman, it should be kept in mind that the *Winnipeg Free Press* has a story on Sunday, January 25, 1987. The headline reads: "Workers' Compensation Board critics cite Saskatchewan as a model operation."

Critics of Manitoba Workers' Compensation Board point to Saskatchewan as a model of efficiency and financial stability which should be copied here.

So I have already indicated that we would try to solve every problem, and the deeming is a problem. And we will try to work out a solution that still brings this province in the direction of rehabilitation but takes some of the discretion of the individual board workers who have used their discretion, possibly in some cases, in a manner that is not as fair and just as could be. We will try to work a solution to the problem, and no amount of repetition in this Assembly will speed up the process. We will do it as soon as possible.

Mr. Trew: -- Mr. Minister, of course the Saskatchewan workers' compensation system is the best, or one of . . . certainly one of the best, but I suspect the best compensation system in Canada. That compensation Act was passed in the late 1970s under New Democratic Party administration. But certainly . . .

An Hon. Member: -- 1911.

Mr. Trew: -- The minister points out it was originated in 1911. But specifically, the changes that make Saskatchewan's system second to none in Canada were implemented in 1979 in the changes that were made then.

You talk of a no-fault system. Indeed, it's supposed to be a no-fault system, Mr. Minister, but right now it's no fault for the employers and the employees are automatically assumed to be at fault. That's what is happening as a direct result of the deeming process, where people are being severely cut back on their income through . . . again through no fault of their own, because they're being deemed for jobs that simply are not there. And that was never the intention when the amendments to The Workers' Compensation Act were passed in 1979. The intent was never for the Workers' Compensation Board to deem people capable of working in jobs that are either non-existent or where there are no vacancies – never was that the intention. The intention was never to penalize injured workers.

You also spoke in your response to my earlier question about the appeal procedures. And surely you understand that as long as we have the present deeming practice, an appeal procedure is not going to do any good whatsoever. The deeming practice will be upheld and has been consistently upheld by the workers' compensation appeal process.

Because I want to point out one of the problems there is with the very appeal process, Mr. Minister, and that is, when a worker is injured, that worker goes through their Workers' Compensation Board worker; if the decision is not a happy one, that goes to that person's supervisor, and if the decision is still not a happy one for the injured worker, it is appealed. Where? To the Workers' Compensation Board, which very naturally – very, very naturally – will want to uphold the decisions made by its own employees. That's quite natural and quite understandable, but it's a weakness in the appeal procedure, because in every instance we have injured workers appealing a decision made by the Workers' Compensation Board, not to a court, not to an outside tribunal, but they're appealing a decision made by the Workers' Compensation Board; they're appealing to the Workers' Compensation Board.

It just does not provide, despite all of the attempts by the board, it does not provide for that inherent sense of fairness where justice will not only be done, but be seen to be done. And that is an inherent weakness in the appeal procedure.

But leaving that, we've still got the situation where an appeal on the deeming process is absolutely pointless until you come through with some corrective measures dealing with the deeming process.

I just want to ask one question about the case that I was reciting to you. You mentioned that you would look into it. I know we're not dealing with a specific case, and I'm not giving you that person's name. I've very much on purpose not done that, but I'm wondering what hope that person will have. If I give you the details, and the Workers' Compensation Board has already turned down the appeal, even though the deeming process is recognized, even by you, as being an unfair one, what sort of hope does this person have for getting a reversal of the unfair deeming decision that was made for him?

Hon. Mr. Schmidt: -- Mr. Chairman, I don't know if the person in question has appealed to the board or not. There's no limit on how many times the board can re-hear a new appeal. It's not like a court of law where you only one appeal; it's more like the American system where you can appeal over and over and over again.

I can tell you this, that if there are merits to the case, that the board would give it serious consideration. If I examine the case and agree with you that this is a case where the individual has been hard done by, I would send my personal recommendation that the board reconsider this and consider the fresh evidence that you might be able to produce.

