

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
June 3, 1985

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

HON. MR. DEVINE: — Mr. Speaker, it's a pleasure for me to introduce to you and through you to the members of the legislature, 25 students from the Macoun Elementary School in Macoun. They're accompanied by their teacher, Gerald Kelly, and by Mr. Bob Lausch. I'll be meeting with them later, and I hope that the entire legislature gives them a warm welcome.

HON. MEMBERS: Hear, Hear!

MR. ENGEL: — Thank you, Mr. Speaker. It gives me great deal of pleasure to introduce 44 students from Coronach, accompanied by their teachers and bus driver. I would welcome them here today, and I wish that you would join me in extending a welcome to these 44 young people. I'm looking forward to meeting and having a discussion with them and having some drinks later on today.

HON. MEMBERS: Hear, Hear!

MR. SWENSON: Thank you, Mr. Speaker. It's my pleasure to introduce to you, and through you to you this Assembly, 20 grades 9 and 10 students from the Briercrest High School. They are accompanied by their teachers, Mr. Terry Maier and Greg Curtis. I hope that their stay with us this afternoon is informative and that they learn about our democratic process. I'd like all members of the Assembly to join with me in welcoming them here.

HON. MEMBERS: Hear, Hear!

HON. MR. BLAKENEY: — Mr. Speaker, I would like to take the opportunity to introduce to you, and through you to members of the House, some students from Centennial Elementary School in Regina. They are, I believe seated in the east gallery. They're here with their teachers, Mrs. Nonnee Garvey and Mr. Ben Wolf. They are in the constituency of Regina North West, and the member is not in the House at this time. But I know that all hon. members would wish to extend a warm welcome to them to express the hope that they enjoy their tour of the legislature, their stay with us here in the Chamber, and that they may gather some useful information from their stay with us this afternoon.

HON. MEMBERS: Hear, Hear!

ORAL QUESTIONS

Minimum Wage Increase

MR. SHILLINGTON: — Thank you very much, Mr. Speaker. My question is to the Minister of Labour. As we had correctly predicted last Friday, your government has finally decided to end the three-year-long wage freeze with a 25-cent hike in the minimum wage. This will be the first salary increase for those at the bottom of the economic ladder in three and a half years. Twenty-five cents an hour represents a 5.8 per cent increase. Over the same period, the cost of living has increased about 21 per cent. Cabinet ministers' political aides have been collecting salary increases of 10, 12, 15, 16 per cent.

Mr. Minister, can you explain the fairness in the huge salary increases for this government's

political aides versus 25 cents an hour for those at the bottom of the ladder?

HON. MR. MCLAREN: — Well, Mr. Speaker, I'm delighted today to be able to say that the PC Government of Saskatchewan has raised the minimum wage by 25 cents an hour to \$4.50 an hour, and that will become effective August 1, 1985.

SOME HON. MEMBERS: Hear, Hear!

MR. SHILLINGTON: — Supplementary, Mr. Minister. You made that announcement early today . . . (inaudible interjection) . . . Yes apparently he felt no one was listening the first time he made the announcement. Thank you for repeating it, Mr. Minister. I wonder if you're going to deal with the question.

Mr. Minister, the question — in case you're having a hearing problem — was: can you explain the fairness in the huge salary increases for your political aides of 10, 12, 15, 16 per cent versus 25 cents an hour for those at the bottom of the economic ladder?

HON. MR. MCLAREN: — Well, Mr. Speaker, we, again in Saskatchewan, have the largest minimum wage that is in all of Canada. Once again, the highest minimum wage.

SOME HON. MEMBERS: Hear, Hear!

HON. MR. MCLAREN: — And the member opposite talks about the increase of 21 per cent. I would like to suggest to the member opposite that he is basing his percentage on the minimum wage from 4.25 to 4.50 is 5 per cent. But I would like to remind the member that the minimum wage is a starting wage. The people that have been on minimum wage for the last — or started out on minimum wage over the three and one-half year period, 66 per cent of them have been on minimum wage less than the year, and the major policy of the small-business person is that after a probationary period they get their increases. So for the member to say that has been 5 per cent compared to 21 per cent is tommy-rot as far as I'm concerned.

MR. SHILLINGTON: — Mr. Minister, the three and one-half year freeze has cost someone working full time at the minimum wage nearly \$2,200 in lost purchasing power. How do you justify a \$2,200 loss in purchasing power versus the \$7,200 salary increase enjoyed by Mr. Gerry Williams? I ask you, Mr. Minister, whether you think that's a defensible double standard? Where is the fairness in a double standard with that kind of a gap?

HON. MR. MCLAREN: — Mr. Speaker, over the last three and a half years my cabinet and caucus colleagues have been consistently reviewing the minimum wage. And it has been an exercise to take a responsible, or to try to find the responsible level of minimum wage against the high priority that we are placing unemployment in this province.

We have discovered that now is the time to increase the minimum wage because we feel that we have protected jobs — number one, that people have been concerned about the protection of their job. I have letters in my office saying please don't raise the minimum wage in the event my job disappears. And that has been a concern. But when I look at April 1985 compared to April 1984 and see that 16,000 more people are employed in our province . . .

SOME HON. MEMBERS: Hear, Hear!

HON. MR. MCLAREN: — When I see \$1 billion worth of construction and business in Saskatoon, \$1 billion in Regina, you people can't tell me that we aren't looking at job security for the people of Saskatchewan, and it's time to raise the minimum wage.

SOME HON. MEMBERS: Hear, Hear!

MR. SHILLINGTON: — New question, Mr. Minister, I wonder when you're finally going to admit the obvious, that the three-and-a-half year minimum wage freeze, your excuse, the protection of jobs, is as phoney as a three dollar bill. Mr. Minister, this province enjoys the third lowest rate of job creation in Canada.

My question, Mr. Minister, is: will you admit, Mr. Minister, that the freeze in the minimum wage has done nothing to contribute to this province's employment rate?

HON. MR. MCLAREN: — Well, Mr. Speaker, I still have to emphasize that we have the largest minimum wage in Canada, as of today. And the one thing that I find interesting is that it looks like my colleagues opposite don't have a consistent view as far as minimum wage is concerned either. You're saying it's not high enough. How high would you put it — to the \$6.54 that you've been advocating?

And I'd like to read a statement here that will prove that point:

The arguments weighed (and this was in your own convention), the arguments weighed the needs of the working poor against the needs of the small business men.

And that came from the Pelly MLA. It said:

. . . that the NDP has been fair in the past and warned that small businesses are going bankrupt and can't afford higher labour costs. We must be realistic in what we ask for. A farmer's delegate said that he wouldn't be able to afford hired help with an increase in minimum wage.

So you don't even agree among your own caucus, or even in your own party. And it finally came out that the minimum wage should stay . . .

MR. SPEAKER: — Order, please. Order.

MR. SHILLINGTON: — Mr. Minister. Supplementary. Mr. Minister, your release stated that the survey had been completed in June of last year.

Mr. Minister, can you explain how it took even someone with your lack of clout a year to get a 25 cent increase through cabinet?

HON. MR. MCLAREN: — Mr. Speaker, I've already explained that we have spent many, many weeks and months on monitoring the minimum wage and the effect of what increases might have on the protection of jobs.

People are concerned about their jobs; people are concerned about the small-business men and the tough times that we have gone through. But even better, we are better off than a lot of the other provinces in the country; in fact, probably the best.

But we wanted to maintain that responsible balance between the minimum wage earner, so that his job would remain, and the protection of the small-business men, because if they can't pay the salaries . . . you're worrying about a 21 per cent — they'd have zero if their job was gone.

MR. SHILLINGTON: — Supplementary. Can the minister assure those at the bottom of the economic ladder collecting the minimum wage that it will not be another three and a half years before they see another increase in their wages? Mr. Minister, do you have any long-term plan in place which will see those on the minimum wage have their salary reviewed on a regular basis, as everyone else has a right to expect?

HON. MR. MCLAREN: — Mr. Speaker, the answer is no. The economic state of the economy will

determine that.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker, to the Minister of Labour. Will the Minister of Labour acknowledge that his surveys have shown that 70 per cent of the people who are on minimum wage are women; that the most common age group is 25 to 44, and not younger; and that of minimum wage earners approximately one in four have dependents? Will you agree with those figures?

HON. MR. MCLAREN: — Mr. Speaker, the Leader of the Opposition has the survey before him and, yes, 70 per cent of the people surveyed at the time were under the age of 24, and 70 per cent of them were women. But I do also suggest to the Leader of the Opposition that we took our survey during June, July, at which time we wanted the very maximum survey to cover minimum wage employees. Certainly I agree with the figures that he has mentioned because that's in our survey.

HON. MR. BLAKENEY: — Mr. Speaker, supplementary. Just so that we are not in any doubt, Mr. Minister, you are agreeing that of the 70 per cent of women who make up the minimum wage force, the age group into which most fall are the age from 25 to 44, people who are in their ordinary working years and not starting into the work-force. Would you agree with that?

HON. MR. MCLAREN: — Mr. Speaker, the members opposite have to realize that the minimum wage is a starting wage. Three months from now someone starting on the minimum wage may be at \$4.75, or \$5 six months from now, and so on. The day that we took the survey, those were the numbers that were on that minimum wage. That doesn't say a week from then, if we'd have taken another survey, that would have changed again.

But the people that starting are on, that are affected by the minimum wage, certainly are the younger group starting in their wages. But we also found out that a lot of small businesses have policies in their wages . . . wage policies that after 90 days or 45 days or whatever, people's performance are reviewed, and their wages are increased.

So that doesn't mean that they're on minimum wage forever, the way you people try to make it look. It's a starting wage; most cases people get their increases.

Layoffs at Lanigan Potash Mine

MR. KOSKIE: — Thank you, Mr. Speaker. I'd like to direct a question to the minister responsible for the potash corporation. Mr. Minister, last Thursday in the Assembly you confirmed that all the PCS potash mines would be shut down for nine weeks this summer putting nearly 1,200 people out of work. And I also asked you at that time about the permanent lay-off of permanent employees, some 70, at the PCS mine in Lanigan.

The minister — you claimed at that time that only 60 would lose their jobs and that all were construction workers associated with the expansion of the Lanigan mine. Would the minister care now to correct that misinformation which he provided the Assembly and to come clean with the list of all those who, in fact, were laid off?

HON. MR. SCHOENHALS: — Mr. Speaker, if, in fact, the member opposite misunderstood, the fact of the matter is that during construction of phase 2 there was a larger work-force required. All right? When the . . . virtually completed, therefore there'll be reductions. The lay-offs will be based on seniority and normal bumping rights. Consequently it may not be the particular people, but it will be the positions that were related to the construction of phase 2 that had been removed. And I think you're familiar with the union contracts, how they work: it's a seniority question.

MR. KOSKIE: — Supplemental, Mr. Speaker. Mr. Minister, are you aware that over the weekend

and again this morning, CBC radio and television were in fact interviewing just . . . (inaudible interjection) . . . Laugh, laugh if you like . . . but were, in fact running interviews with actual people that worked in the mine and did mining who are about to lose their job. And in fact, are you aware that you have supplied a list of those who are going to be laid off to the unions, and that there are about 70 people who'll lose their jobs permanently, effective this summer? How can you stand there and claim that you're only cutting jobs from the temporary construction work?

HON. MR. SCHOENHALS: — Mr. Speaker, I tend — it may only be personal preference — I usually get my news from other media sources than the one noted. So I'm not aware of the particular report. But if, in fact, that is true, I see nothing inconsistent with what I just said when that takes place.

