

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Mr. Shillington: — Thank you very much, Mr. Speaker. It's my pleasure to welcome to the Assembly, and to introduce to you, the community college, and a class from the community college. I'm told there are 21 students with their teachers, or chaperons as it may be: Mrs. Sheila Cressman and Ms. Maria Castaneda — I may not have done that name entire justice.

Before taking my seat, Mr. Speaker, I want to congratulate the community college. I would venture a wager of fair size that the community college comes here more often with students than any other educational institute in the province. They're here at least once a month, and the people that they bring are, by and large, new Canadians. And it's with particular pleasure, afterwards, that I get to meet them to find out what their experiences are and how they're faring. It's really an interesting experience.

I may say to the students, and I'll be saying afterwards that as I see them some years later in the riding, my experience is that most of them do very well in this country. So I know you want to join with me in welcoming the students and the community college.

Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Thank you, Mr. Speaker. I would like to introduce to you, and through you, some guests seated in your gallery, three scholars from Jilin Province in China who are here studying at the University of Regina for a year as part of the twinning arrangement we have with Jilin province, and the agreements that we have for cultural and educational exchanges.

Here in the Speaker's gallery are Mr. Wang Shubin, Mr. Long Dongyun, and Mr. Yu Yongkai, and I would wish them every success in their studies. I hope they enjoy Regina and have a chance to see not only all of Regina but as well, all of our fine province of Saskatchewan and, perhaps, other parts of Canada.

And I would ask all members of the Assembly to join me in wishing them well in their studies, and a warm welcome to Saskatchewan.

Hon. Members: Hear, hear!

Mr. Hagel: — Thank you very much, Mr. Speaker. I would like to introduce to you, and through you, Mr. Speaker, to the members of the Assembly, a couple who are visiting from Moose Jaw and from my home constituency. They are Frank and Janet Plawucki, and are seated in your gallery, Mr. Speaker, and I would ask all members of the Assembly to welcome them here.

Hon. Members: Hear, hear!

ORAL QUESTIONS

American Anti-Dumping Tariff Imposed on Potash

Mr. Rolfes: — Mr. Speaker, my question is to the Minister of Energy, and it deals, Madam Minister, with your incompetent and ineffective response that you gave yesterday to the anti-American dumping tariffs against Saskatchewan potash which your government introduced yesterday.

Madam Minister, this legislation calls on Saskatchewan potash workers and Saskatchewan potash producers to limit production, which means lost income for our people in our province. My question, Madam Minister, is this: what arrangements have you made with potash producers in New Brunswick and overseas to make sure that they plan to limit their production as well; and, Madam Minister, what guarantees do you have that they will share this burden, rather than use it as an opportunity to gain a bigger share of the American market?

Some Hon. Members: Hear, hear!

Hon. Mrs. Smith: — Well, Mr. Speaker, the member's opinion of being incompetent legislation and ineffective, I assure you, cannot begin to meet the inconsistent position of the members opposite on this particular issue, beginning with last week. But perhaps we'll get into that later on in debate.

This legislation — and the member from Saskatoon South will know that when we put in legislation it's within our borders, not New Brunswick or some other place, but within the borders of Saskatchewan.

I can indicate to the member that the legislation as he knows, because he's read it, is one of volumes' control that will apply to Saskatchewan. I can assure the member that we are not willing to give up our position in the world in terms of what we consider to be our fair market share, and we will make every effort to ensure that that does not occur.

Mr. Rolfes: — Supplementary question, Mr. Speaker. From what I gather from the minister, she's had no discussions whatsoever, and she's going to lay the burden on the Saskatchewan people and Saskatchewan producers.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Madam Minister, my supplementary question to you is this: what discussions have you had with American government officials and representatives of the U.S. potash industry with respect to this legislation; and do you have their guarantee that production limits in Saskatchewan will result in an early withdrawal or dismissal of the American anti-dumping action?

Some Hon. Members: Hear, hear!

Hon. Mrs. Smith: — Mr. Speaker, we have had lawyers for several months in discussion with the various officials out of Washington and other people that would be

concerned with it. It has been left at that. The member also knows that our Premier, in his leadership role on international agricultural issues, has spoken many times in the United States, and the potash issue is very much tied to the agricultural issue.

So to answer his question briefly, Mr. Speaker, the consultations have taken place through the lawyers in Washington.

Mr. Koskie: — I thank you, Mr. Speaker. I'd like to address a question also to the Minister of Energy, and I want to ask you, Madam Minister: what is the basic point of this legislation if, in fact, it doesn't guarantee that the American tariff threat will, in fact, be removed?

Some Hon. Members: Hear, hear!

Mr. Koskie: — And it seems to me that is the essential problem confronting the industry at this time. And so my question to you: will you, in fact, indicate whether, in your opinion, the legislation addresses that essential problem?

Some Hon. Members: Hear, hear!

Hon. Mrs. Smith: — Mr. Speaker, the basic intent of the legislation is to deal with the issue of supply and demand, and also to deal with the issue of prices.

Mr. Koskie: — A supplement, Mr. Speaker. I'd like to ask the minister: is it not a fact that the potash prices bottomed out in 1986; and is it not a fact that the inventories of the mines today are lower than they were in 1986; and is it not a fact that it's as low as they've been since 1980? In light of those facts, Madam Minister, why are you just now discovering that you have to introduce a Bill in order to regulate the demand and supply, or over-supply, of potash?

Some Hon. Members: Hear, hear!

Hon. Mrs. Smith: — Mr. Speaker, what we have on our world markets today on potash is approximately four million tonnes surplus. Over one-half of that remains with Saskatchewan. That's substantial. While the member for Saskatoon South says that's not true, that is precisely what it is — four million tonnes overhang within the world today.

It's true, as the member from Quill Lakes has given this House, that the price has in fact gone up in the last couple of months. However, I would suggest that that has not given any kind of an indication that it was in fact going to remain, or in fact be even at a stable level. Two months does not give you that kind of stability.

The reality is, while it may appear that the potash industry was coming out of its doldrums, they got smacked square in the face with the anti-dumping action — the levies from 9 per cent to 85. That, in turn, Mr. Speaker, added to the problem, a problem that they were having difficulty in dealing with on their own. So today we have legislation for it.

Mr. Koskie: — A new question, Mr. Speaker. I just want to

say, Madam Minister, it's a wonder that some action wasn't taken if the supply question was the problem in 1986, before the election.

Some Hon. Members: Hear, hear!

Mr. Koskie: — I want to ask you, Madam Minister: are you aware that the American potash analyst this morning said that this legislation, far from helping to solve the American tariff problem, could weaken Saskatchewan's case. He makes that point that the voluntary production limits are as much of an admission that Saskatchewan has been dumping its surplus potash into the American market.

So I ask you, Madam Minister, if that is the commonly held viewpoint by the Americans — that this Bill will in fact hurt the long-term health of the industry. I want to ask you, who have you talked to in the United States to explain this legislation? Have you talked to the industry? Have you talked to Commerce, Department of Commerce? Who in fact have you been communicating to indicate who in fact . . . the purpose of this Act?

Some Hon. Members: Hear, hear!

Hon. Mrs. Smith: — In response to his first question, yes, I'm aware of what some of the people out of the United States have been saying about this legislation, and I guess it's not surprising. I would ask the member if he's aware of what his own Saskatchewan people are saying. For instance, a professor of economics from the U. of R., he says this legislation is going to help, and it's going to be positive for the province. I would like to think perhaps he would listen more to the professor from the U. of R. than he would from somebody from the United States who in turn has created some of the problems that we're dealing with today.

In response to his second question, Mr. Speaker, we have been in constant contact for several months with the Department of Commerce.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Thank you very much. A new question, Mr. Speaker. We're not learning very much from the professor from Swift Current, I can tell you that, or the professor from Albert South.

Madam Minister, if all of this is such a threat to the health of the potash industry, why weren't you warning Saskatchewan potash producers to do something about it before the last fall's election, and before the anti-American dumping action became such a threat?

Some Hon. Members: Hear, hear!

Hon. Mrs. Smith: — Mr. Speaker, we've had several discussions with various producers over several months — over several months. And we talked about their problems and how are they going to get out of their problems. I think he has seen, as been suggested the last couple of months, a price increase, but as I've indicated, the anti-dumping action coming from the United States has all but made that void at this point in time.

Some Hon. Members: Hear, hear!

Interest Charges on Loans to Saskatchewan Farmers

Mr. Upshall: — Thank you, Mr. Speaker. My question is to the Minister of Agriculture. Last month, Mr. Minister, a group of farmers launched an important test case when one of them filed a statement of claim in Humboldt against the Canadian Imperial Bank of Commerce. Their court action alleges that the Canadian chartered banks overcharged farmers interest in the early 1980s. This test case will determine whether or not farmers and other small-business people will be able to recoup some of the money lost by overcharged interest.

Mr. Minister, my question is this. These farmers are now trying to raise funds. They're trying to help themselves in this complex court battle. Will your government provide legal or financial assistance for those hard-pressed farmers to try this important test case?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, we are aware of the case, and my officials have been examining a good part of the details of various cases and concerns with respect to interest rates and those charged by various financial institutions. We are examining it in some detail, and I will just say to the hon. member that we're aware of it and we will stay on top.

Mr. Upshall: — Supplementary, Mr. Speaker. Mr. Minister, you will know that this will be a landmark decision if, in fact, it goes in favour of the farmers who have been overcharged, or possibly overcharged, interest. This could mean millions and millions of dollars for Saskatchewan farmers who are now hard pressed to make ends meet. The National Farmers' Union is supporting them morally and they're supporting them possibly with financial assistance. Where, I ask you, is your government? Why do you refuse to take the side of Saskatchewan farmers on this important issue?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the opposition is all over the map when it comes to potash, and it's the same with interest rates being charged with farmers. On one hand, Mr. Speaker . . .

Mr. Speaker: — Order. Order, please. Order, please. I'll ask all members to please try to restrain themselves, and I'll allow question period to proceed.

Hon. Mr. Devine: — Mr. Speaker, the opposition wants us to be concerned about interest rates for farmers. As the opposition knows, and I'm sure everybody in Canada knows, when interest rates were high, and whenever they're high, we step in to protect farmers. We have right across the piece in this province, and we take it very seriously when somebody charges exorbitant rates against farmers.

We've stepped in with 6 per cent money, a billion dollars for farmers here; we have limited farm interest rates at 8

per cent, Mr. Speaker; we've got cash advances for the livestock industry right across the piece in the province of Saskatchewan because of interest rates.

Talk is pretty cheap, Mr. Speaker. We defend the farmers when it comes to high interest rates, and they know that. And we're involved in examining all situations and will continue to be.

Some Hon. Members: Hear, hear!

Mr. Upshall: — Supplementary, Mr. Speaker. Mr. Minister, I could go on for hours at your 26 per cent cut in the Department of Agriculture, and all the lack of support that you've showed to farmers, except for expounding this myth . . .

Some Hon. Members: Hear, hear!