So you know, I don't want to interfere with the board, but I am prepared to state my opinion. And if your fresh evidence would change my opinion or convince me that there's an injustice, I would do everything possible to correct it.

Mr. Trew: -- Mr. Minister, when injured workers appeal to the Workers' Compensation Board, they are told very plainly that they are allowed one appeal. If you push that, you will be told that, well, if you have fresh evidence we can allow a further appeal. But there is nothing that I'm aware of that says there has to be appeal after appeal after appeal allowed. You are giving the impression here in this House that an injured worker can appeal and appeal, and reappeal and reappeal and reappeal, and that just is not the way it is dealt with. That is not what workers are being told when they try to appeal.

They are told: you have one shot. That decision is binding on the board and on the injured worker. So I'm just a little bit upset by your misinformation here in the House, because if you are giving the correct information, then I submit to you, Mr. Minister, that your Workers' Compensation Board workers are not giving correct information, and one of the two problems should be rectified.

The second and closing comment I have in regards to the meat-cutter case that I have brought before you. I, of course, have no fresh evidence, Mr. Minister. The deeming process is the problem. There's no fresh evidence. What the member for Regina Centre was asking you to do is correct the unfairness of the deeming process. I have no information that was not available six months ago and a year and, indeed, most of it a year and a half ago. There's no fresh evidence in this case, but there is a patent unfairness in the whole deeming process.

That is what I'm asking you for, is simply that you will undertake to review this instance that I will write you a letter on. I'll be writing you a letter. I want you to review it in light specifically of the problems with the deeming. No fresh information, same old information; just simply, if you're going to rectify the deeming problem, let's start with this case that I will be writing you in the next few days on.

Hon. Mr. Schmidt: -- Well, Mr. Chairman, I await the case.

Ms. Atkinson: -- Yes, my question's to the minister. Mr. Minister, on page 73 of the Workers' Compensation Board annual report, there's an item . . .

An Hon. Member: -- No, the report.

Ms. Atkinson: -- The report.

An Hon. Member: -- WCB report, not the . . . (inaudible) . . . report.

Ms. Atkinson: -- Annual report. There's an item here showing that there was a transfer to the injury fund of over \$12 million. I gather that that really in essence is an employer's subsidy, and I'm wondering why moneys were taken out of the pension reserve fund and transferred to the injury fund when, in fact, perhaps premiums or assessments should have gone up.

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, there's nothing very significant about \$12 million being transferred from one fund to the other. There's really nothing very significant about having the two funds any more. There are older claims from years ago that are based on pensions; the newer claims are based on wage loss, and it doesn't really matter which fund the money is in. All of the money comes from the employers and is kept in reserve to pay future claims and outstanding liabilities. So your suggestion that there is some sort of subsidy of employers is totally impossible because all of the money comes from employers.

(1645)

Ms. Atkinson: -- Well, Mr. Chairman, I'm not that stupid. I do know that all of the money does come from the employers. My question to you simply is this: why weren't premiums increased, and why was \$12 million taken out of the pension reserve fund? And to follow up on that, I'd be interested in knowing when there were changes to various industries' premiums in the last year. Which industries had those changes?

Hon. Mr. Schmidt: -- Well the pension fund would be adjusted for anticipated liabilities in the pension fund which are based on injuries past. We have a rate classification book. It contains over 100 industries. We could send over the book for you.

An Hon. Member: -- When was there a premium change?

Hon. Mr. Schmidt: -- The question you had was: when were premiums changed? They've changed annually, and some go up and some go down depending on the safety record of a given category.

Ms. Atkinson: -- Could the minister also send over the various claims by industry to me? Part of the problem in reading the annual report, unless you have the codes available to you, it's very difficult to discern which industries have the largest number of claims. Could the minister give me that information as well?

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, the information requested is contained on page 78 of the report and on table 2. All of the information requested is in the report which the member has in her hand.