There's nothing inconsistent there. The positions are based on the number of positions that were needed to complete the construction; the people that may be miners that get laid off because of seniority and bumping privileges. And if you don't understand bumping privileges, after question period we'll meet behind the rail, and I'll explain it to you.

MR. KOSKIE: — Further supplemental, Mr. Speaker. Would the minister be prepared to file a list of all of the workers, the 70 workers, that were released; indicate the position that they held; who were given notices; and the term of employment of a number of these individual workers that were laid off? Many of them have been permanent miners for up to five years.

HON. MR. SCHOENHALS: — Mr. Chairman, I don't see where that would serve any purpose, but if the member opposite, since the mine happens to be in his constituency, has some concerns about some specific people, if you'll provide me the names, I'll get the details for you and pass them on.

HON. MR. BLAKENEY: — Mr. Speaker, a question to the minister in charge of the Potash Corporation of Saskatchewan. The House will know that he has announced these major lay-offs for temporary periods and a substantial lay-off for an indefinite or perhaps permanent period of 70 people. Does he agree that the lay-offs are because the oversupply, the high inventories held by the Potash Corporation of Saskatchewan? And if this is so, does he also agree that less than 30 per cent of the inventory capacity of PCS is now full?

HON. MR. SCHOENHALS: — Mr. Chairman, the first part of the comment is correct. I would suggest the second part is incorrect.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. Does he agree that the inventory storage capacity is approximately 306,000 tonnes, and that less than 90,000 tonnes of product are now in stock?

HON. MR. SCHOENHALS: — No, Mr. Speaker, it's my understanding that those numbers are not correct. However, if you want specific numbers, I'll take notice and bring them back tomorrow.

HON. MR. BLAKENEY: — Mr. Speaker, supplementary. Will the minister not admit that in fact there is a great deal of inventory capacity which is empty; that he is not producing because he wants to leave room in the market for the private companies who are not cutting back? Isn't this just another example of PCS being operated for the benefit, not of it's owners, but of the private potash companies?

SOME HON. MEMBERS: Hear, Hear!

HON. MR. SCHOENHALS: — No, Mr. Speaker. As I indicated last week, that is not true. It's a typical line that we have heard presented at least three or four times throughout this session.

There's no truth to it.

Aid to Farmers for Grasshopper Control

MR. ENGEL: — Thank you. I have a question to the Minister of Agriculture, and it deals with your announcement last week with respect to the serious grasshopper problem in southern Saskatchewan; in fact, I might add, a totally inadequate announcement that you've made too late.

My question is this: why didn't your announcement contain some direct assistance to farmers, farmers that need help in purchasing this expensive chemical needed to fight this grasshopper infestation? Why was there no direct assistance for farmers in areas hit hardest by grasshoppers?

HON. MR. HEPWORTH: — Mr. Speaker, hon. member, I think to suggest that the announcement doesn't provide any direct assistance to Saskatchewan farmers would indicate that he hasn't really looked at the total program. Number one is, our role has been on several fronts and been ongoing. Number one is, we feel it is very important that farmers have an assured supply of chemical out there, number one.

Number two is that they are well aware of the problem in terms of the diagnosis on our survey maps.

And thirdly, recognizing that the existing legislation delegates a great deal of authority to local rural municipalities to deal with municipal roadways, given that the hon. member being a farmer has a good understanding of the fact that grasshoppers tend to eat in that area and then move from there to crops, I think it makes a lot of sense to the farmers and to myself to use, if you like, an ounce of prevention, rather than have to pay \$10 in cure later on and deal with the problem in the roadways. And of course that is the approach that's been taken in conjunction with the rural municipalities, Mr. Speaker.

MR. ENGEL: — Mr. Speaker, the minister talks about an ounce of prevention. When there was a drought, you announced a program for cattle, to help them; assistance in feed and moving their cattle. When there was a flood in the north-east, you gave them money for the flood and to reseed, or whatever they needed to do.

Why are the farmers in southern Saskatchewan being treated differently, Mr. Minister? The grasshoppers aren't there because they did something wrong. The grasshoppers are in areas that are affecting farmers, are going to cross areas where the fields are wiped out completely. You have no coverage for reseeding. Why haven't you got a program in some direct assistance, for farmers that are hit that hard, to buy chemical? Farmers I've talked to in my riding have sprayed twice, as many as 1,000 acres, and the question I'm asking: is there going to be some direct assistance to control this expensive nuisance that's facing farmers right now?

HON. MR. HEPWORTH: — Well, Mr. Speaker, hon. member, he is quite right. He is quite right. When the farmers of this province have been facing . . . livestock owners have been facing problems due to drought, the government was there to help. When there was problems due to flooding, we were there to help. When farmers needed assistance — interest rates, input costs — we've been there to help, and we'll continue to be there to help.

As it relates to the grasshoppers specifically, as I mentioned earlier, directly and indirectly we are assisting. I mean I could go on and delineate once again our co-ordinated efforts between the other players out there, whether it be railway right of ways, or highways right of ways, community pastures — all of that ends up benefiting the farmer.

And secondly, the existing safety net, if you like, that is out there in terms of all-hazard coverage is, in fact, crop insurance. But it seemed to us to make some good sense to prevent the crops

from being eaten first because the public purse and the farmers themselves end up paying anyway.

So an ounce of prevention, I think, is worth a pound of cure, Mr. Speaker.

MR. ENGEL: — Just one short supplement, Mr. Speaker. You said there's direct or indirect help for farmers. A farmer that lost 1,000 acres where his crop's eaten off, what direct or indirect help has he got? What \$1 will he get from you to spray those grasshoppers two or three times and his crop is gone?

HON. MR. HEPWORTH: — Well, Mr. Speaker, in terms of existing safety net, if the yield on his land is reduced from whatever cause — grasshoppers, whatever — crop insurance is, in fact, the answer.

MR. LINGENFELTER: — Supplementary, Mr. Speaker. Mr. Speaker, a question to the Minister of Agriculture, and it has to do with the biggest outbreak of grasshoppers since 1931 and, in particular, the area of Estevan and Weyburn where the farmers have had to spray three or four times already. And reports are that they have spent up to \$10,000 per farmer in the constituencies of Estevan and Weyburn.

Can you give us a commitment that you will take a proposal to cabinet today or tomorrow that would allow for a subsidy on the chemicals that will be sprayed and have been sprayed, particularly in those two constituencies, but across the south, to help deal with the severe plight that you have identified but done nothing about in terms of spraying for grasshoppers?

HON. MR. HEPWORTH: — In so far as what this government will do, and whom shall make the suggestion as to what shall be done, we have been out there for the past several months talking to the farmers. You all of a sudden, just this week, have realized for the first time that there's a grasshopper problem. We've got 25 or 30 MLAs that have been out there on a daily basis and, in fact, have been raising it on a daily basis for some several months and have led to the programs we've brought in place.

Fundamental to those programs, Mr. Speaker, was, in fact, meetings that we held with the chemical companies, the rural municipalities, other western provinces — their technical experts — that's what was asked for and that's what we have come up with.

MR. LINGENFELTER: — Final supplementary, Mr. Speaker. Mr. Minister, you have now told us that you have 30 members who have come and complained about the problem associated with spraying for grasshoppers. So you know about the problem and the need for some sort of assistance to farmers. My simple question is: what are you and the Premier going to do to deal with the problem that farmers are having in spraying for grasshoppers, and the costs associated with it? What are you going to do?

HON. MR. HEPWORTH: — Mr. Speaker, I think I've outlined on more than one occasion what we have been doing as part of an ongoing process for several years in the department, and several new initiatives. And, in fact, the hon. members would suggest that we do more in terms of the individual farms for grasshoppers. Tomorrow they'll be expecting us to do something for cowcockle and wild oats and cutworm moths, and the list could go on and on.

But, Mr. Speaker, the farmers of this province and the taxpayers of this province know there isn't some kind of piggy bank that you tap every time you've got a mad on because of a problem. They are risk-takers out there; they understand the risks of farming. And what they want to see is a little help and co-operation and co-ordination, and that's what we've given them, Mr. Speaker.

SOME HON. MEMBERS: Hear, Hear!

Travel Expenses of Minister's Staff

HON. MR. MUIRHEAD: — Thank you, Mr. Speaker. Mr. Speaker, I took notice of a question on Friday last, May the 31st, the question asked by the hon. member from Shaunavon. The question was:

Can you tell me what your ministerial assistant was doing using the executive aircraft to fly from Regina to Moose Jaw? Can you explain that little item?

Mr. Speaker, the answer is: Debbie McNabb has never flown en route from Moose Jaw to Regina or from Regina to Moose Jaw.

MR. SPEAKER: — Order, please.

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF THE WHOLE

Bill No. 9 — An Act respecting the Transportation of Dangerous Goods in Saskatchewan

MR. CHAIRMAN: — Would the minister introduce his officials.

HON. MR. GARNER: — Mr. Chairman, I have with me Mr. Terry Blomme, who's the director of transportation of dangerous goods, and a consultant and co-ordinator for the province of Saskatchewan, Mr. Jack Sutherland, the deputy minister.

Clause 1

MR. LUSNEY: — Thank you, Mr. Chairman. Mr. Minister, looking at the Bill, it's a very, very small Bill and one that I think doesn't cover the areas that it should. Or maybe it's not as strong as it should be when we're talking about the transportation of dangerous goods.

Mr. Minister, the federal legislation is a lot stronger than the one that we have here that's being proposed by you. And yet, even with the federal legislation, we have seen a spill of PCBs in Ontario that is like one that we would not want to see in Saskatchewan. We have, however, Mr. Minister, seen similar spills in Saskatchewan, and I think we should be addressing some of the transportation of dangerous goods, hazardous goods, or any other chemical that would be a danger to Saskatchewan people.

Mr. Minister, a lot of what's in this Bill is just totally insufficient to deal with the problems that exist on the transportation of dangerous goods. You tried to make a Bill appear to be good but not necessarily effective.

What you should be doing, Mr. Minister, is being a little more specific in just who's going to be affected by it and who isn't. This is a Bill that tells us very little as to how you intend to control the transportation of dangerous goods.

One, Mr. Minister, if we go to just looking at some of the sections in the Bill, and we talk about where the goods will be transported, and you use highways — the definition of highways. Well, Mr. Minister, true enough we want to see the transportation of dangerous goods controlled on our highways somehow. But, what happens when that truck comes to a certain area that he is going to stop in for a while? He may be storing that for a week or two or three. Who takes control, or who is going to be responsible at that point? Does it mean that once that

truck is off the highway and in a truck depot, or in some yard somewhere, that it is no longer going to be a responsibility of yours?

Do you have the Department of Environment working with you to where they will assume a fair amount of responsibility also? I think, Mr. Minister, that is one of the key questions.

And looking at some of the companies and some of the trucking firms that have been transporting transformers in the province of Saskatchewan and everywhere else in this country that have PCBs, Mr. Minister, we have seen, I think, a very small amount of participation from either your department or the Department of Environment in controlling the problems that exist in the transportation of some of those dangerous goods.

Mr. Minister, maybe you could answer the one question I have there: who is going to be responsible when that truck leaves the highway and goes to truck yard or a yard of some sort that he may be parking in for a while?

HON. MR. GARNER: — Mr. Chairman, for information for the member opposite, you know, I mean, I'm very disturbed to hear that it looks like the opposition will not be supporting us in this Bill that we have before the Assembly, because our government's total purpose in introducing this Bill on the transportation of dangerous goods is simply to provide the people of Saskatchewan with the safest, most viable transportation system anywhere in Canada. And that's why we have accepted and are working with not only just the federal government, but with other provincial governments as well, to co-ordinate this type of a transportation system.