Mr. Upshall: — . . . except for expounding the myth that you're helping them. I ask you now, yes or no, will you support the farmers who are putting this case before the courts, and will you help them financially? Yes or no?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the hon. member is afraid to acknowledge the fact that in the last couple of months farmers on average in Saskatchewan received \$10,000 apiece — \$10,000 apiece in the last couple of months, Mr. Speaker — right across the board, \$675 million in cash in the province of Saskatchewan. And obviously, Mr. Speaker, that has never taken place before.

When we look at interest rate protection, Mr. Speaker, let's make sure that everybody recognizes that we were there when it mattered. All you'd get was succession duties and death tax from the members opposite, or nationalize the industry like they did the potash, because they don't understand farmers and they don't understand . . .

Mr. Speaker: — Order, please. Order, please. I think hon. members should, as I said earlier, please restrain themselves on both sides of the House. Let's allow this question period to go forward. We'll have good questions and good answers if we do that.

Lawyer Representing Province of Saskatchewan

Ms. Smart: — Mr. Speaker, my question is to the Minister of Finance. Yesterday the minister accused me of not reading the government information that comes out. Can the minister produce the government news release that named the Alberta lawyer who is representing Saskatchewan at the Principal Group inquiry, and his terms of reference? Your government information services has no record of such an announcement in its files. Will you now tell us when and how this announcement was made to the Saskatchewan public?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, a letter went out August 28, 1987 to all investors that had contacted the

Department of Consumer and Corporate Affairs in the province of Saskatchewan, indicating the name of the prominent Alberta lawyer, Joe Brumlik, as its counsel to monitor the proceedings in Alberta and to represent the government in those proceedings as necessary.

Secondly, Mr. Speaker, it obviously came to the attention of a very prominent news-letter that is well circulated within the province of Saskatchewan called *Just in Time*, Mr. Speaker, put out by Mr. Ralko, who makes reference back on August 29, Mr. Speaker, that a Mr. Joe Brumlik, a partner in the Edmonton-based law firm of Newson Brumlik has been hired by the Saskatchewan government to monitor proceedings in Alberta. There was a spelling mistake, Mr. Speaker, in Mr. Ralko's article, which I'm sure was brought to his attention.

As a result of the financial collapse of the Principal Group of companies last month, Mr. Speaker, I would assume, Mr. Speaker, and I say this with some tongue in cheek, that if *Just in Time* knew about, I assumed everybody did.

Ms. Smart: — Supplementary, Mr. Speaker. Mr. Minister, I'm not one of the Principal investors, so I didn't get your news-letter, and I also don't have \$150 a year to pay the subscription on that private magazine that you referred to which is not a public information source.

Some Hon. Members: Hear, hear!

Ms. Smart: — Moreover, if you continue to treat public information in the way you are, it really spells ill for the people of Saskatchewan. Yesterday you refused to guarantee that this lawyer's report would be available and tabled in the legislature or made available to those who lost money in the Principal Group collapse.

Why do you continue to refuse access to this information, and you in this House how many Saskatchewan investors are concerned with this collapse, and you say you have a mailing list and you don't tell me how many people are involved. So you have information that you're not giving us. Don't you think you have any obligation to keep us informed and the people informed when it's their taxpayers' money that's paying that lawyer?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Well, with regard to the hon. member's first question, I'm prepared to make representations to Mr. Ralko to perhaps give a discount to the hon. member if she can't afford the \$150 so that she does have access to the news-letter. I'm prepared to make representations. I can't give assurance to the hon. member that that particular company will give a preference to the hon. member.

I would suggest, as well, that the letters were given by members opposite, copies of letters I believe, to the department. If the people that gave you the information and that did not bother giving you the information back, I think you should take it up with the people that you were speaking on behalf of, because the letter went out to all of them. I'm surprised that the hon. member did not keep in contact with them to get that information. It was obviously public information, Mr. Speaker.

With regard to the latter question, I think I indicated to the hon. member that it is the government's intention to try and give as much information as possible to the Saskatchewan investors and that it would depend on the circumstances, whether the information was given is privileged. I can't judge that. I think that that would be a limitation placed by the Alberta courts. I could not breach that, and I don't think the hon. member would expect me to do that, but I did indicate that we would try and give as much information to the Saskatchewan investors as possible.

Ms. Smart: — Supplementary, Mr. Speaker. The arrogance of the Minister of Finance absolutely knows no bounds. A letter to the investors is not public information. I have asked you several times in this House if you will give me the numbers of Saskatchewan people who have lost money in the Principal Trust collapse. You have told me that you don't have that information. How then do you have a mailing list? Will you table that information in the House?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Well I apologize to the hon. member if my, I thought, rather plain-spoken response to a question is seen as arrogant, because I did make it abundantly clear to the hon. member that we wrote the letter to those that had communicated to the department . . .

Mr. Speaker: — Order. Order, please. Order, please. I really wonder if members want to hear the questions or the answers. Like for about the last five minutes there has been almost constant noise in here, so I'd just like to please, once more, calm down and allow the questions and the answers to flow back and forth.

Hon. Mr. Lane: — Mr. Speaker, that in no way constitutes — and I wish the hon. member would pay attention — that in no way constitutes a complete list of all the Saskatchewan investors, which I have indicated on several occasions now, we do not have, Mr. Speaker.

I did indicate, in no uncertain terms, and I hoped as clearly and precisely as possible, that we did respond to those that had communicated to the Department of Consumer and Corporate Affairs. And that's what I said in my . . . the answer to the first question to the hon. member, and if that list is . . . if the hon. . . . I would ask the . . . we will check and if the people that have written to the department are prepared to have their names released to the opposition, I have no difficulty giving that list to the opposition. I think it would be fair to check with those that have communicated to the department whether they want that list public or not. If they do, I would have no hesitation giving it to the hon. member. But I want the hon. member to understand that that is not the full list of Saskatchewan investors that we have been trying to obtain, and we have not yet obtained.

Ms. Smart: — New question. But first a comment that that is not public information, and you have not given people what they need to know.

Some Hon. Members: Hear, hear!

Ms. Smart: — Mr. Minister, my final question is, people who lost money in the collapse of the First Investors and Associated Investors have been told to expect no more than 60 cents to the dollar. In light of that, can you explain why the head of the Principal Group, Don Cormie, is walking away from this whole collapse with something like \$5 million? And have you instructed Saskatchewan's lawyer to make that point to the Alberta investigators?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — My understanding, Mr. Speaker, was that the courts had not, in fact, accepted any proposals. I understand that there are some assets that are personally charged by the principals in Principal Trust, that they need be cleared off in order to expedite and affect the sale of some of the assets.

Now those arrangements will be done by the trustee in bankruptcy. I will advise the hon. member, because obviously she doesn't understand the legal obligations of the trustee in bankruptcy, and that is to act on behalf, and in the best interests, of the creditors. Mr. Speaker, that is the legal obligation; that is the obligation for which the trustee is traditionally bonded. Those are the obligations that bind the trustee before the courts, Mr. Speaker, so that any actions by the trustee must be in the best interests of the creditors. That is the law. I am assuming that the law is being upheld in the province of Alberta. I know it would be upheld here, Mr. Speaker, and I have no reason to believe that the law is not being upheld in the province of Alberta.

Neglect of the Saskatchewan Archives Board

Mr. Prebble: — Thank you, Mr. Speaker. My question is to the Premier, in the absence of the minister responsible for the Saskatchewan Archives Board. Mr. Premier, as a result of the neglect that your government has given the archives board, it's now in crisis. Never before this has it been treated in such a shabby way by a government since it was started in 1945. And since you took office, sir, the budget of the archives board, in real terms, has been cut by 50 per cent, and the provincial archivist and associate provincial archivist positions have now been vacant for over a year.

My question to you, sir, is: are you aware that your government's neglect has resulted in more than a five-year backlog in the processing of government records and other archival collections? Are you aware that this huge backlog, Mr. Premier, in effect threatens the ability of this province to preserve our historical records. And will you now, Mr. Premier, go on record as being prepared to restore the budget of the provincial archives as to what it deserves to be to do its job?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, this has to be a historic question period for the province of Saskatchewan and this legislature.

Mr. Speaker, if it's my understanding that we have provided reasonable headquarters for the archives, and

accommodations, and, Mr. Speaker, the new headquarters are probably the best that they have had in some time. I'm informed that the minister is addressing the backlog because of the particular circumstances and, with respect to further information, I'll consult the minister.

POINT OF PRIVILEGE

Mr. Koenker: — Before orders of the day, I rise on a point of personal privilege. Yesterday during question period, the hon. Minister of Health said, and I quote from page 2192 of *Hansard*:

. . . I want you to take note of this fact, which is true. The member for Saskatoon Sutherland one day in this House said: their government, if re-elected, would reinstate the drug plan as it was constituted. I heard him say that.

I categorically deny this. It simply is not fact, and it is not true. And I invite you to look at the record.

Hon. Mr. McLeod: — Mr. Speaker, I wonder if I might have an opportunity to correct the record, and I appreciate the member from Saskatoon Sutherland raising this.

I have been in this House long enough to remember the day when the member who is now the member from Saskatoon University was, in fact, the member from Saskatoon Sutherland, and I referred to him. And members will notice that I pointed at his desk in a matter of fact when that was the case.

But the fact is the member from Saskatoon University did state that very categorically, and the member from Saskatoon Nutana has taken a different position, Mr. Speaker.

Mr. Speaker: — Order, please. Order, please. Now I must remind hon. members again that, before I make my ruling, that there's a bad habit developing in this House, and that is the fact that when the Speaker is on his feet, there is heckling between members and unnecessary talking. I just want to remind you that you don't offend me personally for doing that, but you offend the Chair, the Office of the Chair, the historical Office of the Chair. And I would ask you all to remember that and refrain from those actions when the Speaker's on his feet.

Now in regards to the ruling, according to *Beauchesne's*, paragraph 19:

(1) A dispute arising between two Members, as to allegations of facts, does not fulfill the conditions of parliamentary privilege.

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 36 – An Act respecting the Potash Resources of Saskatchewan

Hon. Mrs. Smith: — Thank you, Mr. Speaker. I rise today on second reading of Bill No. 36, An Act respecting the Potash Resources of Saskatchewan.

The occasion of this legislation, Mr. Speaker, at this point in time in our history impresses upon me several factors that we, as legislators and citizens of this province, often overlooked — and that is that history returns in one form or another. History often shows us some very clear paths and cycles — some on weather cycles, others would suggest the various cycles of the economy. And the cycles of our resources within the world economy can also be shown over time. Yet for all our education, Mr. Speaker, our progress in civilization, our history lessons are often ignored.

As citizens in a world that we view as very much larger than ourselves, sometimes different from us, but sometimes surprisingly similar, we often ignore, or perhaps we choose to ignore, the interdependency of the worlds' countries on each other.

On this occasion, Mr. Speaker, it should be impressed upon every member in this Assembly of our interrelationships around the world. We in Saskatchewan do not live in isolation of places such as China and India, nor Israel, nor Jordan, or Mexico, or closer to home, the United States.