Ms. Atkinson: -- Okay. I'll have to check that. But in the meantime, I'm wondering why your government has not acted on the review committee's recommendation that legislation protecting workers from arbitrary dismissal be enacted?

Hon. Mr. Schmidt: -- Mr. Chairman, depending on the length of the session, we could have legislative changes later in this session.

Ms. Atkinson: -- Mr. Chairperson, the committee of review had a number of recommendations for improving the quality of information being provided to claimants. And I must commend the Workers' Compensation Board for the letters that articulate very clearly the reasons or the rationale for board decisions.

However, this has created another problem. Because of the practice of sending employers copies of the correspondence, we've had some instances where workers have been fired as a result of the information. I'm wondering if you can assure us that all of these lengthy summaries of information sent to employees does not get into the hands of the employers, because some employers have fired the employees who've made the claim.

Hon. Mr. Schmidt: -- Mr. Chairman, the committee of review has insisted that both sides, employers and employees, receive information as a matter of natural justice. Dismissal of employees: this has not been brought to my attention. However, if there is just cause for dismissal, that would be a circumstance that is normal and expected. If there's not just cause, the employee would have to take the usual remedies in unjust dismissal.

Ms. Atkinson: -- As I've indicated, the board has improved the quality of letters to the claimants, but in at least one case this has directly led to the claimant losing his job. And I'll give you the information, Mr. Minister. In denying an appeal for a back injury claim, the Workers' Compensation Board discussed the claimant's back history in detail, and concluded, and I quote:

It would seem clear that your recent back problems are on the basis of predisposition to back difficulty due to noncompensable factors exclusively. Your appeal, therefore, is denied. While a job change has been recommended, it is clear that this has been on a preventative basis in order to prevent repeated back strains.

Now this information went to the claimant's employer, and the employer was advised of the information. Unfortunately, the claimant was advised by the employer, and I quote:

In view of the most recent Workers' Compensation Board report and medical information already on file with our chief of health and medical services, it's evident that you must avoid heavy lifting. Given the nature of your existing position as trackman, it's evident that you can no longer be permitted to work in this position.

There was no alternate work available for the claimant, and the person was fired. Now further to this, Mr. Minister, the employer put on the claimant's record of employment that he was dismissed for medical reasons. Unemployment Insurance Commission interpreted this to mean that he was not fit for work, and hence ineligible for unemployment insurance.

As a result of this type of case, the board should be very careful about the type of information it's providing to employers. And would it not be reasonable, Mr. Minister, that the board provide the employer with a summary of information, but not go into all the detail of the information because the detail can lead to employees being fired.

Hon. Mr. Schmidt: -- Mr. Chairman, the board has no intention to suppress information, and it's unfortunate that this individual can no longer do that job if that information brought to us by the member opposite is correct. If we were privately given the name, we could look into the case; however, the problem is that the board will not suppress information, and if an employee cannot do the job in the position that the employee is in, it's not the fault of the board. It's unfortunate, but it's certainly not the fault of the board.

Ms. Atkinson: -- Well, Mr. Minister, the employee was doing the job, was back on the job and, as a result of information that your board sent to that employer, that employee no longer has a job. That employee wasn't even eligible for Unemployment Insurance Commission benefits because the employer put on the separation slip that the employee was ill and not capable of working.

And it's because of your policies of giving all of the information to the employer, those policies have led to this particular employee's dismissal from his job as a trackman. And all I'm simply asking you: is it not possible to give a summary of information to the employer that doesn't necessarily lead to employees getting dismissed?

Hon. Mr. Schmidt: -- Well I believe you acknowledge that the information given was not false; that the board gave correct information; it was true. The board did not intend anything malicious. The board was simply giving correct information.

We will not suppress information, because once you start suppressing information then somebody has to decide what to suppress. And we will not take a scissor and cut out information that says, now this information has been cut out, there's a hole in the document because we don't think you should know this about your employee. And the employer would then try even harder to find out what was being suppressed.