We're also working hand in hand with the provincial Department of Environment, with the federal Department of Transportation, and the federal Department of Environment. We are working — and if he wants, I can break it down by provinces — we're working with his friends in the province of Manitoba, we're working with the province of Alberta. We will be accepting their regulations and adopting their regulations pertaining to the transportation of dangerous goods, so that we can be consistent right across this country.

As far as who is responsible for a dangerous good would depend on where it's located. If it is still in the shipper's yard, then the shipper is responsible. If the carrier has it on one of his modes of transportation, then he or she is responsible for it. The responsibility lies with the shipper or with the carrier, no matter whether it's on the loading dock or whether it's on the transport vehicle.

MR. LUSNEY: — Mr. Minister, again when you have a Bill that's totally inadequate, you try to make it appear as though the opposition doesn't want to support it. Well, Mr. Minister, far be it from that. We are not saying we do not want to support a Bill. I am saying that maybe this Bill should be strengthened a little to protect the public of Saskatchewan. That is what I'm saying, Mr. Minister.

You're talking about the shipper being responsible. What good is making the shipper responsible, or the trucking firm responsible, when they totally disregard the safety of the people of Saskatchewan or of any other country or province? A good example was the Kinetic Resource Group that had that spill in Ontario, around Kenora. What do you have in this Bill — and I haven't been able to find anything — that is going to have them totally responsible, that is going to keep on top of the shippers of hazardous goods or dangerous goods, to know what they are doing, when they are doing it, and how you are going to control them?

Are you going to have enough inspectors out there that are going to make sure that they know who the shippers of these goods are, and who the truckers will be, that you can control them?

Mr. Speaker, those are some of the questions that aren't very clearly defined in your Bill. I would like to know just what you have regarding the shippers, their responsibility; the truckers and their responsibility; and the inspectors that are going to make sure that all of the clauses in this Bill are

going to be adhered to by the shipper or the trucking firms.

HON. MR. GARNER: — Well, Mr. Chairman, once again, you know, we are working in consultation and on a joint venture with the federal government, and that, Mr. Chairman. And what more can I say? I mean, we have all levels of government working together on this piece of legislation.

Mr. Chairman, also we have . . . You know, the member opposite says that, well, what if somebody does ship this, hypothetically? Yes, people still speed, Mr. Chairman. People still do break the law. The laws are put in place; the regulations are put in place. We can only put forth these laws, these regulations, in the Legislative Assembly.

As far as enforcement out there, we will have the RCM Police; we will have local and city and urban municipality forces; we will have the Highway Traffic Board officers, which will also be policing this. This will also be checked on at weigh scales going through the province. Mr. Chairman, I believe that all of the safety mechanisms are in place here.

But, Mr. Chairman, I think we have to go one step forward because it appears to me that the member opposite is trying to buck this proposal. He is trying to stop and trying to delay this Bill. And he can sit there and smile. Mr. Chairman, I just ask you, since 1950 there have been PCBs transported around this province. Where were they?

We have a Bill before the Assembly now, Mr. Chairman. And we would like to bring this Bill forward to bring it into law, to bring forth regulations, not only from the provincial government, but from the federal government, to try and provide a safe transportation system.

MR. LUSNEY: — Mr. Chairman, I certainly see no problem with bringing forward legislation that going to protect the public of Saskatchewan. However, I disagree with the minister when he says that what he's going to have is the RCMP, the traffic officers, R.M.s, everybody else somehow patrolling and making sure that these hazardous goods are safely transported.

Mr. Minister, we have to know who is transporting the goods, who the shipper is, who the trucker is, and who is going to control them. The RCMP may be able to realize that there is a problem when they see the thing leaking out the back of the truck, but I think that's a little bit late. We've got to deal with it before that. The RCMP are not going to be the inspectors of shipping of hazardous goods.

My question to you was before, Mr. Minister, how many inspectors are you going to put on to see that the companies that ship hazardous goods are checked every once in a while; that there are some regulations controlling them, and controlling the truckers that are going to be doing the transportation of those goods? That, Mr. Minister, is the question.

And I don't see anything in here that indicates how many of those inspectors you are going to have, how they're going to be checking, or what they're going to be doing. We can't depend, or expect the RCMP to do that. You have to hire additional people. How many are you going to hiring for that job?

HON. MR. GARNER: — Mr. Chairman, we will not be hiring any additional people at this time to do inspections. I stated to the member opposite, RCM Police will be doing it, local urban municipal police; Highway Traffic Board personnel will be doing it as well.

And the member opposite states that there are no regulations. This, Mr. Chairman, is the book of regulations brought forth by the federal government. There are a great deal of regulations, and they will be coming into force. The federal government is looking at bringing into force by July 1st.

Mr. Chairman, the mechanism is started. We're not saying that it is perfect. We can't guarantee that there may not be any other accidents. But at least, Mr. Chairman, we're started in the right direction with trying to get a handle on the transportation of dangerous goods in working in with other provincial jurisdictions and all federal jurisdictions. As far as the responsibility goes, it's up to the federal government and federal Department of Transportation.

(14:45)

MR. LUSNEY: — Mr. Minister, again you seem to be introducing a Bill that says a lot but isn't really going to do very much. You're going to expect the federal government to do a lot of the policing, it appears, or the checking and inspecting of the shipment of dangerous goods.

It says here in clause 2(f):

“inspector” means a person designated as an inspector pursuant to section 12;

Well, Mr. Minister, are you saying that the RCMP are now going to be the inspectors, or is this clause in the Bill meaningless? Who are the inspectors going to be?

HON. MR. GARNER: — Mr. Chairman, in that section we simply state that the minister may designate additional officers or inspectors as required. In this case we will be designating the RCM Police.

MR. LUSNEY: — Mr. Minister, if I heard you correctly, you said that that clause says that you will be designating, or you may designate additional inspectors — you may — and in this case you're saying you're going to designate the RCMP to do it.

Well, Mr. Minister, I think the RCMP have enough work to do now. I don't know why you would expect them to be inspectors of shippers of dangerous goods. I can see them checking some truckers that are on the highway, but to go and check and visit the firms that may be shipping dangerous goods, that handle dangerous goods; have someone going out there and see what goods they are going to be shipping; when they may be shipping them; who they are going to be shipping them with. That, Mr. Minister, should not necessarily be the responsibility of the RCMP. You should designate an inspector that can check these firms out so they would have a good idea of what kinds of hazardous goods we are talking about, and when they may be shipped from point to point.

That, Mr. Speaker, is what you should be doing in this Bill, and this Bill says that that would be possible with this clause. But you are saying that while that clause is in there, it's going to be the responsibility to the RCMP to do it. I think that, Mr. Minister, is totally unreasonable.

HON. MR. GARNER: — Well, Mr. Chairman, I'll try once more. It is a joint — as I stated to the member opposite, it is a joint federal-provincial program, and we'll be designating not only the RCM Police, the urban municipality, Highway Traffic Board officials and that, as well. And it is in conjunction with the Department of Transportation, the Department of Environment, both federally and provincially, in all provinces across Canada.

MR. LUSNEY: — Mr. Minister, you continue to talk about municipal people that may be doing some of the inspecting, the traffic board, the RCMP. Is there going to be any special training course instructing these people as to what they should be looking for, how they should be dealing with it? And if there is, who is going to be responsible for that course; or is this, as it appears to be right now, just going to be in the general line of duty of those people involved not really having any specific instructions as to what they should be doing it, or how they should be doing it?

HON. MR. GARNER: — Mr. Chairman, yes, there will be courses held, and they will be held in

conjunction with the province of Alberta, and we will be co-ordinating them with the province of Alberta. And once again, urban municipal police, RCM Police, and highways traffic officials will be attending those courses.

MR. LUSNEY: — Mr. Minister, do you have a portion of your budget that will be assigned to pay for the cost of that special training?

HON. MR. GARNER: — Yes, Mr. Chairman, we do.

MR. LUSNEY: — Mr. Minister, what amount have you budgeted for that special training?

HON. MR. GARNER: — Mr. Chairman, 20 to \$40,000. These are just approximate figures. We can get that information, and I'm quite prepared to share it with the member opposite.

MR. LUSNEY: — How many people are you going to train with that, Mr. Minister?

HON. MR. GARNER: — Mr. Chairman, we will be training all Highway Traffic Board officers, and as scheduling permits, we will be training, through this program, RCM Police and urban municipal police as well.

MR. LUSNEY: — Well, Mr. Minister, it sounds at this point you're going to be training the traffic officers, and as your funding or scheduling may permit, you will be training some of the others, RCMP, and whoever it may be. At this point, with the funding that you have in place, how many people do you expect this is going to train to do the job that you're hoping this Bill is going to do?

HON. MR. GARNER: — Mr. Chairman, officials tell me it's just a matter of scheduling. It isn't a money problem; it's a matter of scheduling personnel for time to go and take this training, but the officials assure me that this will be done.

MR. LUSNEY: — Well, Mr. Minister, I think there's a couple of questions there. You say it's not a money problem. If it's not a money problem, you should be able to train everyone. The scheduling — I don't know where the problem comes in with that. Maybe you could explain to me just what the problem is with the scheduling of the training, and how many you expect are going to get trained this year. If you say scheduling is a problem, how many do you expect you're to be able to get trained this year with the 20 to \$40,000 that you have in place?

HON. MR. GARNER: — Mr. Chairman, I don't have the numbers here, but we will get all of the Highway Traffic Board inspectors trained this year.

MR. LUSNEY: — Mr. Minister, could you just give me a quick indication of how many traffic board officers you have at this point?

HON. MR. GARNER: — Mr. Chairman, I don't have the chairman of Highway Traffic Board here, but it is (I'm just ball-parking this) 45, in that area. Forty-five or 50, somewhere in that area, but once again I'll get a complete list of them, their names, and whatever other information — the member wants to know what salaries they make; we can share that with him too.

MR. LUSNEY: — Mr. Minister, in this Act also it states that the minister can . . . the Department of Defence, Mr. Minister, apparently can move down the highways without having to adhere to this Act, but they are somehow exempt from this Act. Could you tell me, Mr. Minister, why they would be exempt from the Act? Is there some special control on them that would not require you to do it, or are they just going to be exempt and able to do whatever they like?

HON. MR. GARNER: — Well, Mr. Chairman, it's in conjunction with the federal government. It's under the federal government regulations. It's the spirit of co-operation that we have between the provinces and the new federal government.

MR. LUSNEY: — Well, Mr. Minister, there may be a spirit of co-operation, but I would think that, be it Sask Power or be it anybody else that's going to be transporting goods — let it be national defence. They could be moving who knows what — biological warfare weapons, nerve gas, radioactive material, what have you. Now, Mr. Minister, somebody has to have some control and know what is moving down our highways. You are saying that they will not be controlled by this Act. And why wouldn't they be controlled by this Act?

HON. MR. GARNER: — Well, Mr. Chairman, it's very simple. We're working in conjunction with the federal government. The federal government has the authority and has the jurisdiction. We have brought in a Bill on the transportation of dangerous goods to co-ordinate, not only with the federal government, but with other provincial governments as well. And with this Bill it will now allow us to pass local or regional regulations if we may have a specific problem within the boundaries of the province of Saskatchewan. The other is a federal jurisdiction. And, Mr. Chairman, I can assure you that we have total co-operation, and we have total confidence in the federal government.