Over Saskatchewan's history we have seen and felt the impacts of world events and government actions — events and actions half-way around the world, countries far removed from our prairie province. Actions and decisions such as Russia's decision to perhaps buy more American wheat; actions by Saudi Arabia, Iran, Iraq, or Venezuela to move more oil; the actions of the European farm subsidy program; the decision, Mr. Speaker, of Australia to mine more uranium; or the decision of countries such as Israel and Jordan to mine more potash.

Likewise, Mr. Speaker, actions and decisions taken in Canada, and indeed in Saskatchewan, have the ability to impact on other countries through the market-place. As we consider ourselves very small in a very large world, we often overlook the strength of our own capabilities. Mr. Speaker, while we are a province of only one million strong, we are a province that is rich in the natural resources of the earth; resources that are in demand around the world; resources that must compete in world competition; resources from our uranium and gold mines in northern Saskatchewan; to our oil and gas fields; to our sodium sulphate and coal in southern Saskatchewan, and to the very rich and plentiful potash resources in eastern and central Saskatchewan.

The development of these resources over the years has served this province well. While we in this House may disagree on some of the policies for development and management of these resources — for example, nationalization — I believe that we are probably unanimous in the recognition for the necessity for the development of the resources and, in turn, the benefits that flow to the citizens of this province.

Over the years Saskatchewan people have gained

substantial benefit from the development of our province's abundant resources. As participants in the world market for these vital commodities, Saskatchewan has been responsible in developing our resources and acting fair in our trading practices. As participants we have learned that these commodities indeed run in cycles in nature. We have good years and we have difficult years. Through difficult times our resource industries have exhibited a vitality, allowing them to adjust to changing conditions. That in itself is a testament to the strength and endurance of prairie people.

Today, Mr. Speaker, we are dealing specifically with our potash resource. The history of this resource dates as far back as 1943 when potash was encountered from a core drilled by Imperial Oil near Radville; also during the drilling of the Ogema no. 1 well. While they were looking for oil, their bonus for us was potash.

Mr. Speaker, the 1950s saw further exploration outlining massive potash beds covering much of southern Saskatchewan. In November of 1958 the first shipment of potash was made by the Potash Corporation of America from a mine near Saskatoon. From then on, Mr. Speaker, IMC (International Minerals and Chemical Corporation) came into production; and the '60s saw Kalium Chemicals begin production at Belle Plaine. Other rural communities such as Esterhazy, Cory, Lanigan, Vanscoy, Delisle, Colonsay, Allan, and Rocanville felt the positive impacts from a new industry in their communities. Saskatoon, being one of our larger urban centres, also felt that impact.

While the province as a whole has benefited, Mr. Speaker, the industry has weathered its storms over the years. Poorly staged expansions, coupled with price cutting and a very weak world market, combined to push the Saskatchewan potash industry to near disaster by 1969. Lay-offs and mine closures were imminent, given the bleak outlook at that time.

Government action at that time, Mr. Speaker, kept those mines open, and revenue from potash sales increased from \$69 million in 1969 to 116 million in 1970. Today, Mr. Speaker, we face problems again in our potash industry.

The problems which currently threaten our province's potash industry have the potential to jeopardize the very existence of this industry, the livelihood of the potash workers, their families, and the many Saskatchewan communities that are dependent on the industry. It puts at risk the jobs and the enormous investment in many communities.

Mr. Speaker, today's problems started some time ago in the boom markets — 1979 through to 1981. World markets at that time were enjoying a very strong demand; there were record high prices, and the optimistic forecast of continued growth and demand and industry profitability led to further expansions. Some of these forecasts came from organizations like the Food and Agricultural Organization of the United Nations. Closer to home, I remember the NDP member from Regina North East, minister of Finance at that time — even as late, I believe, as March of '82 — outlining an extremely

optimistic forecast for potash.

At that time, Mr. Speaker, world demand was projected to increase from 25.9 million tonnes to 37 million by 1986, and then to 47.2 million in 1990. In response to these promising demand projections, the world industry, including Saskatchewan, expanded production capacity from their 27 million tonnes in '81 to 31 million tonnes in 1986. And what's unfortunate about that, Mr. Speaker, the anticipated demand growth did not come about, contrary to the expectations. World potash demand in 1986 was still only at 27 million tonnes.

As a result, today there is a massive world over-supply of potash, causing a serious deterioration in prices in our potash markets. This deterioration clearly puts this province at risk. To make matters worse for us, the weakness in demand for potash has been most apparent in key Saskatchewan markets, both domestic and offshore. Total United States sales have declined from a peak of 4.6 million tonnes in 1980 to 3.8 in 1986 — down, Mr. Speaker, close to 20 per cent and, I might add, a problem that is tied directly to the woes of the farming industry.

Mr. Speaker, these problems are not going to disappear overnight. Current forecasts suggests that the declining state of potash markets will continue for several years, and in fact the situation may worsen, given the depressed state of the world agricultural market. Clearly, Mr. Speaker, there is a problem.

To date the cost to the industry and Saskatchewan of this fundamental weakness in our markets has been enormous. Saskatchewan sales to the United States, our largest market, have declined by almost 20 per cent since 1980. Industry revenues have been cut in half, and as a result many companies have suffered substantial losses.

(1445)

Closer to home and where it hurts, Mr. Speaker, is the production cut-backs with the frequent shut-downs and the job lay-offs. Saskatchewan's capacity utilization has fallen from a high of 100 per cent in 1980 to a low of 67 per cent in 1986.

Mr. Speaker, Saskatchewan communities have lost almost 1,000 jobs in the potash industry, with many of the remaining workers uncertain of their futures. Government revenues have dropped from \$280 million in 1980 to just \$37 million in 1986. Clearly, these are serious problems. Mr. Speaker, if those problems are not enough to deal with on their own, we have had insult heaped on injury by the anti-dumping action out of the United States, taken in what I suggest is a protectionist environment bordering on frenzy.

We have seen preliminary duties brought down on our companies ranging anywhere from 9 per cent to 85 per cent. And that in turn has effectively created one of the most uneven playing fields for our producers to compete on. Mr. Speaker, the legislation before this House is absolutely necessary if we are to see the continued operations of Saskatchewan potash mines.

Mr. Speaker, there is a massive overhang, as they call it in the industry, of production capacity. It amounts to four million tonnes in the world. It is available to world markets for which there is no demand, and this overhang, Mr. Speaker, has seriously brought our prices down and led to the insanity of the U.S. trade action. That action, Mr. Speaker, threatens to seriously reduce our sales to the United States, one of our better markets and our closest markets, which is important for a land-locked province that doesn't have a lot of options when it comes to transportation. That action threatens to force total mine closures. The difficulty with that in potash, if they are closed for any length of time they are lost for ever.

Last but not least, and more importantly, Mr. Speaker, there will be massive lay-offs. We on this side of the House are not prepared to see that happen, and I do not believe that those on that side of the House are prepared to see that happen either.

Mr. Speaker, the objective of this legislation is to protect our industry and our jobs. In order to accomplish this we need to increase our prices and lower our excess capacity. Mr. Speaker, our large unused productive capacity will no longer be available to the markets with this legislation. This will, in turn, force prices up. This may well not require cut-backs in production.

Mr. Speaker, this legislation will go a long way to eliminate the impact of trade action and the basic problem of the imbalance between supply and demand. Mr. Speaker, this government clearly has the authority and the responsibility under section 92(a) of the constitution to manage, develop, and conserve its resources. That authority specifically includes setting a primary rate of production for its resources, and we intend to exercise that authority.

Mr. Speaker, this legislation will apply to all potash resources in Saskatchewan, all potash mines in Saskatchewan, all the primary production of the potash from those mines in this province.

Mr. Speaker, the legislation has three major elements. Number one, it will place the responsibility for approving increases in potash productive capacity explicitly with cabinet in order to minimize further risks of massive over-supply. Point two, Mr. Speaker, it will authorize cabinet to establish the total volume of potash to be produced in Saskatchewan in any given period. Number three, it will create a potash resource board that, in turn, will be charged with allocating the total allowable provincial production between the mines to achieve a fair balance between producer and Crown interest. Mr. Speaker, this legislation also allows, for those who choose to operate outside this legislation, heavy fines.

While the circumstances which exist from time to time will determine the actions taken by this government to manage the potash resource, we fully intend to exercise our leadership role as the world's largest exporter and the largest producer of potash in the free world. In doing so, Mr. Speaker, we will move to protect the livelihood of the employees and preserve the value of the investment in the industry and its infrastructure, and ensure a fair return to the people of Saskatchewan for their resource.

Mr. Speaker, for those who would suggest that this legislation will cost us our market share, let it be perfectly understood that we are not prepared to give up our place in the world market. If there should be those around the world or across the floor who would see us as being vulnerable, they should also know, Mr. Speaker, that the necessary actions will be taken to ensure that our share of the market-place remains.

Mr. Speaker, for those who suggest this government has taken a risk with jobs, communities, and the industry in this legislation, let them also clearly understand that you not do this legislation to ensure mine closures and massive job losses. We believe on this side of the House, Mr. Speaker, that these resources are too great for this to happen, and that our people in this province, and particularly within the industry and its workers, deserve strong action without partisanship. With this legislation, Mr. Speaker, Saskatchewan will exercise its leadership role in the world potash industry.

With those comments, Mr. Speaker, I move second reading of Bill No. 36, The Potash Resources Act.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, the Minister of Energy attempted to give us a lesson in history, which I appreciated, but it had really no relevance to the Bill whatsoever, and as a history teacher I certainly wouldn't give her very good passing marks.

Mr. Speaker, this day is certainly going to make history in Saskatchewan, there's no doubt about that. Bill 36, as the minister indicated yesterday in her press conference that she had said: is going to deal, not with the anti-dumping tariffs that were put on by the United States, but the first and foremost purpose of the Bill was to deal with world over-supply of potash — those were the words of the Minister of Energy.

And, Mr. Speaker, it's ironic, it's ironic that we have a Bill before us today where the minister is going to deal with the over-supply of potash and ask Saskatchewan people to make that sacrifice. She doesn't address the problem of over-supply and ask New Brunswick, for example; she doesn't ask Israel; she doesn't ask West Germany; she doesn't ask Jordan; or she doesn't ask Russia, but she asks our people — our people of Saskatchewan — to make that sacrifice to deal with an over-supply of potash in the world. Those are her words: it will address the over-supply of potash in the world.

Mr. Speaker, the information that the minister gave out yesterday — I perused it very quickly this morning — indicates also that while Saskatchewan producers are working at 67 per cent capacity today, many of the other potash producers in the world are working at 87 per cent capacity. And yet, Mr. Speaker, this government is asking the Saskatchewan producers and the Saskatchewan people to make the sacrifices in order to come to grips with what she says is an over-supply of potash in the world.

Mr. Speaker, why is this government again asking the

people of Saskatchewan, the workers in the potash mines, and our producers, to make that sacrifice to address a problem that has not started here in this province, and has not started in this country.

Let me ask the minister where she was last year. And by the way, Madam Minister, I was very disappointed by getting absolutely no answers, and this side getting no answers, in question period to some very serious questions regarding potash and what has happened over the last year in potash.