So it sounds like a very unfortunate situation, but certainly one that the board cannot change by suppressing information or censoring the information. The truth is the truth.

Ms. Atkinson: -- Mr. Minister, another major complaint of injured workers is the necessity to travel to Regina in order to receive rehabilitation. And I'm wondering what sort of rehabilitation facilities are available in Saskatoon and other smaller areas, and are these being utilized to the full capacity by the board? And does the board force people to attend the Wascana Rehab. Centre for therapy when adequate facilities are available in their home area?

Hon. Mr. Schmidt: -- Mr. Deputy Chairman, I'm advised by my officials that employees can also seek rehabilitation and receive rehabilitation in Prince Albert, Saskatoon, in addition to Regina. If they wish the best treatment, they would probably have to come to Regina.

There is an expansion to the Wascana Hospital here at a cost of about \$54 million, of which the Workers' Compensation Board is paying \$12 million. When this facility is completed, it will be one of the most modern in the world. And while some facilities are available in Saskatoon and P.A., the best in the world will be in Regina.

Ms. Atkinson: -- Mr. Minister, there are a number of workers in this province who are injured who believe that they're being forced to travel to Regina for no other reasons than to be monitored and to be harassed. And I'm simply asking you this: does a worker have to come to Regina if therapeutic facilities are available in their home area?

Hon. Mr. Schmidt: -- Mr. Chairman, the allegation has no substance. We have the excellent treatment facilities in Regina now, and they will be the best when the new \$54 million hospital is completed. And a person who truly needs treatment should have no objection to coming to Regina and receiving treatment in the best facilities available.

Ms. Atkinson: Mr. Minister, the allegation does have some substance. I'm not denying that there are very, very capable people at the Wascana Rehab Centre that are capable of doing all kinds of therapeutic work on injured workers. My point is that there are very, very capable people in people's home communities that are capable of doing the kind of therapy that's now being done in Regina.

Mr. Minister, I have another question. Is your government considering implementing recommendation 10 of the committee of review and removing the criteria that claimants must be unemployable before they qualify for the independence allowance?

Hon. Mr. Schmidt: -- Mr. Chairman, yes.

Ms. Atkinson: -- That's good, Mr. Minister, because there are a number of people who've contacted me that are presently employed, but because of their work-related injuries they're no longer able to do yard work; they're no longer able to shovel snow; they're no longer able to wash their walls or scrub their floors. As a result, they have to hire people. And I think that it's important that your government seriously consider removing the criteria that's now in place.

I'd like to know, Mr. Minister, if you can advise me how long it takes on average to process a claim; what are the bottle-necks in the present system; and what administrative steps are being taken to remove those bottle-necks?

Hon. Mr. Schmidt: -- Mr. Chairman, probably the biggest bottle-neck is the employees' delay in getting their files in and their applications in. I find the average delay is 14 days from date of injury until the time that we get the information before the board. The average turn around time is 28 days in order to get some compensation going -- the average time is 28 days.

Ms. Atkinson: -- Mr. Minister, would you admit that part of the problem is that employers don't submit their form? That's one of the major bottle-necks in the system – that employees do get their forms in, but the problem is with the employer.

Hon. Mr. Schmidt: -- Mr. Chairman, our experience is that employers and employees are about 50-50 at fault for delays in getting the necessary documentation in. The judge, from your report, has indicated that the amount of time allowed for getting the information in and making the claim should be reduced to five days, subject to some extension in some circumstances. So we're leaning towards implementing that recommendation of a five-day requirement for making the application and getting the information out, and we would hope that will improve the situation.

Ms. Atkinson: -- Mr. Minister, can you advise me what sort of consultative mechanism you used in appointing your latest board member to the board of the Workers' Compensation Board?

Hon. Mr. Schmidt: -- Mr. Chairman, there's been a change at the Workers' Compensation Board. As you know, we've had two retirements. The report suggests that the board stick with a format of three members. We have now gone back to that format of three members.