MR. LUSNEY: — Mr. Minister, you're also saying here that you can, or the minister can, exempt or issue a permit to exempt anyone wanting to move certain dangerous goods down the highways. Could you tell me who this may apply, and why you would want the power to exempt someone?

HON. MR. GARNER: — Mr. Chairman, this is basically in there to duplicate federal permits. There also, Mr. Chairman, may be some new design in packaging, and that, that we can allow to move by permit, once again working with the federal government. And then also there may be certain types of commodity that may cause a hardship to transport locally within the provincial boundaries. We then can do that by permit as well.

MR. LUSNEY: — Mr. Minister, do you require in the Bill also that there should be some emergency plans drawn up for anyone who engages in transporting dangerous goods? What kind of plans, Mr. Minister, are you proposing, and how will they be filed? Who will be responsible to look after any plans that are filed in regard to the transportation of dangerous goods by whoever does the transporting?

HON. MR. GARNER: — Basically, Mr. Chairman, this allows us to work with the Emergency Measures Organization around the province and also with the Department of the Environment as well.

MR. LUSNEY: — Mr. Minister, will you be making any type of regulations that will include some provision where there will be immediate reporting of any spill that may occur within the province?

HON. MR. GARNER: — Mr. Chairman, yes, we do have an immediate reporting system, and that's to the Department of Environment - 24-hour spill centre.

MR. LUSNEY: — Mr. Minister, in penalties, who is going to be responsible when it comes to handing out . . . I shouldn't say who's going to be responsible when it comes to handing out penalties. But when there are penalties, who will be primarily responsible — if there is some penalties going to be enforced on them — will it be the truck driver, will it be the company that's responsible for it? If you stop someone on the road, a trucker that was transporting something that was spilling along the highway, who is the person that you're going to hold responsible for it?

HON. MR. GARNER: — Mr. Chairman, it depends on where the infraction takes place. The responsibility of it will lie with not only the shipper but with the carrier as well. If the shipper does not package the commodity properly, or if the carrier does not transport that commodity

properly, it will depend on where the infraction lies as to where the penalty will be laid.

MR. LUSNEY: — When you talk about the trucker, Mr. Minister, are you talking about the trucking firm that accepts the transportation of that goods from the shipper, or are you talking about the driver of the truck that may have to, or should — would be expected maybe then to check his load and decide?

HON. MR. GARNER: — Oh, Norm. Mr. Chairman, it will be the responsibility of the company that the driver works for.

MR. LUSNEY: — Mr. Minister, why a two-year clause in there where someone is found guilty of a spill after two years you can no longer take action against them? If this doesn't come to light for a couple of years, why are you exempting those, because then they would try to cover up for as long as they could? Why don't you put it on, that if there is a spill, even if it's found out three years later and they failed to report it, they would be held responsible for it?

(15:00)

HON. MR. GARNER: — Mr. Chairman, the Department of Environment will still have control over that and can still take action.

Clause 1 agreed to.

Clauses 2 to 27 inclusive agreed to.

Clause 28

MR. LUSNEY: — I have a question here. In 28(e), where you can:

exempting from the application of any provision of this Act or the regulations the transportation of dangerous goods in any quantities or concentrations, in any circumstances, for any purposes or in any containers, packaging or vehicles that he may specify.

Now, Mr. Minister, could you explain just why you would want that clause in there — who would that apply to?

HON. MR. GARNER: — Mr. Chairman, we have to allow for certain exemptions in the transportation of dangerous goods, and we do parallel the federal Act. And one example would be like, Coca-Cola does have some acids in it, so that would be exempted from something like this.

Clause 28 agreed to.

Clause 29

MR. CHAIRMAN: — Proposed House amendment moved by the Minister of Highways, strike out section 29 of the printed Bill and substitute the following:

The Act comes into force on the day of assent.

MR. LUSNEY: — Mr. Minister, why are you changing that now? The federal Act apparently isn't coming into force till July 1, or something. Why do you want yours in now if your Act is so dependant on what's going to be in the federal Act? Why do you want that in place now?

HON. MR. GARNER: — Well, Mr. Chairman, once again the member opposite is wrong. The federal Act was in place in 1980. We would like out Act in place immediately so that we can adopt the federal regulations.

MR. LUSNEY: — Mr. Minister, I believe you had some regulations that you were flashing around a while ago that you said will be put into force on July 1, did you not say? . . . (inaudible interjection) . . . The federal, that's right. I'm referring to the federal. When those come in, those will very much regulate what you've got in here, I would imagine. Your Act would just be sort of a . . . (inaudible interjection) . . . Right. It certainly would.

Now, this Act is not much good prior to those regulations being put into place. I know it's only a couple of weeks, and I'm not really questioning it too strenuously, Mr. Minister, . . . (inaudible interjection) . . . Okay, I'll let you answer it.

HON. MR. GARNER: — We want to extend this Act to interprovincial transportation, Mr. Chairman, as well.

Clause 29 as amended agreed to.

HON. MR. GARNER: — Mr. Chairman, I would like to thank my officials and all of the people of Saskatchewan that went through the consultation process with us in bringing forth this legislation, and thank the opposition for their questions. Hopefully we have everything settled down now, and we can all work together.

And at this time I would move that the committee report the Bill, and I would ask for the committee to rise and report progress and ask for leave to sit again.

MR. LUSNEY: — I'd like to join the minister in thanking his staff. I would only hope that somehow the minister can convince his colleagues to give him a little more money so we can have some good roads to drive on now.

The committee agreed to report the Bill as amended.

THIRD READINGS

Bill No. 9 — An Act respecting the Transportation of Dangerous Goods in Saskatchewan

HON. MR. GARNER: — Mr. Speaker, I move that the amendments be now read a first and second time.

Motion agreed to.

HON. MR. GARNER: — Mr. Speaker, with leave, I would ask that the Bill be read a third time as amended, and passed under its title.

Motion agreed to and Bill read a third time.

SECOND READINGS

Bill No. 95 — An Act to amend The Saskatchewan Insurance Act

HON. MRS. DUNCAN: — Mr. Speaker, copies of the proposed amendments to The Saskatchewan Insurance Act have been provided to all hon. members. The amendments are substantial and important, and reflect the government's ongoing commitment to better legislation, not more legislation.

The definition of life insurance is amended to include annuities sold by life insurance companies. This amendment will allow such annuities to be exempted, as other forms of insurance are currently, from bankruptcy proceedings involving an insured. Saskatchewan residents will now have protection equal to that provided in all other Canadian jurisdictions.

Mr. Speaker, a second amendment provides for changing the licensing requirements under the Act from one year to five years — a five year term. This will result in improved efficiency, reduced administration costs, and the elimination of unnecessary government involvement in the daily operations of the industries involved.

We are, Mr. Speaker, proposing additional amendments to the Act which will allow greater industry participation in the administration of their own affairs. The time has come, Mr. Speaker, to demonstrate a confidence which this government has in the market-place generally, and in the Saskatchewan insurance industry in particular.

The amendments provide that the Lieutenant Governor in Council may establish an industry council or councils to perform such duties as the superintendent of insurance may allow. The proposed amendments give the superintendent of insurance authority to delegate such duties as educational examinations, administration of registration, licensing, and other matters as may be deemed appropriate for delegation.

Mr. Speaker, hon. members will see from these amendments that there is no change in the powers of the superintendent of insurance and, accordingly, no change in the level of public protection under the Saskatchewan Insurance Act.

What is significant is that the Government of Saskatchewan is now showing a public vote of confidence in the insurance industry. We are continuing to live up to our commitment to reduce unnecessary government interference in business operations without compromising consumer protection.

Mr. Speaker, reduced administrative and other costs will flow directly from the proposed amendments. There is no part of this Bill which give powers which interfere with the civil rights of Saskatchewan citizens. I would be pleased to go into further detail respecting specific clauses of the Bill during committee of the whole, Mr. Speaker.

I would, therefore, now move second reading of a Bill to amend The Saskatchewan Insurance Act.

MR. SHILLINGTON: — Just very briefly, Mr. Speaker. I may say that we will have some questions in the committee of the whole. We do not, however I think, have any quarrel with the general principles of this Bill as we understand it, and we will therefore not be opposing the Bill.

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

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed debate on the proposed motion by the Hon. Mr. McLaren that Bill No. 81 — **An Act to amend The Workers' Compensation Act, 1979** be now read a second time.

MR. SHILLINGTON: — Thank you very much. There are a few comments I want to make with respect to Bill 81. We welcome the Bill. It is long overdue, and it is particularly unfortunate because the report and the Bill contain some positive provisions.

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Most of these positive changes were recommended to the minister in May or June of 1982, in any event a few weeks after this government took office. The recommendations arose out of a committee which had been set up on October 14th, 1981 to review The Workers' Compensation Act. The committee represented employees and employers.

The members of the committee, it's worth remembering, were: Judge Muir, a judge of the provincial court from Moose Jaw, as chairman; Wes Norheim, director of organization for the prairie region for the Canadian Labour Congress; Chuck Chrystal, secretary of the Saskatchewan Federation of Labour; Bob McWillie, International Brotherhood of Electrical Workers, from Saskatoon; Metro Kereluke, director of personnel, Saskatchewan Wheat Pool; Haden Wilks representing the Saskatchewan Construction Association; Bill Spencer, formerly manager of the Saskatchewan division of the Canadian Petroleum Association. So the committee was a fair representation of employees and employers.

(15:15)

Notwithstanding the fact that the recommendations were unanimous, the government for three years chose to do nothing; introduced one Bill, which in some respects is better than the one before the House now, Bill 96 from the last session, and that was stillborn; it never moved, I believe, never moved beyond first reading.

Mr. Minister, this is particularly unfortunate given the fact that there have been about 40,000 work place injuries per year in Saskatchewan, about 120,000 cases in those three years when there was some real potential for benefits had there been no delay. I want to give you some examples, Mr. Minister, of some of the hardship which your delay, which has never been explained, has entailed.

The Bill proposes to increase the maximum insurable earnings; I'm going to get back to that in a moment. However, with respect to delay, over the past three years there have been about 10 per cent of all claimants over the earnings ceiling. That's about 4,000 per year. That's about 12,000 who have suffered because of your delay.

The Bill raises the maximum lump sum payment to \$20,000. There have been 600 to 700 injured workmen a year whose permanent injury has entitled them to a lump sum payment. That's 2,000 people over these three years who again have suffered because of your delay.

The Bill proposes to increase compensation payments for burial expenses of industrial fatality victims. There are about 50 of these a year. That's 150 families, Mr. Minister, who have again suffered because of the delay.

The Bill proposes to increase the maximum insurable earnings. I referred to that earlier; from 33,000 to 48,000. Here, Mr. Minister, you have ignored one of the important recommendations made by the Muir committee, and I would ask you in closing debate to deal with, to give us some explanation as to why that was done.

The 1982 Muir committee report recommended that the maximum insurable earnings should be set at 250 per cent of a Saskatchewan average wage. This year that would have been \$51,000. And using that principle, the maximum would increase each year as the average rate increases in Saskatchewan.

Mr. Minister, I'm not sure to what extent you understand, agree with the principle. You did however have it in Bill 96. I ask you, Mr. Minister, why the change? It is an important change that made every good sense. I won't take the time of the legislature to read the section in the report which deals with that, but it made every good sense to attach a percentage, an index which will automatically increase.

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I ask you, Mr. Minister, why in this important area you've chosen to ignore the unanimous recommendations of the review committee and even ignore the provision in your own Bill?