It is very ironic . . . (inaudible interjection) . . . Mr. Speaker, would you please ask the Minister of Education, if he wishes to participate in this debate, he will have his turn, otherwise I would very much appreciate . . . I let the Minister of Energy make her statement; I wish now that he wouldn't interfere, and let me make my statement. Would you ask him to please not intervene?

Some Hon. Members: Hear, hear!

Mr. Speaker: — Now the member who is speaking would like no interference from members, and he has indicated that, and I would ask that members co-operate.

Mr. Rolfes: — Mr. Speaker, as I was saying, the problem hasn't originated here in Saskatchewan. And the problem, Mr. Speaker, did not originate in 1979, as the minister has indicated. The problem has arisen since 1982, when we had a government who did not take action in world markets to find the markets that were necessary for the expansion of potash not only in Saskatchewan but in New Brunswick and in the world.

Those markets were there. Those markets were there in Brazil; those markets were there in China; and this government took no action to address this problem of increased supply and the markets that should have been found. They were there; the need is there; the demand is there in the world.

And, Mr. Speaker, it's rather ironic — it's rather ironic when you look at the situation in 1986. In 1986 we have an inventory that was the highest since no one knows when — I suppose since the potash began — and the prices were the lowest. Did we see any action by this government? Did we see any of these ministers or the Premier go to New Mexico or go to the United States to talk to the farmers, or go and talk to the politicians in Washington? Nothing. The Premier has been all over the world — travelling all over the world. Did he get any more markets? No., very few new markets. Did he talk to the Americans about the problem that existed? As far as we know, no, he didn't; and if he did, he absolutely had no success or no impact.

Secondly, Mr. Speaker, I am told that our Premier has a very good relationship with our Prime Minister. Has he talked to the Prime Minister to try and get a Canadian solution and thereby get a world solution to the problem that is before us? If our Prime Minister, as members tell us opposite, has such a good relationship with the President of the United States, why didn't he use his relationship to deal with the situation before the anti-dumping tariffs were put in place?

Mr. Speaker, this didn't start two weeks ago. This didn't start seven months ago. It started a long time ago, as I indicated, in 1982. And they should have started addressing the problem, certainly in 1986. Why, Mr. Speaker, are we asking Saskatchewan people to make the sacrifice for a problem that is not theirs? The problem is a world problem, and it should be addressed by the Premier through our Prime Minister and to the United States. That's how you solve those problems. You don't do it on a parochial basis in this province. And these people opposite just don't seem to realize that, Mr. Speaker — they don't seem to realize it.

(1500)

And I want to say to the minister, there are many concerns that I have about Bill 36. I do want to say, the Minister of Education says it is urgent — it is urgent. If it is that urgent, Mr. Minister, why didn't you introduce this Bill last year? If it is that urgent, Mr. Minister, why didn't you take the action that you could have? Why didn't you take the action that you could have, Mr. Minister, under The Mineral Resources Act, which gives you sufficient powers to deal with this problem that you have.

You didn't need the Bill at that time. You had all the powers you needed under The Mineral Resources Act that you could have dealt with the problem, but you took no action. You took no action. You let it become a crisis. You let it become a crisis for the people of Saskatchewan, for our producers, and for the workers, and now you're saying, through your inability to deal with this problem, you're asking the workers and the producers to shoulder that sacrifice that you should have taken care of a long time ago.

Mr. Speaker, I have a lot more that I want to say about this Bill. I want to peruse it in more detail, and I also want to have a look at what the minister said today. Therefore . . . Mr. Speaker, I want to also meet with a number of people, particularly the workers in the potash mines and others that are concerned about this Bill. Therefore, I beg leave to adjourn debate.

Some Hon. Members: Hear, hear!

Mr. Speaker: — Order, please. Order.

Debate adjourned.

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Social Services Ordinary Expenditure — Vote 36

Mr. Chairman: — Would the minister please introduce his officials.

Hon. Mr. Schmidt: — Thank you, Mr. Chairman. I'd like to start by introducing my officials. Should we finish today, these officials will carry us through, but should we go on to other days, we may have others joining me as I felt that it was fair for some of them to be able to take a vacation this summer, so one or two of them are on vacation.

I have with me today the assistant deputy minister, Henry Kutarna, directly to my left; Anne MacFarlane, director of planning and income security division, seated behind me; and Naomi Mellor, director of budget branch; Eric Johansen who should be in the whip's chair, but he isn't there yet, but he will be with us soon. Also we have with us in the Assembly, theoretically, when they arrive in the chairs in the back: Lorelle Schoenfeld, executive director of policy and program services division; Denis Lyons, director of young offenders program branch; Dr. Allen Hansen, the assistant deputy minister; and Debbie Bryck, assistant director of the day care branch.

I will try to not be very long in my opening remarks with respect to this department, the Department of Social Services. We have a relatively large department, approximately 2,000 employees. It's in that general area; it might be slightly lower now. We have an annual budget that exceeds \$1 million a day. We have a lot of responsibility for in excess of 60,000 people, and the services that we provide cover a broad spectrum of society.

I have been the minister of the department for eight months. We have tried to implement some management improvements. We would hope that this will, in time, as we continue with improving the management of the department, reflect on better service to the public and better staff morale within the department. I am satisfied with the progress that is being made in the department and with the management changes that have been made. We are running the department more efficiently, and I would say that the improvements have only begun and that we expect in the next few months to get the management of the department up to the highest standards, and so I'm prepared to answer all questions.

I can give some indications of future plans, but I caution the members opposite that I cannot indicate the details of things that we are going to do in the next few months or the final details of improvements that will be made. We will be making constant changes in the department, and I am prepared to explain the expenditures that we propose to make.

Item 1

Mr. Hagel: — Thank you very much, Mr. Chairman, and Mr. Minister. I would like to begin by welcoming those of your officials who were able to make it to the Assembly here today.

I find it a bit odd, Mr. Minister, a couple of statements you make and the context within which we gather together in this Legislative Assembly today to review the function of your department. I find it odd that in your opening remarks you would say that you may not be able to answer questions about the plans of your department in the upcoming months. That is clearly a strange statement to make as you're introducing the Social Services estimates to this Assembly.

I find it odd, Mr. Minister, that in light of the fact that in the Speech from the Throne last December, in which it said that it was the intention of your government — your

government, Mr. Minister, yours and the Premier's – to review Social Services and the delivery of Social Services; that you then delayed the calling of the Legislative Assembly until June of this year; that you would walk into this Assembly on September 2 and say that you're not sure that you're prepared to answer questions about the plans for your department in the coming months. I find that an odd statement, Mr. Minister.

Let us just review, Mr. Minister, some of the history of your leadership – and I use that word somewhat loosely – for the Department of Social Services in the months gone by. And I also wonder, Mr. Minister, why it is that as we gather here in this Legislative Assembly today, you find yourself introducing more of your officials who are not here than officials who are here. And I wonder if this is indicative of the whole way that you have approached social services, the low priority that has been given to meeting the needs of Saskatchewan people who are dependent and rely on the Department of Social Services to provide some competence and caring, in their times of need, across the whole range of services that you're responsible for in the Department of Social Services. And so I guess in a sense it's not surprising to me that you wander into the House this afternoon with half of your officials and begin by announcing that you're not sure whether you can answer questions about the plans of your department in the months to come.

Now your role as minister, Mr. Minister, began last November when it was announced to the province that you would be not only the minister responsible for Social Services but the minister responsible for the Department of Human Resources, Labour and Employment. Many people around the province began to refer to you as the super minister with the super ministries.

And I guess what they were looking for, for you, Mr. Minister, was some sense of direction, a sense of philosophy, a sense of compassion that you might have to offer to the people of Saskatchewan. When we review the programs in both of the departments which you head up, clearly they are the programs that require some human sensitivity. And it is my point of view, Mr. Minister – and I think I'd not alone in this point of view – that you, along with your Premier, have demonstrated anything but compassion for the people of Saskatchewan in the term that you have served as Minister of Social Services.

Over the course of the past few months we've found you making some remarkable kinds of statements coming from the mouth of the man in the Government of Saskatchewan who is responsible for the delivery of programs that are intended to be compassionate and require sensitivity to the people of Saskatchewan.

We've heard you make offhand comments about the problems faced by people on social assistance and their difficulty to survive to meet their food needs on \$3.60 a day maximum that your department allots, by saying that you and your family, your wife, and her garden, could easily feed your family on the amount allocated for food for social assistance recipients.

And I note, Mr. Minister, that after you made that outrageous, outlandish comment, when I asked you to

put your money where your mouth is or to put your food where your mouth is, and challenged you to live and to feed your family off of the amount allowed for social assistance recipients – it's \$3.60 a day per adult, maximum – that you denied . . . or declined, I should say, that you declined that offer to put your money where your mouth is.

(1515)

We heard you in January, Mr. Minister, when you received a report from the Ombudsman of Saskatchewan saying that there are a number of issues related to child protection in this province, that he called a crisis, we heard you – did we hear you stand and publicly express some sensitivity and some concern? No. What we heard you say, in effect, Mr. Minister, Minister of Social Services, we heard you say the – and I'm paraphrasing you here – but in essence your message at that time, Mr. Minister, was: kill the messenger.

Did you respond to the Ombudsman's request to hold public hearings, to bring into this legislature a new child and family services Act which has been under review for over two years now, and to hold public hearings to allow for concerned people to input as to how a new Act would reflect the wishes of Saskatchewan families and people concerned about the protection of children? Did we hear you respond in that kind of way? Did we hear you respond to any of his specific recommendations and even give some kind of informed or sensitive comment? No, your answer was: I don't think that we need an Ombudsman.

We heard you in Saskatoon. When confronted by some people who have been forced to live on social assistance, we heard you respond in anger by making some reference to the fact that they should be getting to work like the foreigners in this hotel. And somehow, Mr. Minister, you seem to have the uncanny ability to determine on sight what a foreigner is.

We heard you respond, Mr. Minister, when talking about the "work-fare" programs that are going on in the province – and this would've occurred some time back in April or May; I guess it would've been in May – heard you respond that maybe the Canada assistance plan agreement of 1966 is no longer relevant, maybe it's outdated. And with your wisdom as a lawyer that, perhaps, really it's no longer needed . . . needs to be followed to the letter, and that somehow you had special insight that gave you and your government special permission to function outside of the intent of the Canada assistance plan agreement.

We've heard you, Mr. Minister, in your now infamous speech to the national women's council, making a reference to your supposedly humorous insights with your famous braless speech, and at the same time questioned the worth of people who are not productive by some measure that you failed to define. And I find those odd statements to be made by the minister who's also responsible for the women's secretariat, and who's also responsible for the Employment Development Agency, who's also responsible, in another department I admit, for the senior's bureau and many people in

Saskatchewan do not see and, justifiably, that their worth in our society today is related to their productivity.

We've seen you respond without consultation, Mr. Minister, in dealing with the movement of mentally handicapped residents of North Park Centre in Prince Albert, without a lot of apparent consultation with people who are directly affected, and saying that you've got a plan and you've charging ahead come what may; that the plan appears to be cast in granite. And the concerns of many . . . And I have received a number of letters, and will be talking about all of these things in more specifics, Mr. Minister.