We wanted an individual who had some experience in being an employee; some experience in supervision is helpful in the case of this employee. The person appointed is a member of the boilermakers' international union, and the person appointed is very much a person respected by co-workers in the construction industry. It's also helpful to have someone from the construction industry, which is one of the most dangerous and accident-prone areas of employment in Saskatchewan. The person appointed is G. Leonard Larson, appointed June 3, 1987 and has been employed as a construction labourer, a mechanical draftsman, a boilermaker mechanic, field construction supervisor, superintendent of construction; is a journeyman welder and journeyman boilermaker; has served as a business representative of the boilermakers' union; was a union job steward; has served on various occupational health committees – seemed like the ideal person to fill that position.

Ms. Atkinson: -- Was this person a nominee of the Saskatchewan Federation of Labour or the building trades union, Mr. Minister?

Hon. Mr. Schmidt: -- The answer is no, the person appointed was not a nominee of the Saskatchewan Federation of Labour. There was a nominee, an employee of the Canadian Labour Congress. We felt that this individual had more contact with the actual work situation.

Ms. Atkinson: -- Mr. Minister, I don't know if you're aware of the process that's been used in the past, but as I understand it, since workmen compensation boards were set up in Saskatchewan in 1929, I guess, the guiding principle for the appointment of the board is to make sure that there's equal representation in terms of the interest of employers and employees. This, as I understand it, was done to insure that both employers and employees had equal numbers of representatives on the board and that there would be a neutral chair.

Now in the past the practice has been to consult the Federation of Labour or to consult the building trades union in the appointment of the employee representative to the board, just as the chamber of commerce and the board of trade throughout the province are consulted. So I'm wondering why, in this case, in this appointment, did you not consult with the various labour organizations in the province to insure that the person that was appointed did in fact have their blessing?

Hon. Mr. Schmidt: -- Mr. Minister, we did consult, but we certainly wouldn't have the chamber of commerce tell us who we would put on the board, nor would we have the Saskatchewan Federation of Labour tell us who we will put on the board. We would not have the minority dictate to the majority. The majority of workers in this province are not part of the labour union movement, are not part of the Canadian Labour Congress, are not part of the Saskatchewan Federation of Labour, and I see nothing wrong with having an ordinary boilermaker on the board, rather than a union leader boilermaker.

Ms. Atkinson: -- Mr. Minister, I think that what's at issue here is not who was appointed; what's at issue is the way in which you made the appointment. It's no different than the way in which the Ombudsman was appointed. You did not have . . . you did not consult with this side of the House, and therefore it puts into jeopardy the whole position of the Ombudsman.

And all I'm simply saying is that you did not have the agreement. You did not choose to consult with the labour movement in this province in appointing labour's representative to the board of the Workers' Compensation Board. And I'm simply asking you if this is the way you generally do business and operate your department in this province? Do you not bother to consult with the groups that are the groups that are most before the board of the Workers' Compensation Board?

Hon. Mr. Schmidt: -- Mr. Chairman, now that the member opposite raised it, I do recall I did not consult with all of the union groups, and I did not consult with the Saskatchewan Farmers' Union. And I suppose I could have, but we did pick a person who was well suited for the job. And we are not in the habit of asking the opposition how to run the government, and we are not going to start to get into that habit.

Mr. Shillington: -- Mr. Minister, I wanted to ask, as well, about the . . . what appears to be a transfer from the reserves to the fund. The figure on page 73 does, indeed, seem to be a draw down of the reserves. Could you . . . would you admit that?

Hon. Mr. Schmidt: -- Mr. Chairman, there is one fund, basically. We are talking here about accounting procedures. There's no draw down. The fund is approximately \$300 million. That's a reserve. That's why Saskatchewan has one of the best systems, ever since 1929 when it was started. And we're talking here really about an accounting entry.