As I've noted, there are some positive changes in the Bill, improvements to the benefits which are at least three years overdue and which you should have introduced three years ago. There are some other provisions however, Mr. Chairman, or, Mr. Minister, which one could fairly state to be alarming and which fly in the face of the philosophy of the workers' compensation legislation as it has been known and developed over 50 years in Canada.

Again, Mr. Minister, I'm not sure to what extent you're aware of the history of the Bill. I honestly and sincerely urge you to stop and consider the manner in which you are changing this legislation. I will urge you to consult, not just with the trade unions, with whom you have an ongoing battle, notwithstanding your role as Minister of Labour; but even some of the more enlightened employers, I suspect, would, if the matter was put to them fairly and honestly, would not want to see the workers' legislation, the nature of the workers' compensation legislation changed as fundamentally as you propose to change it.

Mr. Minister, the Bill proposes to make three changes which together may destroy in a permanent way the non-adversarial system now in place. It's worth remembering, Mr. Minister, that this Bill was brought into being 50 years ago, in 1932, if my memory serves me correct. I seem to recall that date, not from personal experience obviously, but from my reading the report.

And it was brought into being . . . And it was copied from a much older English statute. It was brought into being to get rid of what was described as the obnoxious litigation, the nuisance to which employees were put in having to sue their employer. It eliminated very considerable expense. The court system, with the attendant lawyers, is not a cheap way to settle a dispute. It was intended to eliminate the delay in litigation, the very considerable expense to the employee and the employer in litigation, and have those benefits paid to the injured workman.

In return for freedom from legal suit, the employer was not any part of the process of settling an employee's claim. The employer was outside the picture. This was part of his bargain. The employee, on the other hand, in return for giving up the right to litigation, received from a different source compensation which would be better and quicker.

Mr. Minister, you have destroyed the non-adversarial relationship in three ways. And as I say, I'm not sure you understand what you're doing, and I'm not sure the extent to which you understand the nature of these changes.

You're permitting employers to appeal claim decisions to the board. That, Mr. Minister, is an abrupt change in the philosophy of the Bill. No employees want it, and I suspect that many employers would not want it. I know people who will argue that if you give employers a seat at the bargaining table where the workers' compensation decides their claims, then under the charter of rights you're going to have to give the employees a day in court. Very few employees want a return to the days when they were subject to legal suits by employees.

You permit employees access to workers' files at the compensation board. It can be for no other purpose than to meddle and interfere in the settling of employees' claims. And indeed, I shouldn't say meddle and interfere, because under this Bill you give them stature before the board, since you give them the right to appeal.

You are, as I said, Mr. Minister, changing the whole nature of the workers' advocates. They'll now be required to serve employers as well. Basically what you've done is destroy a delicate

non-adversarial system which is in force in Britain, the British Isles, in Canada, and throughout the United States. And in almost all of those jurisdictions — all that I'm aware of, Mr. Minister — the non-adversarial philosophy is the one under which workers' compensation operates. So far as I'm aware, Mr. Minister, you're turning this into an adversarial system that will be unprecedented. You'll return us to the bad old days of the 19th century adversarial system pitting injured workmen against employers.

Mr. Minister, I would ask . . . I can say that the benefits are worthwhile. They're going to benefit a lot of people who need the assistance very badly. We will not, as such, be opposing the Bill. We are adamantly opposed to the three changes I mentioned which destroy the entire philosophy and approach of the workers' compensation scheme. I'd ask you, Mr. Minister, to consider withdrawing or amending those changes when this Bill reaches committee of the whole.

HON. MR. BLAKENEY: — Mr. Speaker, I want to add very few words since my colleague from Regina Centre has expressed my point of view, both with respect to the goodly number of favourable things in the Act; a number of things which are subject to question, such as the way that the maximum is set; and the things which are clearly not in the interests of the administration of the Act. I'm frankly quite puzzled by the elimination of workers' advocates and the substitution of compensation advocates. If it is a mere name change, then it is perhaps of no consequence. If it means, as it seems to mean, that the same advocate is going to purport to act on behalf of injured workers and also on behalf of the employer of those workers, then that is clearly a totally unacceptable situation. We wouldn't accept it with respect to any other advocate. We would not even think of permitting a lawyer to act for both sides of a dispute if it were a disputed claim. I don't know whether this is what is intended here, but on the face of it, it appears that that is the case.

The other main point is the one made by my colleague from Regina Centre, the one which suggests that we are now going to have a very, very different kind of workers' compensation, where employers will interest themselves in individual claims and whether or not the board has awarded too much, or perhaps too little, to an individual employee of that particular employer.

No one suggests that employers should not be interested in the assessments which are levied against them, but I think that it is a totally new and unprecedented that employers should be in a position of attempting to reduce the amount of money paid to their employees who may be injured in industrial accidents. That is undoubtedly going to be found to be unsatisfactory from the point of view of the employee. He will not willingly be in a position where by the employer can appear at the assessment hearings, argue for a lower amount, have a lower amount awarded, and the employee have no influence or opportunity to point out the shortcomings of the employer and his place of work.

And this will inevitably mean that there will be a call for employees to have a right to sue the employers. That may well indeed arise anyway, out of the charter. I hope it doesn't, since nowhere where there is that type of workers' compensation having awards made by the courts, nowhere does that work as well as the non-adversarial system, or at least non-litigious system with which we are familiar in Canada. And I would say that employers and employees are united on that. I have rarely found an employer who was interested in being open to suits by employees because of alleged shortcomings of the work place. I've rarely, if ever, run into an employee who wished to have a cause of action, rather than have his settlement through the workers' compensation board.

The tolerance works well for both employers and employees. I feel this Act imperils that scheme, not directly, but it starts us down the road, and I would join with my colleague from Regina Centre in asking the minister to look with a good deal of care on some of the provisions, the later provisions of the Act — section 28 and perhaps section 29 and a portion of 30 — those provisions which introduce these new principles which I feel will not add to the smooth administration of the Act, or will not support the principle of the Act which has basically worked so successfully for more

than 50 years.

(15:30)

HON. MR. MCLAREN: — Thank you very much, Mr. Speaker I only have four or five points that I'll comment on. I'm pleased that the members of the opposition find that, generally speaking, the Bill is covering a number of items that are concerns of the injured worker in our province, and the fact that we did, or it's been suggested that we did nothing over the last three and a half years — the comment made by the member from Regina Centre — certainly isn't true, because we have spent a considerable amount of time going through the total committee review recommendations and coming up with the Bill as we finally have it before us today.

The rehabilitation part of it — the new facility to get injured workers back into the work-force as quickly as possible — was a major undertaking. And I know that has been in the committee of review report for many, many years, but finally, through co-operation with my colleague, the Minister of Health, we are putting together a program where the workers' compensation people will be able to get back into the work-force as quickly as possible.

Out of the 33 recommendations in that report, there are only three that we disregarded, and they were, in our opinion, fairly minor. Two may have not gone all the way that the committee would like to have, but 28 had covered the balance, and we have followed their recommendations totally.

The problems and the concerns that the Leader of the Opposition and the member from Regina Centre have raised was brought to our attention through our consulting process immediately after our Bill was given first reading and had a chance for different people to see it.

And we have sat down with the Saskatchewan Federation of Labour and worked out a couple of House amendments which we will be presenting during the clause by clause, and I'm sure when you see what has come out of those consultations that you'll agree that, in our opinion, the Bill is totally accepted by the trade union movement, and the workers' compensation Board members that we have on staff and, in general, the employers of the province.

So with that, Mr. Speaker, we look forward to passing the Bill.

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

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lane that Bill No. 83 — **An Act to amend the Summary Offences Procedure Act** be now read a second time.

MR. KOSKIE: — Thank you, Mr. Speaker. I want to only make a very brief comment. The provisions in the Bill contain some amendments which are essentially, in some regard, housekeeping and administrative in nature, and I think we will be able to support the provisions as introduced by the Minister of Justice.

And to the extent that they do what the minister hopes they will do, would help to streamline certain procedures, they should help to make the administration of justice for provincial offences a little less cumbersome, a little less expensive. And added simplicity is certainly a desirable goal, as long as the fundamental rights of citizens are protected.

We've had an opportunity to look at this Bill. I have a few questions when we come to committee of the whole, but on second reading we're prepared to support the Bill, Mr. Speaker.

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

June 3, 1985

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Taylor that Bill No. 86 — **An Act respecting Mental Health Services** be now read a second time.

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

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Taylor that Bill No. 87 — **An Act to amend The Saskatchewan Medical Care Insurance Act** be now read a second time.

MR. SHILLINGTON: — Just on behalf of my colleague who is unavoidably absent from the House, I want to say that we in Saskatchewan, we in the New Democratic Party, are proud of this province's record in building a public health care program. It has been built, brick by brick, over a number of years, often over the opposition of the old-line parties, Conservatives and Liberals, and it has been done step by step.

We have begun with the hospital insurance program in 1948; added the medical care insurance program to it; during the '70s added a number of things — prepaid drug care, and so on.

Mr. Deputy Speaker — deputy, deputy, deputy speaker — we will not be opposing the legislation. It in some small way carries on that tradition. It is something that we feel ought to have been done before this, but that in itself is not a reason to be voting against it, and we will therefore not be opposing it.

HON. MR. TAYLOR: — I'm pleased to see that the opposition will be supporting this legislation. I think it certainly is an historic piece of legislation — probably the highlight of this session.

The member opposite said that there were many step by steps in building the health care services in Saskatchewan. I certainly concur with that, although I'd like to point out that over the past three years there have been a number of these steps.

So with that I would just like to congratulate the members for supporting this Bill. I think it is, as I say, historic, a milestone — a Bill that will greatly improve health care in Canada.

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

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Embury that Bill No. 91 — **An Act to amend The Urban Municipality Act, 1984 (No. 2)** be now read a second time.

MR. SHILLINGTON: — As was the case with other Bills, we will have some other questions in committee of the whole. As we understand the principles of the Bill, we have no particular objection to them, and thus we will not be opposing this Bill.

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

COMMITTEE OF FINANCE

CONSOLIDATED FUND BUDGETARY EXPENDITURE

URBAN AFFAIRS

Ordinary Expenditure — Vote 24

Item 1 (continued)

HON. MR. EMBURY: — Mr. Chairman, on Friday the member from Regina Centre had asked for some different information on grants and on incremental increases in department staff, and I have that for him now.

MR. SHILLINGTON: — Thank you very much, Mr. Speaker. Mr. Minister, on Friday last, in response to a question with respect to urban revenue sharing, you responded that you did not believe that the tax base was now a usable formula for determining what a municipality might get. Do I take it, Mr. Minister, that you are admitting what we have been alleging, and that is that we don't have revenue sharing any more? If this government experienced some sort of a conversion and decided to grant municipalities a program something in the nature of revenue sharing, you'd have to begin and design a new formula and a new plan. Do I take that to be an early admission, Mr. Minister, that revenue sharing is dead, and that, as I say, if you've ever experienced some sort of a change of heart, you'll have to begin again to design a new system?

HON. MR. EMBURY: — Mr. Chairman, I'm not quite clear on the question, but certainly revenue sharing is not dead. I pointed out to the member opposite that there are two portions to revenue sharing: one is the distribution formula; one is the escalation formula that deals with how, and what, and on what basis the pool revenue sharing would escalate.

(15:45)

I'd indicated to the member that we had reached agreement with SUMA in regards to the distribution formula, but we had yet to reach a decision on the escalation formula, and that hopefully we would have that done for next year.

MR. SHILLINGTON: — Mr. Minister, I want to deal with what has become, I suppose, one of the pre-eminent issues of this session, and that is the removal of the property improvement grant.