We've heard you say that you've got a plan that's going to happen by next February. And I keep hearing that people who are involved with the residents in North Park Centre are not feeling as though they've been consulted and had opportunity to input into the plans for their family members.

Perhaps the ultimate expression of your sensitivity, Mr. Minister, occurred as a result of an exchange you and I had in this very Assembly some three weeks ago in which you thought it was the sensitive thing to do, to advise the woman whose uncle had written the letter to you advising you of her concerns for the future of that centre and whose uncle had passed away six months prior to that time that – as you explained, you thought it was the sensitive thing to do, to advise her of her uncle's having passed away by saying to her: I believe you haven't visited your uncle in the past six months.

Now, Mr. Minister . . . (inaudible interjection) . . . The member opposite says, get serious. And I say to you, the member from Saskatoon, I say to you that I am very serious. I raise these concerns today because they are the concerns of countless people across the province of Saskatchewan. I am sad to say, member from Saskatoon, that people across Saskatchewan today do not speak in very glowing terms and do not speak of your Minister of Social Services, the Minister of Social Services appointed by your Premier to carry out the plans of your Premier and your government – the people of Saskatchewan are not impressed and they are not pleased.

But I submit, Mr. Chairman, that all of the conduct of the Minister of Social Services to date, and he has in a short period of time accumulated really quite a phenomenal track record, all of the comments and the decisions of the Minister of Social Services to date, in fact, meet with the approval and the endorsement of the Premier of this province.

I note it was the Premier of Saskatchewan who appointed this Minister of Social Services, who has told this Assembly that he's not a racist because he pays \$50,000 a year in income tax. He has told this Minister of Social Services, I believe, to carry out the decisions of both of his departments exactly as he has done. And I don't like to see, Mr. Minister – let me be very clear that I'm being sincere and serious when I say that I don't like to see any member of the Assembly, on either side, be held up to public ridicule as you have been. And I believe that you and I both know that your future in the front benches of

your government is cast in jeopardy.

I believe that you have been placed into the departments that you have because your Premier has judged that you will follow the orders that he issues; that you will do it without protest and you will do it without conscience, Mr. Minister; and that you will do exactly what the Premier of Saskatchewan wants you to do. And so you're carrying out the mandate that has been assigned to you by the Premier of Saskatchewan.

You and I both know, Mr. Minister, that when these estimates have been completed that it's quite likely, unless there's a lot more dirty work to be done, that you will be leaving your ministerial responsibility and someone else will be moved in to take your place. And I submit that that will not work. Because I understand that the Premier of Saskatchewan intends for you to do the dirty work, and then he'll move you on or move you out.

Well, Mr. Minister, I think people in Saskatchewan understand that it is not merely your decision making that we're seeing in the Department of Social Services; it is the decision making being made by your Premier and by your government, and they cannot wipe the slate clean when you are removed from your ministerial post.

But I find it kind of interesting as I go to the estimates for this year, Mr. Minister, and I take a look at the cold, hard numbers, which on the surface seem to suggest some interesting sorts of things. You talked about, in your introductory remarks, the morale within your department. And as I reflect back to some of the messages that the New Democrat caucus social services task force heard as we toured the province in March, it's certainly not consistent with the kinds of things that you're saying in the House today.

When we reflected on the Speech from the Throne, which said that your government intends to review the delivery of social services, it struck me as being kind of obvious that what you would do is to make an effort to put together some format, call it a task force, call it what you will, to tour the province of Saskatchewan and to allow the people of this province to input as to what would be improvements in the Department of Social Services. Did that happen? No.

The Ombudsman came along in January and urged you again, specifically related to the introduction of a new child and family services Act, to provide for public input and to bring forth early in this session a new child and family services Act. And did that happen? No.

And so the New Democrat caucus, Mr. Minister, made the decision that people have to have a right to have some voice into the review and the revision of the delivery of the Department of Social Services, a department which is charged with the responsibility of providing security to people in Saskatchewan. That's in a nutshell, Mr. Minister, the responsibility of your department.

And as we toured the province, we heard people tell us in a variety of different kinds of ways, and from different perspectives and focusing on different parts of the operation of the government . . . of your government

department, told us several things. They said, number one, as the people of this province have come under increasing stress, so too has the Department of Social Services. They told us that. And I think that that's a surprise to no one. They told us that as a result of that it would make sense that in these tough times . . . and is anyone telling us that these are tough times more than the government opposite.

You've created the tough times, and it's your strategy to use this tough times that you're created to undermine not only Social Services but the delivery of many services in the province of Saskatchewan. But clearly there are tough times and Saskatchewan people have come to know that Tory times are tough times. And these are tough times, Mr. Minister, you keep telling us, members opposite keep telling us; these are tough times. And what happens? It would seem that in tough times the Department of Social Services should not be holding its own, and it clearly should not be contracting. In tough times, Mr. Minister, the Department of Social Services should be expanding to meet the ever increasing needs of Saskatchewan people for security and dignity. And is that happening? The answer is no.

They told us, Mr. Minister, that we have a drastic shortage of social workers all across this province and in the delivery of all services, Mr. Minister. They told us the day in which access to social workers was reasonable and which people could get counsel with problems has come and gone. It's difficult to get in touch with social workers, and when you do, the time is limited. And we heard that from people involved as foster parents or with the income security, family protection, and so on. We heard that a number of ways.

And so what do we find when I open the book and look at the estimates for your department, the Department of Social Services? In tough times, when you say you were working to increase morale within your department, I find that when I compare your plans for this year to last year that you've cut 73 staff positions out of the Department of Social Services.

And I find, Mr. Minister, when I look at page 89 that there appears to be — and I note that you've made reference to this — an increase in the funding for the Department of Social Services — it's smoke and mirrors. Smoke and mirrors, Mr. Minister, in the same way that it's smoke and mirrors when the Minister of Health tries to have Saskatchewan people believe that there's been an increase in the funding for health. And it's not just shuffling the deck and moving the decks of the Titanic around and the smoke and mirrors — it's smoke and mirrors, is what it is, Mr. Minister.

You try and project . . . I see the member from Swift Current raising her objections opposite, and I suspect these are disappointing days for her, Mr. Minister. At one time she was in charge of this department, and I'm sure that she has some ideas as to how things could be done better. I would hope that she would pass them on. Clearly people were not as offended by the Minister of Social Services, Madam Minister from Swift Current, when you were responsible for this department, and I fully understand that you would be raising objections as we're

here to consider the deliberations of the department for the next year.

So what does the estimates tell us, Mr. Minister? They tell us that you're . . . it would seem, that you're going to increase the Social Services budget by some \$17 million and an increase of 4.5 per cent — that's what it would seem. But it's smoke and mirrors, Mr. Minister — smoke and mirrors. Let's compare apples to apples and look at what's actually happened with your department under your charge, the Minister of Social Services. What we find is that of that 17 million . . . so-called \$17 million increase, we have an item which is the payments to the Saskatchewan Property Management Corporation: \$13,696,000, nearly \$14 million this year. How much last year? Nothing. It was a different structure, but we've got smoke and mirrors, smoke and mirrors, and there's \$14 million of the \$17 million increase, Mr. Minister. Smoke and mirrors.

(1530)

And then we look at, as I go through and I do some calculations, I find it odd that we have fewer people, fewer people in your department, but paying out more in salaries. And I can only conclude, Mr. Minister, that there is a significant number of dollars coming from your department, which as a matter of fact are going to severance payments, severance payments for people who were, in effect, manipulated and forced, coerced into early retirement, some of whom were outright released. And we'll talk more about that, specifically, later.

And it looks to me as though your department is spending some \$4 million, nearly \$4 million this year in severance payments. Fourteen million dollars, property management corporation didn't exist last year, we had a different structure — smoke and mirrors. Four million dollars of severance payments, the cost of letting people go. This is the cost of having fewer employees, \$4 million, smoke and mirrors, Mr. Minister.

An Hon. Member: — What does that add up to?

Mr. Hagel: — Well that adds up to just about \$17.5 million, and isn't that an amazing coincidence. But what do we find as well, Mr. Minister, what do we find as well when we consider the fact that last year your department had an overexpenditure of 15,929,000 — nearly a \$16 million overexpenditure.

And so when we compare your plans, Mr. Minister, for the expenditure of the Department of Social Services, as compared as to what was actually spent . . . I'm not talking about as compared to your plans last year; I'm talking about compared to what was actually spent. Then we have to compare that figure to your estimates for last year plus another \$16 million: \$14 million dollars to the property management corporation, smoke and mirrors; \$4 million for severance payments, smoke and mirrors — failing to recognize in this document a \$16 million overexpenditure from your department. Again, more smoke and mirrors.

And so what do we find, as a matter of fact, Mr. Minister,

is that your budget this year in Social Services, compared to your actual expenditures last year – comparing apples to apples – there's a drop of \$16,460,260. A \$16 million drop, a drop in your budget of 4.4 per cent in tough times. And I say, Mr. Minister, that that is indicative of the kind of leadership that you give to your department, and the kind of weight that you carry around the cabinet table under the direction of your Premier.

In tough times, when the Department of Social Services should be expanding, a \$16 million drop, over 4 per cent drop in the budget for the Department of Social Services. Tough times, when there should be more social workers to assist people to deal with their problems in this province, a cut of 73 positions.

Well, Mr. Minister, I've made a number of statements, and I would like to conclude with a question to you, and I'm sure that you'll take the opportunity to respond in whatever way that you see fit. And I would ask, Mr. Minister, in the content, in the context I should say, of your track record in this department, in the context of the number of changes that you have made at the top of your department, many of which are certainly not endorsed by people who look for caring and compassion from the Department of Social Services.

Would you explain to me, Mr. Minister, and let me provide for you the opportunity to explain to the people of Saskatchewan, what you see in the context of these tough times for the people of Saskatchewan as your qualifications to serve as minister of the Department of Social Services and, at the same, time, the qualifications of your deputy minister. Mr. Minister, the floor is yours.

Hon. Mr. Schmidt: — Mr. Chairman, I'll get into qualifications a little later. As a matter of fact I'll make a note of it.

Before we get into qualifications, let us look at the example the NDP is setting here for us, and this is an example of what's typical about the NDP. And I rarely get appalled, but despite what they might say, I am sensitive enough to get appalled from time to time. And while I was a member of the NDP, what appalled me was the gutter politics that they used to play, and they still do the same thing. They come to this Assembly alleging to be honourable men and women and call me almost everything that you can imagine, except today they haven't called me a Nazi.

But these are the people who think they are sensitive; who care about people; who think that they have the ability, the responsibility, the wisdom, and the qualifications to govern this province. And the best they can do is come here, get into gutter politics, and try to call people names, misquote people, and generally behave like members of a permanent opposition.

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Mr. Chairman, what we are doing at Social Services is trying to provide the best services available at a reasonable cost to the taxpayer without any abuse of the system.

And whether it is being done in accordance of the terminology of the NDP, whether it is sensitive enough, that is always a matter of political debate. But we try to help everyone who needs help, seeks help, and can be helped. We try to help them. We try to run the whole system as efficiently as possible. And what really is the judge of how well we are doing at the Department of Social Services is not what the NDP state here in their rhetoric, but what the NDP tell me in Melville.