Mr. Shillington: -- Thank you very much. Mr. Minister, I wanted to ask you . . . I wanted to ask you what your position was on the drug testing done by B. E. & K. in Prince Albert. Does that strike you as being a fair procedure?

Hon. Mr. Schmidt: -- Well, Mr. Chairman, I've already stated publicly that I saw nothing unfair about the company trying to determine what kind of employees they had, and whether the employees that they might be hiring were breaking the laws of Canada. And I see nothing wrong with an employer wanting to know whether a potential employee is out regularly breaking the laws of this country. I haven't changed my mind as yet. I still see nothing wrong with that idea.

Mr. Shillington: -- Is it an idea, Mr. Minister, which you'd like to see spread to other areas?

Hon. Mr. Schmidt: -- Mr. Chairman, if laws are being broken in this country, I would like us to find out who's breaking them and prosecute the individuals in all respects.

Mr. Shillington: -- Mr. Minister, the governments of both Nova Scotia and Ontario have announced . . . Nova Scotia has implemented it. Ontario has announced plans to implement a proposal for indexing

private . . . whereby private pensions would be indexed. As I say, it's been done in Nova Scotia, and Ontario has announced their intention to do it. Is this something that we might see in the Government of Saskatchewan?

Hon. Mr. Schmidt: -- Mr. Chairman, this concept is under study. It would be desirable. Unfortunately . . . where these plans are funded and could pay this out of the funding provisions, it should be done, but in a lot of cases the inflation was not taken into account, and there is no funding available there. So it's under consideration.

Mr. Shillington: -- Mr. Minister, I'm not at all relieved to hear it's under consideration. So is virtually everything else that we've asked you. Mr. Minister, when do you think you might arrive at a decision?

Hon. Mr. Schmidt: -- The suggested answers are in due course, soon. We meet with other ministers from other provinces. You've checked my travel, and you'll notice that I meet with other ministers. And if we could get a Canadian consensus and a Canadian solution to that, we would like to take part.

Item 1 agreed to.

Items 2 to 7 inclusive agreed to.

Item 8

Mr. Shillington: -- Just with respect to that, Mr. Minister, I'm not sure whether or not the member from Moose Jaw North got from you a statement of the government's intention with respect to the heritage grant. Do you view that as a permanent program?

Hon. Mr. Schmidt: -- Mr. Chairman, the Premier has already given the government's position in that regard. The program has continued for two years now at a cost of \$40 million annually, and it seems to have some degree of permanence. I cannot gaze in my crystal ball and tell you what the price of wheat will be next year or five years from now or, as the member from Assiniboia-Gravelbourg wanted to know, what the price of potash would be or how many people would be employed five years from now. But assuming that the economy does not get any worse than it is, and we expect it should get better, it should be a permanent program.

Item 8 agreed to.

Items 9 to 11 inclusive agreed to.

Item 12

Mr. Shillington: -- I'll just point out, Mr. Minister, under this particular subvote, I was complaining earlier about the downgrading of the department. I would point out, Mr. Minister, that when . . . the first year you were in office this Labour Standards had 47 people; now it's down to 22. No one can suggest, Mr. Minister, that 22 people can do the work of 47. You're just simply not enforcing your own legislation.

Hon. Mr. Schmidt: -- Mr. Chairman, the explanation is that at one time the apprenticeship officers were in this particular subvote. They're now in Education.

Item 12 agreed to.

Items 13 and 14 agreed to.

Item 15

Mr. Brockelbank: -- Some time ago, Mr. Chairman, the minister undertook to provide certain information to me on the estimates of this department, and that had to do with the property management corporation and the studies undertaken by consultants for the department. And I wonder if the minister has the information in a form previously presented to me by, for example, the Minister of the Environment?

Hon. Mr. Schmidt: -- Mr. Chairman, no one on this side of the House recalls the request. If you could remind us what it was, we could try to recall it or try to get you the information.