It is true that some municipalities, and perhaps SUMA as a body — I don't know — may have urged the abolition of property improvement grants in exchange and with the corollary that an equal amount in the way of unconditional grants would be paid to the municipalities, and that the expense of the property improvement grant system would be saved. The money would go directly to the cities, and the taxes would go down accordingly. Mr. Minister, you snookered them in a sense in that you took away the property improvement grants but didn't provide the money to the municipalities.

Mr. Minister, I wonder . . . And I read for your benefit last week a letter from SUMA complaining of that, complaining that they had anteed up their nickel, you had taken it, but had provided nothing in return. I wonder, Mr. Minister, whether or not you think that's playing fair with the municipalities to take their side of the bargain and provide nothing in return.

Of the things this government has done during this session, I doubt that any are as unpopular as the removal of the property improvement grants. No single program touches as many people, and none is as progressive in terms of its effect. If you view property improvement grants as a tax decrease, which is what they were initially, then, Mr. Minister, what you have here is a tax increase when you remove them. And it's a very, very . . . The removal of these property improvement grants are a very, very regressive form of taxation.

The benefits, Mr. Minister, are taken from those who can least afford it. In some fashion which nobody understands, you have hit senior citizens the hardest, and you have now announced something in the nature of a retreat from that. I will have some questions about that in due course, Mr. Minister. But, Mr. Minister, the removal of the property improvement grants is a form

of taxation. It's very regressive: you take the money, you take the same amount of money from everyone. Even though to some people it doesn't mean very much, to others it means a great deal.

I know a fair number of senior citizens, Mr. Minister, who live in my riding, often live in apartment blocks, for whom this money was a bus fare to Vancouver to visit a son or daughter, or was used for some such purpose. You've taken that away from them. You've taken it away from those who can least afford it, Mr. Minister.

And I wonder, Mr. Minister, how you justify in a sense . . . (inaudible) . . . the municipalities taking their part of the bargain and giving nothing in return, how you justify such a regressive form of taxation as the removal of the property improvement grants. You're asking the same amount from everyone. You're asking the same amount from the millionaire as you are from the senior citizen who lives in a high-rise in downtown Regina and lives on nothing but their pension. It strikes me, Mr. Minister, as something that should have been too regressive even for this party.

HON. MR. EMBURY: — Well, Mr. Chairman, first of all, to begin with the first remarks, the position of SUMA has been the removal of the property improvement grant. That has been always parallel with their position that education should be removed from property, as well, and therein the tax on property would be lower.

In my view, we've spent \$100 million a year distributed to 575,000 different applicants, and the average pay-out was \$200 or something, and that really wasn't as good a use of the money as putting that total sum plus more into education. It may be the NDP's future or view of the future of this province that we could continue with that rather than looking at education and trying to put more money into it. It's not mine.

To say that the seniors suffer under the new program, I think, is incorrect. The seniors next year, of course, the grant will be income tested, and the maximums will go up dramatically. For those seniors in your constituency who will get the maximum next year, the maximum they would have got, \$155 under the old system, and under the new system they get \$375. And for senior home owners the maximum that they got under the old system was \$510; the maximum under the new system will be \$750. So for seniors the benefits will increase. And it will increase for those who need it the most, and they will decrease for those who need it less.

In the general question of property rebates, my view is that the money is better spent in education than in an annual cheque of \$230, and that decision was made and we'll stand by it.

MR. SHILLINGTON: — Mr. Minister, the nature of the tax increases in this province make Mulroney . . . make the federal tax increases look fair and progressive. The federal government has come under very considerable fire in the House of Commons with respect to its tax increases. All I can say is that yours are a great deal worse, and none worse than the removal of the property improvement grants — none worse.

Even, Mr. Minister, with respect to the senior citizens grants, the grants which you gave back to the senior citizens, you've given it to the home owners, who are by and large the more affluent, and you haven't given it back to the renters, who are by and large a good deal less affluent. As a group, renters are older in many cases and therefore often have less money. It's a sad fact of life that the longer you live, for most people, the longer you live the further down you slip from the average.

In addition, there are in many cases people who just don't have the resources to own a house. You speak about my riding, Mr. Minister. The vast majority of senior citizens of my riding don't own their own house and aren't getting anything. And they are the ones who need the assistance the most. And yet you chose, your government chose, not to give them any assistance, Mr. Minister. You have taken it away and have given them nothing back, Mr. Minister. I ask you, Mr. Minister,

in making this retreat, this great march backwards, the long retreat of the '80's, I wonder, Mr. Minister, why you decided to exclude senior citizens who rent their apartments. They are, Mr. Minister, as needy as any, and I would have thought, Mr. Minister, as deserving.

HON. MR. EMBURY: — Mr. Chairman, two points. As I had commented on only a moment ago, the senior renters will under the new system receive not the maximum of \$155 that they received under your administration, but will receive \$375 under the new system. So for those renters, senior renters in your constituency who were under the old system only receiving \$155 maximum, they will now receive under the new system \$375 maximum.

Secondly, and why the renters did not receive the interim payment this year, I would point out to the member opposite that the reason home owners get the interim payment was because they would have to wait 12 months for the income tax system to click in.

For the renters, they have just received the payment for this year because they rent up to December and then they apply, and again they will rent up to this December and will apply. So they will not miss a payment. They will get a payment about the same time next year as they did this year, although the payment next year for those who are the neediest will be much more substantial than they have been receiving up to now.

So it is not true to say that those senior renters in your constituency are not receiving a benefit; they are receiving an increased benefit.

MR. SHILLINGTON: — Do you know, Mr. Minister, what percentage of senior citizens who rent their accommodation pay income tax, Mr. Minister? Do you have any figures on that?

HON. MR. EMBURY: — Mr. Chairman, Mr. Member, no, we don't have those figures. Generally 50 per cent of seniors would not file. It's not broken into whether those are renters or home owners. And we will be working on a simplified tax form for those who do not file for next year so that it is not complicated. And they will fill out a simplified form in January of next year, or whenever they would do it, for their rebate.

I would point out to them that up to this point, of course, all seniors have had to fill out an application form for the rebate, and hopefully we will be able to construct a form for those seniors for next year that will look much like it and won't cause confusion.

MR. SHILLINGTON: — Mr. Minister, do I take it from your comments that a senior citizen who pays no income tax will still get the rebate — he'll get a cheque from the government in Ottawa? Is that your . . .

HON. MR. EMBURY: — Yes, Mr. Chairman. It's a refundable tax credit.

MR. SHILLINGTON: — Okay. A senior citizen who pays \$400 . . . Okay. How do you get . . . What are the qualifications you must meet, or the conditions . . . must be met to get the maximum grant of \$375?

HON. MR. EMBURY: — Mr. Chairman, as I have mentioned, the benefits will be to a maximum of \$375, which is currently 150. The average for renters now, senior citizens, is \$105. And specifically it is 10 per cent of the annual rent paid up to a maximum of \$375, which is reduced by 3 per cent from net family income over \$5,000.

MR. SHILLINGTON: — Would the minister send that across by a page? That is not an easy comment to follow. I wonder if the minister could have that sent across by a page.

HON. MR. EMBURY: — Mr. Chairman, we'll write it out. It's on a long page so we'll write it out and send it over.

MR. SHILLINGTON: — There are other scurrilous comments on the page as well, I gather.

Mr. Minister, why was this method chosen rather than simply retain a grant of any figure? Pick your figure. You could have increased it or whatever, but why was that system chosen of using the income tax rather than simply having them apply for a grant?

(16:00)

HON. MR. EMBURY: — Two things, Mr. Chairman. Firstly, it was felt that those in need should get a greater benefit. Having said that, it was easier to income test it to the income tax system rather than try and income test it to the old system which would create even more confusion, and for those two reasons it was decided to do it through the income tax system.

MR. SHILLINGTON: — Well, I may be missing something, and I don't claim to have a very clear understanding of the system given the minister's explanation. Without being disparaging, I rather gather that the minister didn't have a very clear grip on it either.

But it strikes me that whatever your income you're going to get the grant, unless I've missed a step somewhere. If you don't have sufficient income tax to pay . . . if you pay income, then you'll get the \$375. Assuming that they're paying more than \$3,750 a year for rent, which is not a very difficult stunt . . . you pay \$350 a month, and you're over that.

Mr. Minister, assuming they're paying more than that, then whether or not they pay any income they're still going to get grant, or have I missed something?

HON. MR. EMBURY: — Mr. Chairman, there are two parts to the equation, obviously. One is the amount of rent you pay. All right? And secondly is your income. Now if you're earning . . . if you're a senior and you're earning \$50,000 a year, you're not going to get any rebate. If you're a senior and your net family income is \$5,000 or less, you'll obviously get the full rebate — \$375. And you calculate that on two things: one, the rent that you pay; and secondly, on your income.

MR. SHILLINGTON: — Does income for these purposes . . . Again, I would like to see if you can get that. I would like to see that written formula written out. But, Mr. Minister, for these purposes does income include old age pension, old age security, and those two incomes?

HON. MR. EMBURY: — Yes, Mr. Chairman. It's net income as defined in The Income Tax Act.

MR. SHILLINGTON: — Well there's going to be very, very few people get the maximum, then of \$375 if your income must be below \$5,000 to get the maximum. There's going to be precious few will get it. If you have no income whatsoever, not a nickel's income from another source, it's my understanding that your combined old age pension and old age security, you have a supplement, the old age supplement, and the provincial one all come to \$375. I don't see how anyone could make less than . . . any senior could have an income of less than \$5,000. If you have no income, your pension is more than that. If you have income, of course, then your income is higher than the \$5,000. So I don't understand how anyone could qualify for the minimum if you must have an income below \$5,000 to get the maximum.

HON. MR. EMBURY: — May I use an example, Mr. Chairman. If your net income, family income, is \$13,000, all right, you will receive more benefit under this system than under the old system. Okay?

MR. SHILLINGTON: — Well congratulations. I want to congratulate the minister on arriving at that brilliant conclusion: that if your income goes down, so will your . . . your rebate will go up. Mr. Minister, that wasn't my question. If the maximum — as I understand you to say is \$5,000 — if to get the maximum you must have an income below \$5,000, that's almost impossible given the fact that you're including pensions.

Now if the minister is excluding the personal exemptions as well, then I suppose there might be a small number will get the maximum, but if you're allowing them to deduct the personal exemptions from their income, I don't understand how anyone could get the maximum rebate.

HON. MR. EMBURY: — Mr. Chairman, we're still having some discussion on the net family income as the Department of Finance is going to be running this program up here, but I'll give you an example, Mr. Member, of how the calculations work.

If the net family income was \$7,000 and your rent is \$3,750 per year, an applicant would get the \$7,000 minus the 5,000 which equals \$2,000, times the three per cent, which is \$60 or \$375 less \$60, for a credit of 315 bucks on the year. Now the definition of a net family income would be the total income minus their deductions, their personal deductions for pension income or interest or whatever, on page 2, I think, of the income tax form. But you may want to raise that in Finance's estimates. They may have the actual definition of the net family income.

MR. SHILLINGTON: — Well, I know what's going to happen if I raise it in Finance. He'll say the program is being administered by the Department of Urban Affairs, and it is incumbent upon you people to understand the program that you are administering. The Department of Finance does not administer your programs. You people do.

Mr. Minister, apart from that question, if you're sincerely unable to answer it, if you're stumped on that one, let me try an easier one for you. Mr. Minister, you indicated that you had . . . Tell me first, Mr. Minister, where is the cheque coming from? Does the cheque come from Ottawa or Regina?