Now I think there will probably be a phone call to Melville, Saskatchewan, after I say this, telling the NDP in Melville to be more partisan, to more political, to get into the gutter. But even the NDP in Melville are above what happens with the opposition in this legislature. And members of the NDP executive see me on the street and say to me, you know I don't vote for you, but we think you're doing the right thing; go ahead, don't change, do what you're doing.

An Hon. Member: — That's a lie, Grant.

Hon. Mr. Schmidt: — Oh, you suggest that's a lie . . .

Mr. Chairman: — Order. Order. Order. I'd ask the member for Regina North West to apologize for the statement made across the floor.

I would ask the member from Regina North West to apologize for the statement thrown across the floor. Why is the member on his feet?

An Hon. Member: — A point of order, Mr. Chairman.

Mr. Chairman: — State your point of order.

Mr. Trew: — I would like to have clarification. My understanding, Mr. Chairman, was that the hon. minister was making a statement, and he was the one that had the floor. I want to know what you're referring to.

Mr. Chairman: — It was clearly heard from the member from Regina North West, that he said "liar" across the floor. And I would ask him to rise and retract that statement and apologize to the House.

Mr. Solomon: — Mr. Chairman, I'd like the record to be checked to see if there was any comments made by the member from North West . . .

Mr. Chairman: — Order. You did not have the floor; it wasn't on the microphone; it is not on the record. I would ask the member, for the third time, to retract that statement.

Mr. Solomon: — Could the Chairman please inform me as to what I should be retracting, please.

Mr. Chairman: — The member said liar across the floor. And I would ask the member to retract that statement. What's the member on his feet?

Mr. Koskie: — I want to say, Mr. Chairman, that this is a very, very subjective decision that you're making here. You're saying that it's said across the floor. How do you know whether he was talking to one of the members here,

or across the floor? The only ruling that the Chairman can make is order in respect to any comments, and allowing the person that is on his feet to make the comments.

Mr. Chairman: — Order, order. Order. The member said, across the floor, “That’s a lie.” It is the discretion of the Chair to . . . (inaudible interjection) . . . Order! The Chair uses discretion on unparliamentary language, and I ask the member from Regina North West, once more, to apologize.

Mr. Solomon: — Mr. Chairman, I would ask again: where in the record has it been stated that I’ve said anything like that? I’d like to know that.

Mr. Chairman: — The member for Regina North West has one more opportunity to retract the statement, that “that’s a lie,” and if he does not, I will call in the Speaker and let the Chair deal with it.

Mr. Tchorzewski: — Mr. Chairman, with all due respect, was the member from Regina North West speaking on his feet when you suggest you heard him make the comment? And if so, I find it difficult to understand how you can make such a ruling. It does not quite meet the requirements of the procedures of this House for the Chair to rule on conversations that may be taking place on either side of the House among members. As I understand it, the member was not on his feet. The member may have been speaking. If he was in fact speaking to someone, you only heard a voice, sir. How can you make such a ruling on the basis of that, I don’t quite comprehend.

Mr. Chairman: — Order. I have clearly heard the member. There is no more debate on it. I ask the member, I give him the final opportunity to apologize to the House for the unparliamentary language.

Mr. Solomon: — If the Chairman would ask all people that have ever made a statement from their seats to retract their statements if they could be proven, then I’d like that . . .

Mr. Chairman: — Order. I’ve said there was no more opportunity for debate. Call in the Speaker.

(1545)

Mr. Speaker resumed the Chair.

Mr. Speaker: — Order, please.

Mr. Muller: — Mr. Speaker, during consideration of estimates for Social Services the member from Regina North West, from his seat, shouted the words, “That’s a lie,” which I repeatedly asked him to withdraw. The member has refused to do so.

Mr. Speaker: — Order, please. No points of order will be allowed. The Deputy Speaker has raised an issue where the member for Regina North West has made an alleged statement. The Deputy Speaker has indicated that the member for Regina North West has said in this House, “That’s a lie.” That is the case . . . Order, please. . . . then that is an unparliamentary statement, and I would like to ask the member for Regina North West to please retract

that statement.

Mr. Solomon: — Mr. Speaker, may I be permitted to ask a question of the Speaker with respect to this? Is it generally perceived that all members, regardless . . .

Mr. Speaker: — Order, please. That is not the issue. We are not going to enter into a debate.

The issue is clear. The Deputy Speaker has said that the member for Regina North West has uttered an unparliamentary statement. He said, “That’s a lie.” That is an . . . order, please, from both sides of the House. We don’t need any promptings from any side of the House. Order. The member for Regina . . . The Deputy Speaker has indicated that the member for Regina North West has made an unparliamentary statement in the House. We are not going to debate that in the House.

The member from Regina North West has an opportunity to withdraw that statement, and I know it’s difficult for members sometimes to do that. However I’m going to . . . no points of order. I’m afraid I can’t allow points of order from other members, or any other debate.

Okay, just to clarify it, there seems to be an issue here whether or not the individual in question was on his feet. The issue here is not whether or not he was on his feet; the issue here was whether or not he made the statement, and therefore I’m going to give the hon. member another opportunity to please withdraw that statement. I ask him to think it over carefully, and I am going to give him the opportunity. I know he may not wish to do that; that’s entirely up to him. But the Deputy Speaker has indicated to the House that he has made an unparliamentary remark from his seat – granted he was not on his feet. Therefore, I’m asking the hon. member once more – I’m going to give him the opportunity to please withdraw that remark.

An Hon. Member: — Mr. Speaker, I wish to rise on a point of order.

Mr. Speaker: — I will not allow points of order during this ruling. So I’m sorry, but I will not allow a point of order. The member in question must make the decision of what he is going to do. That is the question now, and I will now ask the member to either withdraw the statement or not withdraw the statement.

An Hon. Member: — Mr. Speaker, a point of privilege.

Mr. Speaker: — On a point of privilege I recognize the member for Saskatoon Riversdale.

Mr. Romanow: — Thank you, Mr. Speaker.

My point of privilege is as follows: I’ve always understood the rules of this House to be, and I defer of course to you, sir, that when a member makes a statement – while having risen in the course of debate – which is called to be unparliamentary, and is asked to withdraw, the choices are clear: he either withdraws, or she withdraws, or the Speaker takes other action; the House takes other action.

But the rule also has always been, Mr. Speaker, that no statements made from a seated position are the subject of this kind of a disciplinary action for the very good reason that no matter how well-intentioned or how capable any chairperson might be or any speaker might be, there is no way of being able, with precision, to identify the member or to identify the words. Those are asides, and the asides have never, Mr. Speaker, with the greatest of respect, the asides have never been the subject of discipline. The statements made while on the feet of an individual member are always subject to the parliamentary rules.

And I would submit to you, sir, as I take my chair, on the point of personal privilege, that to do so I cast no motivations or aspersions on the Deputy Speaker, but that to do so puts every member vulnerable to the identification of asides by a chairperson, even if the member did not make such a statement. And that, surely, can't be sustained, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Speaker: — I would just like to bring to the attention of the House that I'll allow no more members to rise for any reason whatever. We are not going to get into a debate on this.

Now in the past hon. members have been informed that unparliamentary language from the member's seats will not be allowed. And at times, it's true, it's not possible to identify the member if unparliamentary language is made, and therefore nothing is actually done.

However, in this case the source of the unparliamentary language was clearly heard and identified by the Deputy Speaker, and therefore, on that basis — and I would like to just make this one further comment . . . one further comment before I wrap it up — that I respect the hon. member from Saskatoon Riversdale; he's a man who has served many years in this House and certainly deserves respect from that point of view. However, having said that following his argument, I think it should be noted that if his argument was sustained, then hon. members could say anything they want in these Chambers from their seats, and nothing could ever be done about it. Essentially they could not be called to task on any particular point.

So having said that, the issue is clear; the hon. member from Regina North West has been clearly identified as making an unparliamentary statement from his desk, sitting, and therefore I will give him a final opportunity to withdraw his unparliamentary remark.

Mr. Solomon: — Out of respect for this Assembly, Mr. Speaker, I withdraw the remark that was allegedly attributed to me.

Mr. Speaker: — I am not quite satisfied with that. The hon. member is casting some doubt on whether or not he made the statement, and I don't think that can be to be allowed to pass. So I would just like to withdraw the unparliamentary statement that he made, I just ask him to do that.

Mr. Solomon: — Mr. Speaker, I withdraw the unparliamentary statement that I made from my seat.

Mr. Speaker: — I thank the hon. member for withdrawing that statement. That removes the chaos and disorder which has been caused in the House, then I ask the House — order, please — I ask the House to continue in the Committee of Finance.

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Social Services Ordinary Expenditure — Vote 36

Item 1 (continued)

Hon. Mr. Schmidt: — Thank you, Mr. Chairman. When we adjourned the committee and I was in the process of explaining that I've had people on the NDP executive in Melville — I believe them to be on the executive; I've known them to always be on the executive — come to me and say: as Minister of Social Services, you know I don't vote for you, I don't support you, but you are doing the right type of things.

An Hon. Member: — That's not true.

Hon. Mr. Schmidt: — Now the member for Saskatoon South now says that is not true.

Mr. Chairman: — Order. Order. Order. All members will get an opportunity to rise in Committee of Finance and ask questions and make speeches on Social Services, so I would ask the members to give the minister the opportunity to respond.

Hon. Mr. Schmidt: — Mr. Chairman, it seems to bother the NDP greatly that their own supporters would believe in some of the common sense things this government is doing, and it bothers them to no end.

That's not the only contact I've had from their members. I had an honourable member of the NDP from Melville constituency phone me one evening, and this man was honourable. He said: you know, Grant, I don't support you. And I said: yes, I know that. And he said: but I thought that I should give you some credit where credit is due. And this is how honourable this member of the NDP was, he said: I thought I'd phone you and give you credit where credit is due. I think you're doing the right thing, and you should continue to do those things.

An Hon. Member: — Name them.

Hon. Mr. Schmidt: — And the members opposite say name their members who are speaking that way. No, I will not name them. They are honourable people and should not be persecuted by their own party for saying what they think.

I quit the NDP, but I'm not going to have those people thrown out of the NDP for being honourable, and so I will not name them. There are some honourable people in that party, not many that you can identify, but these honourable people will not be identified in this Assembly. Because they were honourable, they gave credit where credit was due. And there is . . .

Mr. Chairman: — Order. I've asked members to allow the minister to make his comments. Everybody will have an opportunity to enter into the debate and ask questions. And . . . (inaudible interjection) . . . Order! I would ask the member for Regina Rosemont to be quiet while the Chair is making a statement. I would ask him to allow the minister to finish his comments. The Minister of Social Services.

(1600)

Hon. Mr. Schmidt: — the acknowledgement that some hon. members of the NDP, not elected to this Assembly, would agree that things that are being done in Social Services are practical and sensible and are encouraging me not to change from the policies that we are now following would disturb the NDP greatly.