Mr. Brockelbank: -- I don't have the form of the material here at this time, but it was a request for the breakdown of the space that the department occupies and, in addition to that, all of the consultant studies done for the department in the year, the cost of the studies, the purpose of the studies, and so forth.

For example, Mr. Minister, I can refresh your memory. I have your letter here to me with regard to the Department of Social Services, wherein you state:

Thank you for your letter of July 27, '87, concerning two matters you will be raising during estimates for the Department of Social Services. I am having the department review the relevant information in order that I can respond during estimates.

Hon. Mr. Schmidt: -- Yes, Mr. Chairman, I recall that letter, and I recall that that's the Department of Social Services. None of my officials can recall this request being made to our department. If you could . . . I can do this for you; if you'll make the request or specify what you want, we'll try to find it for you.

Mr. Brockelbank: -- Being an eminently reasonable person, Mr. Minister, I will do that, and I will expect you will respond.

(1715)

Item 15 agreed to.

Item 16

Mr. Shillington: -- I just make a quick comment, Mr. Minister. I note that the subvotes 16 to 21 are grants. They're grants to assist in the development of youth; to assist in the economic development of natives; to assist with senior citizens' programs; and to assist the unemployed. They have all been cut, and cut very drastically, and in some cases eliminated. Once again, Mr. Minister, we have the spectre of cut-backs at the expense of those who can least afford it.

Item 16 agreed to.

Items 17 to 24 inclusive agreed to.

Mr. Shillington: -- I just, Mr. Minister, wanted to express regret at this entire budget. Your particular department deals with human resources; that should be our first priority. We should be doing whatever

we can to assist in the development of human resources. Mr. Minister, this budget, you ought to be ashamed of it. As I . . .

Some Hon Members: Hear, hear!

Mr. Shillington: -- As I said earlier in my remarks, almost all the subvotes have been cut back, Mr. Minister. This department is a shadow of what it should be, and I can . . . (inaudible interjection) . . . Well those comments can be made; this is at the end of the totals. These general comments can be made here as well. If you want to . . . I simply want to say again, Mr. Minister, that the whole affair is most regrettable, that in the department which seeks, by and large, to assist disadvantaged people, we should see the greatest cut-backs as what we have, Mr. Minister.

Hon. Mr. Schmidt: -- Mr. Chairman, I would like to thank my officials for their assistance here. They've been very useful. I would also say that the opposition has been more civil than I anticipated, and I congratulate them for that. I wouldn't want to say what I had anticipated, but I will say that they have been more civil than I anticipated.

We will run the department as efficiently as possible for another year, and I would hope that the opposition gets as informed as possible in the next year and we can get through these estimates in an even more civil manner next year, and in an even more informed way.

So I thank everyone for their co-operation.

Mr. Shillington: -- Mr. Chairman, given what everyone regards as a very high likelihood of a new minister, I expect this will go faster next year.

I do also want to thank your officials for their attendance here and the assistance in these estimates.

Some Hon Members: Hear, hear!

Vote 20 agreed to.

**Supplementary Estimates 1988
Consolidated Fund Budgetary Expenditure
Human Resources, Labour and Employment
Ordinary Expenditure – Vote 20**

Mr. Chairman: -- Any questions? Carried.

**Supplementary Estimates 1987
Consolidated Fund Budgetary Expenditure
Labour
Ordinary Expenditure – Vote 20**

Items 1 and 2 agreed to.

Vote 20 agreed to.

Mr. Chairman: -- I'd like to thank the minister's officials.

The committee reported progress.

Hon. Mr. Berntson: -- Mr. Speaker, I move this House do now adjourn.

Mr. Deputy Speaker: -- The House Leader has moved this House do now adjourn. Is that agreed? All those in favour say "aye". All those opposed say "no". I believe the ayes have it, on division. This House stands adjourned until 2 p.m. tomorrow.

The Assembly adjourned at 5:22 p.m.