HON. MR. EMBURY: — Two things, Mr. Chairman. One: the cheque comes from Ottawa; and two: the Department of Finance will be administering the new program.

MR. SHILLINGTON: — Well, Mr. Minister, how do you expect to be able to devise a simpler income tax form for these poor seniors to fill out? Mr. Minister, what you have created is a nightmare for senior citizens. Many of them haven't filled out income tax returns for a long period of time, and they are not going to relish filling out an income tax return to get your \$375.

What you've done, I think, Mr. Minister, is to put many senior citizens to the expense and inconvenience of filling out an income tax return. Mr. Minister, I ask you . . . You say you're going to devise a simpler income tax return. Mr. Minister, you've got to deal with the federal government. And you've proved to have about as much clout with the federal government as a wet noodle, Mr. Minister. Your colleague, the Minister of Finance, goes for a little help when he can't get a few million bucks out of the federal government to save the Minister of Finance from extreme embarrassment, how do you expect you are going to be able to negotiate a simpler income tax form? I just think that is wildly unrealistic. There is not, Mr. Minister, a government in the western world which wouldn't like to devise a simpler income tax return. We all agree we'd like it. The problem is that the problem is complex, and so, Mr. Minister, therefore is the form complex.

There is no way to devise a simple income tax return unless you can devise a simple income tax system. Since I assume, Mr. Minister, you're not claiming that you're going to devise a simple income tax system — the Minister of Finance indeed has made it a great deal more complex — how, Mr. Minister, did you believe that you're going to be able to work out with the federal government a simple income tax return?

I think you're dreaming if you believe that, and I'd like to think you didn't — I'd like to think you had a better understanding of Canada's income tax system than to believe that. But, Mr. Minister, if you genuinely believe that, would you tell me how you expect you're going to be able to

negotiate with the federal government a simple income tax form?

I suggest, Mr. Minister, senior citizens are going to have to fill out the same income tax return as everybody else, and that is putting an enormous inconvenience to get their rebate.

HON. MR. EMBURY: — Mr. Chairman, the senior citizen now fills out an application form for this rebate and have done so for many years. For those seniors who do not now file an income tax form, their income, even to fill out the present form, would be relatively straightforward. But we are going to endeavour to try and arrange with the federal government a form which will be acceptable to them and which would be simplified for the seniors, especially the senior who does not now file income tax. I mean, if a senior now files income tax, there should be no problem because he's filling that form out now, and he is simply going to attach his property tax receipt to the form. But the senior who does not now fill out an application tax form, we will try and endeavour to work out a simplified form for him.

MR. SHILLINGTON: — Mr. Minister, I don't think you have a hope in Hades of doing that.

Mr. Minister, could you tell me, in the fiscal year '83-84, how much was paid out to senior citizens under the property improvement grant program?

HON. MR. EMBURY: — Mr. Chairman, do you want '83-84 or '84-85?

MR. SHILLINGTON: — I meant '84-85. The minister is right.

(16:15)

HON. MR. EMBURY: — Mr. Chairman, 28.3 million.

MR. SHILLINGTON: — I thought so. And you have budgeted this year, 1.6 million. Mr. Minister, is the figure in your estimates what you expect it's going to cost you to pay out these rebates? Or what does the figure of \$1.6 million represent?

HON. MR. EMBURY: — Basically that's for prior years' claims under all three programs; that is, you can apply for a rebate up to three years back. In other words, if you forgot to apply last year or the year before, on the occasion that someone finds that out they can apply for two years, or whatever, back. That's for prior years' claims, the 1.6. This, the heritage grant, was estimated to cost around \$25 million.

MR. SHILLINGTON: — So I gather that you expect in the fiscal year '85-86-87 that you will pay out \$25 million under the so-called heritage program. Is that what you're saying? Is that what you expect to pay out to senior citizens under this complicated beast of an income tax rebate system?

HON. MR. EMBURY: — No, Mr. Chairman. For this year, the heritage grant, we expect to pay out \$25 million. Next year it will be paid out through the income tax system, and you won't find it in next year's estimates under Urban Affairs. As I understand it, rather it will be a decrease in income tax revenue to the province because it will be paid out from Ottawa who collects income tax on our behalf, and it will be paid out from there so it will show up as a decrease in income tax revenue for the province beginning next year.

MR. SHILLINGTON: — What do you expect the decrease will amount to? What will this cost the treasury?

HON. MR. EMBURY: — Twenty to \$25 million.

MR. SHILLINGTON: — Well, in effect, I rest my case. What I have been saying is that this is a

complicated scheme, and the complications are going to be such that you are not going to be paying out as much money to senior citizens. You claim you've increased the benefit, but, Mr. Minister, I think there's going to be quite a number of senior citizens who won't apply for it, that will not fill out the income tax return.

You claim to be in the process of inventing a simple form. I think your chances of ever getting the federal government to agree to that are extremely remote. So I think if you figure that when everybody fills out their form you're going to pay out 20 to \$25 million, then I think that's fairly high. I think you can assume it will cost you less because I don't think that the senior citizens are going to . . . many are going to apply for it.

Even so, Mr. Minister, you are decreasing the benefits for senior citizens from 28 to 20 million. You will no doubt claim that much of that will go . . . that much of the money has been taken away from the more affluent senior citizens. I suggest to you, Mr. Minister, that a senior citizen who lives on even 10 . . . you used the figure of 13,000. A senior citizen who lives on 13,000 is not a particularly well-heeled senior citizen, Mr. Minister.

I rest my case, Mr. Minister. This scheme cuts out the neediest of the senior citizens, and for the balance, the group in the middle provides them with a good deal less. And I wonder, Mr. Minister, how in the name of all that's fair you justify that; cutting out the middle group and paying the remainder about 60 per cent of what you had — it's a little low actually — about 75 per cent of what you had paid in previous years. You're paying out less, Mr. Minister, and you're paying out nothing to the poorest, and I wonder how you justify that.

HON. MR. EMBURY: — Well, Mr. Chairman, of course the member opposite has it completely convoluted. He mentions the figure of 13,000, and I'd mentioned that as well, and of course I'd mentioned that those with incomes of 13,000 would get an increased benefit. Obviously those under 13,000 would increase their benefit even more than that.

So to stand up and say that those that need it most aren't going to receive it, it's exactly the point of the program; those who do need it will receive vastly much more than they did under the old program. And yes, if you're earning \$50,000 a year, you won't get a benefit. But if you're earning \$13,000 a year, you'll receive more benefit than you did before.

So the point is simply that, that those who need it more will receive more; and those who need it less, won't — will receive less. And that is the whole point of income testing that thing in the first place.

I think, Mr. Chairman, that we may agree to disagree on that, but the facts are there that if you're earning less than 13,000, you will receive a greater benefit.

MR. SHILLINGTON: — Well, Mr. Minister, I seriously question the reasoning which you have put forward. If half of the senior citizens pay no income tax at all, then the number who report income of over 13,000 must be very few in number; it must be a very small percentage. I can't, therefore, believe you're saving very much money by cutting out the high-income people.

I can only suspect that if you're lopping \$8 million off your expenditure, then for some reason or other, which you aren't being very candid about, Mr. Minister, the middle group who are receiving them are going to receive a lot less. I just can't believe you're going to save eight million bucks by cutting out those over 13,000. I just don't think there's going to be that many of them there, Mr. Minister. The number of senior citizens who have high incomes is really a very small percentage, and I really wonder, Mr. Minister, where you're saving the \$8 million.

HON. MR. EMBURY: — Mr. Chairman, obviously the savings come from those who require it least, and that is those with the higher income; and those who need it most will get more.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister. I've been getting a few inquiries with respect to assessments and reassessments, and I frankly don't know what to tell people who inquire of me, and perhaps you can assist me.

One deals with a cabin at Marean Lake at Greenwater Provincial Park. Now I suspect that this is Rural Affairs, since I don't know whether this could be a resort village or not. I will speak loudly so that we can all hear . . . (inaudible interjection) . . . Well, if I hear . . . (inaudible interjection) . . .

MR. CHAIRMAN: — Order. Order! Allow the member to ask his question.

HON. MR. BLAKENEY: — The citizen writes that the reassessment rose from \$250 to \$3,460, and he says he's realized he's made some improvements, but the increase seems unjust; it would seem fair to allow the municipality to have some leeway in assessing a lower rate to cabin owners in the municipality. And I suspect that that is an R.M., and I will ask whether you could shed any light on cabin owners who live, not in resort villages.

HON. MR. EMBURY: — Well, Mr. Chairman, of course the assessment authority would do the assessment, and the rules that apply to that assessment were the rules that were put into place in 1976 at the beginning of the provincial reassessment cycle of that year. Normally, what would happen within the village, the resort village, is that the urban or the municipality could adjust the mill rate downward as the assessment went up. But the same could not be said of the school division's mill rate, and we've run into a number of problems in the last number of years with that happening.

If it's in the R.M., the same is true. They would be reassessed together with the whole of the R.M., and the R.M. would adjust the mill rate downward, historically by about half. Again they will still have a problem with the school division mill rate. So it depends on what mill is applied to that increased assessment, of course. But we have run into a number of problems with the assessment and the assessment formula.

We have had a number of task forces in the field whose purpose is to make recommendations to us, this being the last of the 10-year cycle for the new formula. And the Myles Morin task force is still out on the urban manual. We will be making some changes to that formula when we get the recommendations, but the assessments that are being placed on those cottages now are under the '76 formula and have created some problems for resort owners.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, have you made any changes in the method of assessment since 1982?

HON. MR. EMBURY: — No, Mr. Chairman.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, this concerns a different sort of problem, and it concerns again a resident of a resort village — and this one is a case where the municipal people obviously made an error in dealing with a local improvement.

They sent out a notice to the ratepayers and stated that they were going to proceed with their sewer and water project, and calculated the amount that the ratepayer would have to pay at an estimate of \$15 per frontage foot. In due course the project was completed at something a good deal less than \$15 a frontage foot.

The ratepayer involved was happy enough to pay the amount as first estimated and would have been even happier to pay the lower amount. However, when the bill came out they decided that this was a corner lot and that flankage ought to be considered, and the estimate was not \$900 but the bill was about \$1,800 because of the application of flankage, which I guess, probably, a long flankage. I don't know the depth of the lot.

Shortly put, does the ratepayer have any recourse where the village sends out a written estimate and the ratepayer agrees on the basis of the written estimate, but the municipality — the village in this case — has overlooked the flankage aspect and so did the ratepayer and there's an extra \$900 to be paid? Shortly put, do we think that the ratepayer has any recourse?

(16:30)

HON. MR. EMBURY: — Mr. Chairman, and Mr. Member, there weren't a heck of a lot of rules in Buena Vista that they didn't break. And I have, because of that, ordered an investigation under my Act, my department Act, into that whole very expensive and ill-conceived water line.

It was not only the flankage problem. They didn't assess the local improvement charge correctly in the first place, and were warned of that several times by the Local Government Board. The water lines themselves were not physically put into place where they were supposed to go. In short, there were a great number of problems in Buena Vista and, as I say, I have ordered an investigation into it.

I have no recommendations that I could pass on to you today, but hopefully we will have some recommendations in the next month or so.

HON. MR. BLAKENEY: — Thank you, Mr. Minister. I will take the opportunity to send some material to your office so that this particular sequence of events can be on file, and those who are looking into it might well be . . . it might be of interest to them and I'm sure it will be of interest to . . . This happens to be a constituent of mine, and I know it's of interest to them.