And it probably . . . These kind of people are honourable. They speak up. And they were probably the way I was when I was a member of the NDP, where I recall speaking up at a convention and then being beaten up by cabinet ministers who now sit as members of the opposition, beaten up politically for speaking out and taking a different view. And I realize that this is not directly on the topic of Social Services, however, it seems to bother them so much that a former member would have the support of existing members in doing what's right for this province, and in doing what is right for the people of Saskatchewan.

Now I wanted to indicate the difference in attitude and why so many people in this province believe we are doing the right thing. The NDP's philosophy in 1986, in 1982, and years ago when I was part of that team was, basically, they'd go to the people and say: vote for us; we'll give you more welfare. Now it is necessary, when necessary, the rates for welfare should be raised, but this should not be the only party platform of a party.

What should be done is: you should go to people who are not self-sufficient and say to them: vote for us and we will give you jobs; vote for us and we will give you education; vote for us and we will give you training; vote for us and we will help you help yourself, become a full-fledged member of society, in every way, to the greatest of your ability.

Now we acknowledge that some people who are on social services, at least one-third, are not capable of employment, and these people should be encouraged to take part in society in whatever way possible, even if it's not employment. But if it's being part of the community in community work and service clubs — in such ways — everyone should be encouraged to assist society to the best of their ability.

But nowhere do you hear from the NDP promises to the people saying: vote for us and we'll give you a job; vote for us and we'll give you more education. In Social Services the NDP did not implement the Saskatchewan employment development program; the NDP did not implement the Saskatchewan skills development program — 2,500 people who would've been on welfare are now receiving education and training. And the great majority of them are single parents, 90 per cent of which

are women.

Now instead of going around with a negative attitude, this government has taken a positive attitude and tries to impart that on the people. And the people are very happy. The people of this province are prepared to do their part in society to the greatest of their ability. And they should be encouraged to do that.

And then the members opposite say, what qualifications do I have to be the Minister of Social Services. Well I can tell you this. I am qualified to the extent that I was born in this province; to the extent that I grew up in this province, through good times and through bad times; to the extent that I was educated in this province; to the extent that I practised law in this province; and to the extent that I still live with and among my constituents whether they are rich or poor. That's what makes me qualified. I am a human being who lives in this province, who has acquired some education and some wisdom, and that's what makes me qualified to be the minister.

And the members opposite would try to paint me as a monster who is insensitive. The members opposite hissed and booed and cheered when I came late for these estimates. They don't know why I was late. The reason I was late was, I was walking down the hall and a man came to me and said, you're the Minister of Social Services; I want to talk to you. I don't want to talk to any of your officials. I've talked to everybody I have to talk to; I want to talk to you.

And so I said, I will try to see you at 2:30, and I did. And that's why I was in my office and not rushing down here immediately for the estimates. Because I was with that man in my office trying to figure out a way and he and his family — his wife and his children — could be reunited. That's why.

Now, I don't know if that's sensitive and I don't know if that's practical, and I don't know if that is whatever you want to call it, but I'm telling you that that is the right thing to do. And I encourage my workers, all of them, to do their jobs, which they do, and to do as I have done by example today and tried my best to solve this man's problem.

Now you could call that insensitive. You could call it whatever you want. But when a man is walking through the halls of this legislature and asks for my help, I will take time to give him help. And if it's a woman or a child or anyone in this province, I will take time to give them help, even if it delays the Assembly for two or three minutes.

So my qualifications are quite clear. I care about the people of Saskatchewan, all one million people of Saskatchewan — those who supported this government and those who didn't. I consider it a great responsibility. If I did not care about the people, then there are many, many other things that I could do for my own amusement.

I do this, as Minister of Social Services, with pleasure. I never find the job too difficult. I never find the portfolio of Minister of Social Services to be too stressful. I do it because it is really interesting, and the greatest thing you could do for your fellow human being to help them in every way possible. And I do this, Minister of Social

Services, out of the heart – regardless of whether or not the members opposite believe I have one. They tend to think I'm a robot or something.

And as for the deputy minister of Social Services, the second question is: what qualifications does he have? I could look at his details, but if I recall correctly, he grew up in a family in Saskatoon that was not very affluent. His father immigrated to Canada and worked on the railroad.

An Hon. Member: — A point of order, Mr. Chairman.

Mr. Chairman: — Why is the member on his feet?

Mr. Koskie: — The point of order is that we're dealing with Social Services estimates. And if you can find any, any semblance of what the minister was leading into in respect to the critic and the comments that he has been saying in the last five minutes, any relevance – any relevance – to this here debate of estimates, then I ask you to make a ruling on that.

Mr. Chairman: — Order, please. Order. Let the minister speak to the point of order.

Hon. Mr. Schmidt: — The question was put to me: what are my qualifications as Minister of Social Services, and what are the qualifications of my deputy? I was beginning to answer the qualifications of my deputy when the point of order was raised.

Mr. Chairman: — Having just assumed the Chair here two minutes ago, I did not hear the critic's comments. I did hear the minister talking about what made him qualified for the position of Social Services minister. And on that basis I will let him continue, and I will keep my ear very closely to what he is saying to make sure that we are on the topic. Please continue.

Hon. Mr. Schmidt: — Mr. Deputy Chairman, I was indicating the qualifications of my deputy minister of Social Services, Stan Sajonky, who was raised in Saskatoon; his father immigrated to Canada, worked on the railroad – he's of Polish background – worked on the railroad; he advises me he grew up in relatively poor circumstances. I could probably also tell you that . . . You know, he also told me about his family politics, and they were not necessarily Conservative. And he's also indicated to me that, in his background, he was worked for the co-operatives.

The deputy in question here has a certificate in accounting from the Reliance school of commerce in Regina; he has a certificate in business organization and administration from the University of Alberta; he has social science credits from the University of Saskatchewan; he has management and financial concepts, a course from the Building Owners' and Managers' Institute in Pennsylvania. His background is . . . He was the office services supervisor and accounting supervisor, and also an office manager, a personnel manager, director of manpower development at Federated Co-operatives in Regina, Edmonton, Winnipeg, and Saskatoon, between 1951 and 1970.

In 1970 to 1974 he was the manager of operations for

Dominion Management, Dominion Construction, Vancouver, B.C. He was the director of personnel services for the city of Saskatoon from 1974 to 1981. He was a director of ministries, Emmanuel Baptist Church, Victoria, British Columbia, from 1981 to 1984. And he was the chairman of the Public Service Commission of Saskatchewan from 1984 to 1987. January 27, 1987 he was appointed the deputy minister of Social Services.

Here is a man who is 54 years old; has had experience in co-operatives, in administration and personnel administration, experience with the city of Saskatoon. It seems to me, has been . . . The director of ministries for the Baptist Church at Emmanuel Baptist Church in Victoria, from 1981 to 1984, and chairman of the Public Service Commission from 1984 to 1987.

I submit, Mr. Deputy Chairman, that this man has a broad experience of western Canada; a broad experience of people; a good background in religion; a good background in accounting; was born . . . I don't know if he was born in Saskatchewan, but he was certainly raised in Saskatchewan. And his qualifications should not be questioned.

Mr. Solomon: — Thanks, Mr. Chairman. The Minister of Social Services, the member from Melville, in his opening remarks in response to our critic, indicated to this House that the people . . . many people in his constituency and around the country are saying what a wonderful job he's doing as Minister of Social Services. In his remarks he said former NDP executive . . . or NDP executive members, even NDP executive members in the constituency of Melville call me up, and see me in the street, and say: we don't vote for you but you're doing a terrific job. We like the job that you're doing as Minister of Social Services.

Mr. Chairman, I suggest to this House that the minister has stretched the truth so far that he snapped it.

Some Hon. Members: Hear, hear!

Mr. Solomon: — I happen to visit on a regular basis with the executive, NDP executive, in the constituency of Melville because it happens to be one of my buddy ridings. And I can tell you and every member in this House and every person in this province, that that executive has never been larger, since this member was appointed to the Department of Social Services, in the history of the constituency. And the longer he's representing that riding, Mr. Chairman, the membership continues to grow. The energy that is displayed by that executive to dispose of the Minister of Social Services is unparalleled in many ridings in this province.

He talked about, in his remarks, Mr. Chairman, that he's not . . .

Mr. Chairman: — Order, please. Order. Let the member please ask his questions.

Mr. Solomon: — Mr. Chairman, the Minister of Social Services has talked about how he can't name these people, and I have respect for that because: (a) if they are supporters, I think they want to remain quiet supporters until such time as they make the decision to go public; but

secondly, I don't believe that he understands who the executive members are, and that was proven when he stood up a second time after the ruling by the Chair and the Speaker, and he said: well, I believe them to be executive members. So now he's backtracking and withdrawing his position with respect to who is telling him in his constituency what a fine job he's doing.

Mr. Chairman, that is indicative of how he is running his department. That is indicative in the performance of the Minister of Social Services that he has undertaken in this province. He talks about the love he has for the clients of Social Services. He talks about the love that he's providing all of these people. All I can say is if that's a demonstration of love, I would really shudder to think what a demonstration of dislike would be coming from that minister.

Some Hon. Members: Hear, hear!

(1615)

Mr. Solomon: — I don't want to take up much more time in this House, Mr. Chairman, because I think far too much time has been taken up as a result of his comments which, I believe, to be sheer garbage with respect to some of the things he's said.

I will finalize my remarks, Mr. Chairman, by asking the Minister of Social Services what he plans to do, as a minister, to make the people in this province feel more secure that he is going to be minister, delivering services to people?

Hon. Mr. Schmidt: — Mr. Deputy Chairman, it's not that I know nothing about the NDP and how their executive operates. I believe that . . . one year I was a member of their provincial council and I wasn't absolutely certain if my memory was correct, but the media advised me that it was true. And so I still believe that one year I was a member of their executive council as far as I can recall. It is very unusual that the member from Regina North West should question my credibility and whether or not I'm a truthful person. This has not been done by the NDP in Melville constituency. I practised law for a long period of time, and may have been accused of many things, but I was never accused of being dishonest.

An Hon. Member: — Doug McKee did it.

Hon. Mr. Schmidt: — And the word "Doug McKee" is shouted across the way here, and if the member from Regina Rosemont wishes to have the floor and ask a question pertaining to Doug McKee, I'm prepared to answer that but I really didn't hear what he had to say about Doug McKee, the habitual campaign manager for Lorne Nystrom, who I know well. And Doug McKee and I do not have bad words, because we haven't spoken to each other for a long time. And we have no animosity at all like he does. Doug McKee does his thing, and he's watching right now; he watches all the time. I say to Doug McKee that the question of Doug McKee, who is a very prominent member of Melville constituency NDP . . . and he's watching right now; he watches all the time. He does his political thing and I do mine, and we have no animosity towards each other. It's not like here in

the legislature. In Melville things are quite fair.

Mr. Chairman: — Why is the member on his feet?

Mr. Hagel: — I'm on my feet, Mr. Chairman, to ask what the relevance of this is to the Social Services estimates? I've listened carefully the last couple of minutes and I am grasping at relevance, Mr. Chairman. And would you please rule on that.

Mr. Chairman: — I would like to inform the member that I was asking myself the same question. So I would suggest that the point of order is well taken. Let's get on with the answer now.