Mr. Chairman, and Mr. Minister, I am sure you have covered this ground with respect to Regina and Saskatoon, and the fact that they feel they've got a good deal less money to spend on capital works from the provincial government this year than they had last year, when the combined effects of revenue sharing, and the provincial capital fund, and the transit grants, operating and capital, and the health grants, and the recreation and cultural grants, and the urban assistance grants from highways are all considered.

There are many ways to calculate, but comparing the money in this budget from the money in the previous budgets, the calculations which I have indicate that the city of Regina has less money available to the tune of about 1.5 million, and the city of Saskatoon has less money available to the tune of about 1.9 million.

Those are not insignificant sums. Does the minister feel that the likely effect of this will be fewer capital projects in Regina and Saskatoon, particularly with respect to arterial streets and other major streets? The indication I have is that each of the cities is taking the position that they will not be able to proceed with projects which at least they had hoped to proceed with, and that the result will be a deterioration in the condition of streets because of the reduction in the operating capital of operating money, and fewer new streets constructed because of the fact that fewer funds will be available.

Do you have any . . . are you able to hold out any hope to the cities that new programs will be put into place either by the Department of Highways or by your department that will provide for these essential projects for Regina and Saskatoon?

HON. MR. EMBURY: — Well, Mr. Chairman, the member brings up the illusive 1.5 million again. If I look at my capital grants and those of Highways to the city of Regina, last year, '84-85 estimates, there were \$11,152,000 in capital grants in the estimates to Regina. In this year's estimates there will be \$11,207,000 in capital grants to the city of Regina.

In Saskatoon in the '84-85 estimates you will find total capital grants to the city of Saskatoon of

\$7,640,000. You will find in this year's estimates grants of \$10,372,000. And in both cases they have gone up: in operating, 17 million — they're virtually almost the same — \$17,840,000 last year to Regina, and \$17,696,000 this year in operating; and \$17,155,000 operating last year to Saskatoon, \$17,340,000 this year, slightly up again I operating. Combined, of course, they're both up to both centres.

HON. MR. BLAKENEY: — Mr. Minister, we know what grants are down. We know that the provincial capital fund has had a \$5 per capita increase. We know that the urban assistance grants are down from the Department of Highways. We know that the transit grants from the Department of Highways are not only down, the capital grants are eliminated. Can you tell me what capital grants have increased to the city of Regina?

HON. MR. EMBURY: — Mr. Chairman, and I take it the member wants . . . he did mention just the capital, so I'm going to give him the capital. Transit for the disabled is increased. The provincial capital fund program, of course, is new, \$4 million. The carbon filtration plant is up. Those are the four that are up — capital.

HON. MR. BLAKENEY: — Mr. Chairman, and Mr. Minister, the provincial capital fund is up \$5 per capita this year over last year, which will be \$814,000, if I am correct, approximately. The transit capital grant will be down \$640,000. I did not understand your saying that the capital grant for disabled persons, the increase in that . . . And if I am right then, the only increases are the provincial capital fund which is acknowledged to be \$800,000, and the amount for the carbon filtration plant. And that, of course, is a one-shot effort, which is in no sense an ongoing program. Could you tell me again — leaving out the carbon filtration plant which we acknowledge, and the \$5 per capita, the \$800,000 in provincial capital fund, and I won't talk about the drop in urban assistance and the like — what other capital grants have gone up?

HON. MR. EMBURY: — Mr. Chairman, maybe I'll read off the total or what makes up the total of the \$11,207,000 in capital this year to Regina. Transit for the disabled is 136,000. The community capital fund is a further \$1.3 million. The PC fund is \$4 million. The pollution control assistance is \$50,000. Highways urban assistance is 1,075,000. Culture and recreation grants is 762,000. Rail relocation is 1.5 million. The Regina filtration plant is 2,250,000 — for a total of 11,207,000.

HON. MR. BLAKENEY: — Aha! So the 1.5 million in rail relocation, on the assumption that that project goes ahead.

I want to inquire a little bit about this \$4 million for the . . . was it the provincial capital fund or the community capital fund for this one? The provincial capital fund? Am I then to understand that the . . . Ah, yes, you have simply taken the whole \$25. This is not the increase but the gross grant as opposed to 3.2 million last year.

The culture and recreation grants of 762,000, are they designed for particular projects? Are they earmarked for particular projects?

HON. MR. EMBURY: — Mr. Chairman, the culture and recreation grant, as far as we know, Mr. Chairman, they are not specified this year, but that's what is expected that they will draw down unless the Department of Culture and Recreation knows something more than we do.

MR. YEW: — Thank you, deputy Chairman. I'd like to raise a few questions with the Minister of Urban Affairs. Mr. Minister, if I may, I'd like to question item no. 8 re the funding allotment for northern municipal services. I noted that there's a decrease of jobs on 32.6 positions down to 20.2. And as well the funding is down, cut drastically from 1.6 million to 893,000.

That's quite a reduction, quite a cut in terms of support for local government administration in northern Saskatchewan. And I was of the understanding that the same emphasis, or perhaps special emphasis would have been placed promoting and developing northern local government

infrastructures in administration. I wonder if the minister may want to respond to that question.

(16:45)

HON. MR. EMBURY: — Mr. Chairman, last year there were two branches of the northern municipal services branch. We took 10 positions and \$575,000 and added that to the community planning branch in Prince Albert. So it's simply on paper. The other amount that was there last year you will find in community planning — the community planning budget out of Prince Albert.

MR. YEW: — Thank you, Mr. Minister. I wonder if you may want to give me a breakdown on what type of services in administration that portion of the budget has for the northern administration district. Would you comment or elaborate in detail what type of services and administration you provide to local governments in northern Saskatchewan for that particular branch?

HON. MR. EMBURY: — Okay, Mr. Chairman. Basically 10 areas of service: the municipal advisory services branch is included in that; the provision of education and training to northern local governments; the administration of the 10 unincorporated northern communities; the administration of the grants for fire protection facilities program; the development of policy and procedures manuals or guides for municipal administration of northern local government; the monitoring of northern local government financial and administrative practices; and the provision of assistance to other departments and agencies to facilitate their dealings with northern local government, would all be in that budget.

MR. YEW: — Is there a breakdown of budget allocation for all those 10, Mr. Minister?

HON. MR. EMBURY: — Mr. Chairman, a point of clarification. Did the member want me to break down a dollar amount out of \$893,000 to those 10 program responsibilities?

MR. YEW: — The specific budget allotment for those 10 program services you provide for those 10 program areas.

HON. MR. EMBURY: — Basically, Mr. Chairman, that 893,000 is the salaries for the 20 employees who carry on these program responsibilities.

MR. YEW: — Well, going further on the estimates, Mr. Minister, I note on item 18, vote 18, subvote 41, where you have northern capital grants, that's been frozen in the course of the last few years, I've noted, to 450,000. Grants for the provision of northern fire protection facilities, that's down from 154 to 104 — a cut of 50,000, Mr. Minister.

I wonder if you might elaborate why the northern capital grants portion have never received any increase in this area and, as well, the grants for provision of northern fire protection facilities. Can you indicate to me, Mr. Minister: have you caught up to the . . . in the northern administration district . . . in terms of fire facilities required in northern Saskatchewan, can you tell me if the government has caught up in the need of such facilities? Is that why there's such a drastic decrease in some of those areas?

HON. MR. EMBURY: — Mr. Chairman, the member asked about two subvotes. One is the subvote 18. That is the same this year as last year — \$450,000. That is this year's allotment of the five-year \$6.5 million program that was announced a couple of years ago, and the remainder of the \$4.25 million will come out of that fund in the next two or three years. And basically we budget that way to meet the projected cash flows as projects get on stream in the North. In other words, the municipalities would indicate to us when projects are going to be on stream, and we budget accordingly — this year is 450,000.

Since October 1, 1983, the member might be interested to know, 29 northern communities have drawn a total of \$2 million — \$2,063,000 — against their eligibility, and of that amount, 900,000 have been provided by the Consolidated Fund, and 1.1 million directly from the northern revenue-sharing trust account, for a total of 129 projects in the 29 communities.

In regards to the northern fire protection grant, last year we had approved in our estimates 154,000, but there wasn't the draw down from the North that we thought. As a matter of fact, only 51,800 was drawn down. So this year we have budgeted for 104,000, and they will be spent in Stanley Mission and Wollaston, who will be acquiring fire trucks this year. And again we will budget in this area as we get an indication from the communities on how much money they intend to spend out of that program for a year.

MR. YEW: — Thank you, Mr. Minister. Supplementary to the question I put forth in terms of the provision of northern fire protection facilities. Has your department indicated or identified the number of communities that will require fire protection facilities in the Cumberland constituency or throughout the North for that matter — facilities such as buildings, equipment, and also fire trucks, that type of a program?

HON. MR. EMBURY: — Mr. Chairman, of course all communities in the North are eligible for the program. As I've indicated, some have made use of the program. The two I mentioned are going to make use of the program this year, and that's Stanley Mission and Wollaston. And if the other communities all are identified, and all are eligible . . . Some communities in the North have made use of the program and now have fire-fighting equipment. Others haven't, and will in the future.

As I indicate, two communities this year have decided to make use of the program, and hopefully next year others will.

MR. YEW: — I noted under vote 19, pardon me, vote 20, Mr. Minister, that under northern revenue sharing there's exactly the same budget allotted this fiscal year as there was in the last fiscal year's operations, Mr. Minister. In fact, there's been no increase to look after the high inflation costs and high interest rates, etc., not to mention the remoteness of many of the communities up North.

Can the minister indicate to the Assembly why there's been no consideration given in this area in terms of the remote northern communities? You know there's been no increase in funding. There's been no consideration given to high inflation, high interest rates, the remoteness of the northern communities, etc.

HON. MR. EMBURY: — A couple of things, Mr. Chairman. As the member is aware, there was no increase in revenue sharing in the South either — in neither the South or the North. But I point out that revenue sharing in the North, of course, is far, far richer than its southern counterpart. Five million dollars for some 30,000 people is a much richer formula in revenue sharing for northern communities than the formula for the South.

But simply put, there was no increase in revenue sharing in the South nor the North.

MR. YEW: — Can you provide me a breakdown of the northern revenue-sharing allotments to the communities? I had the courtesy of receiving such from the former minister for DNS, the hon. member from Meadow Lake. At this point in time it would be useful information to have in my travels throughout the constituency to compare the needs and requirements of many of the communities, Mr. Minister.

HON. MR. EMBURY: — Mr. Chairman, I think the member's seat-mate has that list.

MR. YEW: — I didn't get that, Mr. Minister, Could you repeat?

HON. MR. EMBURY: — I think, Mr. Chairman, that the member's seat-mate, the member from Regina Centre, has that list.

MR. YEW: — Well okay, and I can probably get it from my colleague.

Further to my questioning, Mr. Minister, I wonder if you might want to comment what the status is in regards to the question of boundaries in northern Saskatchewan? There is some concern expressed to me by several communities regarding boundaries, as well as the establishment of district planning committees, etc.

HON. MR. EMBURY: — Mr. Chairman, 26 of the communities appealed their boundaries. Boundary alterations were approved for 21 of the 26 that appealed. Decisions are being held in abeyance for three communities. And the reason for that is because of land claims and what have you. And no alterations were granted for two communities.

I might add, this year we have included \$75,000 in our estimates for surveying of those boundaries in the North. We announced that program at the SUMA regional meeting held in May in La Ronge wherein the communities will be able to hire local people to carry out the surveying of those communities. And we are still working on different concepts for district planning.

The committee recessed until 7 p.m.