Hon. Mr. Schmidt: — I accept your ruling, but I believe that when I'm asked a question that suggests that I am — I don't recall the exact words — but the truth of what I have said has been brought into question, that I should be in a position to indicate the nature of what I am saying, why I am saying it. And I'm replying to the member opposite who questioned whether . . . (inaudible interjection) . . .

Mr. Chairman: — Order, please. My ruling was based on the matter of Doug McKee being raised. The rest of your answer, as far as I was concerned, was right on track, so you may continue along that line.

Hon. Mr. Schmidt: — The question here is, first of all, the question of whether I've said things there that are truthful. I try to the best of my ability to tell the truth absolutely. Before I would say anything that is untrue, I would refuse to answer. Before I would say anything that is untrue, I would resign. I have never intentionally lied, and I never will.

Now here is a situation that . . . we are in a dispute here whether or not an individual who spoke to me is still a member of the NDP executive or not. I haven't looked at their current list, but the individual we referred to — whose name I almost slipped out and I shouldn't do that — but the individual who I referred to has always been a member of the NDP executive, and the co-op board, and the credit union board, and all of those things, and that individual came to me and said what I told the Assembly. And so if they will send me a current list of their executives, I could check to see if that individual is still on the executive. But that individual was on the executive when I was there, and since then, and if recently that individual has dropped off their executive, or possibly quit the NDP as I did, I would be pleased to hear about it.

There is no doubt about the other individual who phoned me. Everyone in Melville knows that that individual has always been NDP, and there is no question . . . (inaudible interjection) . . . The member opposite says I have two friends in Melville. Yes, I have two friends in the NDP and thousands of other friends. The question here is Social Services, not how many friends I have. And I don't run for politics for the purpose of making friends, nor for the purpose of making enemies, but simply to do the best I can to operate the Department of Social Services for the benefit of the people of Saskatchewan.

The question that the member for Regina North West alluded to was: what are we going to do in Social Services

to give people confidence? Well that is a very broad question, and I'm sure we'll answer it over a period of time. But first of all, as I said when I was first appointed: we will have the department operate efficiently and serve the public.

And we are now in the process of having staff seminars. They are starting now and will be continuing for the next few months. They will be something that hasn't been done for a long, long time in the Department of Social Services; they're called service seminars. And they're called service seminars because we want all of our employees to serve the people of Saskatchewan and to serve the clientele of Social Services in whatever way they need assistance. The emphasis is on service; that's what we are here for – from the minister all the way down to everyone in our department – we are hired to serve, and so we're having service seminars. You cannot have good morale, you cannot have good service unless you have some leadership and show your employees how we should go about providing this service. So that's exactly what we're doing. That's one example. There are many, many other examples that you will see as these estimates continue.

Mr. Hagel: — Thank you very much, Mr. Chairman. We appear to have gotten onto some diversionary discussions here, and some of that at least is initiated by the minister. I don't want to elaborate on that, Mr. Chairman, but given that the minister has raised the topic, I think it is important to set the record straight and move on with some specific deliberations related to the Department of Social Services.

The minister likes to comment upon his period of time in which he was a member of the New Democratic Party, and I accept the fact that he was. The New Democratic Party is open to membership from all people of Saskatchewan who are committed politically to trying to bring about a social structure in Saskatchewan, and in Canada, which operates in the best interests of people. And if the member pledged that kind of commitment then, I'm sure he was accepted as a member.

I find it kind of odd, though, that he doesn't make reference to the manner in which he left or was removed – and I guess that's a debatable point – from the party. I understand that his association with the New Democratic Party was terminated at about the time that he sought a nomination to try and sit with the New Democratic Party in the Legislative Assembly, was rejected by the people of that constituency, and at that point in time became an instant Tory.

So just to set the record straight, Mr. Chairman, on that issue, which I don't think has a great deal to do with what we're doing here, but is certainly in response to a matter that the minister raised here in the House.

Mr. Chairman, going back to the minister's response about his qualifications, the qualifications of his deputy minister, I note with interest that basically what it comes down is that he says he cares, and so does the deputy minister. And that's it. I note that neither the minister nor the deputy have any previous experience whatsoever with the Department of Social Services in delivery of its

programs, nor do they hold educational credentials by way of degree having to do with studies in social development or social services. So for that reason, Mr. Chairman, it leads me to wonder, then, what the rationale is behind the number of changes at the upper management level in the Department of Social Services because it would seem that the social directives given to the department would not come from the backgrounds of the minister or the deputy minister.

My question to the minister is this: Mr. Minister, will you please give me the names and the positions of the upper management people. I refer to here, people who have policy influence, responsibilities, or supervise significant numbers of people, who have either received early retirement or who, as a matter of fact, have been dismissed from the Department of Social Services during your term as minister. Would you please provide for me their names, their positions that they either were dismissed from or left through the early retirement plan that was dropped upon them; and also, if you would advise me of their salary levels, Mr. Minister.

Hon. Mr. Schmidt: — Mr. Deputy Chairman, I'll give some answers while the officials find the other information. First of all, to indicate the differences of opinion that always develop in this Assembly and the credibility gap that exists, it is now alleged that I, Grant Schmidt, at one time sought an NDP nomination. That is not true. I've been accused of a lot of things; I've confessed to many of them, but I never, ever sought an NDP nomination. And the member opposite is mistaken because I should know my life better than he knows his life, or better than he knows my life, in addition.

And in addition I can say that in 1975 I was asked to run for an NDP nomination in Yorkton, Saskatchewan, and I turned it down, and the answer was very simple. In 1975, while I was a member of the NDP, like Martin Luther 450 years ago, I had doubts.

Mr. Chairman: — Order, please. I would like just to make one comment about the proceedings over the last 10-15 minutes. And something that I'm noticing is that one comment begs the answer, and the answer is usually protracted, somewhat. And it instills a new element in the discussion, and then the next speaker seems to feel that he must respond to that. Now I gave the minister the opportunity to respond to Moose Jaw North's allegations, and having done that I would ask all members from here on to please stay with the topic.

An Hon. Member: — Just one more.

Mr. Chairman: — No more.

Hon. Mr. Schmidt: — Mr. Deputy Chairman, with respect to early retirement in the Department of Social Services, there was 123 people who . . . possibly more qualified, but 123 people chose to take early retirement in the Department of Social Services. I have a list of their names. I suppose we could send it over if the member requested it.

And in addition, in management we . . . I'll try to give the best information available here. Con Hnatiuk, deputy

minister of Social Services, resigned. Mr. Martin . . . and Con Hnatiuk, shortly thereafter, found employment with the Government of Manitoba and is now the deputy minister there. Martin Spigelman was, to the best of my information, dismissed. There is a disputed case before the Public Service Commission at this time; the decision is not available. Mr. Dan Cunningham, assistant deputy . . . Mr. Spigelman is the executive director of strategic planning. Mr. Dan Cunningham resigned; he's the assistant deputy minister. Raynell Andreychuk was offered a position as High Commissioner to East Africa and chose to take that position and resigned and has . . . and Her Honour, I might say, she was still a judge of this province, I believe, is now the High Commissioner in East Africa. And I'm very pleased that she was taken that position offered to her by the Minister of External Affairs, the Hon. Joe Clark, and I understand she's doing an excellent job there.

(1630)

The district director of Family Services, Regina, Mr. Vic Wiebe, resigned. I understand he is now employed in Manitoba in a similar position. Ronald Heber, director of systems, resigned. And those are the management people that resigned. I believe there might have been some other management people at the upper management who took early retirement. I could try to find the details if you wish.

Mr. Hagel: — Mr. Minister, was there a Howie Alberts as well who left the service of the department?

Hon. Mr. Schmidt: — The named Howie Alberts is employed by the department in the community living division.

Mr. Hagel: — Could you also please, Mr. Minister, outline some of the higher level of staff who took early retirement, perhaps director of administration, the director of formerly rehab services, and so on — people at that level.

Hon. Mr. Schmidt: — Mr. Deputy Chairman, the answer to the question is that other senior management people who have taken early retirement are Dick Baxter, who is the head of community living division, had a truly distinguished career with the province of Saskatchewan, and it has been missed, but his position has been capably filled by Dr. Hansen, who you might say was his understudy. And Dr. Hansen has done an excellent job filling that position since Dick Baxter retired.

Art Uhren retired as director of support services. Fred Gattinger — or Gottinger, as we say in my constituency — has retired as director of Valley View. I believe he may still be serving in that capacity until his official retirement date.

Karl Bastian, director of North Park in Prince Albert, has taken early retirement. Lem Boyd, director of Regina North, has taken early retirement. Len Soiseth, director at North Battleford, has taken early retirement. Mr. Roy Crebo, director of Paul Dojack Centre, has taken early retirement. And Graham Craig, comptroller, will complete his early retirement before the end of the year,

or at the end of the year. They don't all necessarily retire at the same time, so Mr. Craig has taken early retirement, and it will be effective at December 31, 1987.

Mr. Hagel: — Mr. Minister, you've obviously lost a lot of expertise from your department over the last few months. Would you please give me the figures for each of these individuals, and I refer then to Messrs. Hnatiuk, Spigelman, Cunningham, Ms. Andreychuk, and Messrs. Wiebe, Heber, Baxter, Uhren, Gattinger, Bastian, Boyd, Soiseth, Crebo and Craig.

Would you please advise me, Mr. Minister, how many years each of those individuals has served in the department; and will you also tell me, Mr. Minister, how much it is costing the department for them to leave? And for those who are taking early retirement, what is the total cost for each individual, the cost to the department for their severance package? And for those who were dismissed from their positions or removed from their positions, Mr. Minister, will you tell me how much it cost the department to settle to terminate their employment?

Hon. Mr. Schmidt: — Mr. Chairman, probably I should correct some misapprehension that may have been caused by the member from Moose Jaw North when earlier he indicated that \$4 million had been spent on early retirement and severance. In the discussion that carried on during the course of the afternoon, I had forgotten to answer that part of his question. The answer: the \$4 million that the member refers to is actually not \$4 million for early retirement and severance. As far as we have calculated to date, the early retirement and severance total is \$925,130.

The balance of the \$4 million is for new positions in the Young Offenders branch. As you know, Young Offenders has been newly brought into the department as part of the changes the federal government has made, and this has created an onus on the province of Saskatchewan to provide new young offenders' facilities and more staff, and Young Offenders took up part of that \$4 million. Earned increments to staff, both in-scope and out-of-scope, took up part of that. Child care increases — which the member opposite has called for and have been implemented — in foster parents took up part of that \$4 million.

The portion of the \$4 million allocated to early retirement and severance: of that sum, \$197,621 was for severance pay; the balance was for early retirement. In early retirement, because in the government overall there will be a down-sizing in the number of positions, the saving is not immediate, but over the next four or five years the taxpayers will have a substantial saving. We feel that we can operate the department more efficiently with better management and with fewer people in some areas.

With respect to the severance pay of \$197,621, the sum was required to be paid due to the contracts of the individuals. Some of these management people had standard contracts. Some of them had been with the government since the time that the members opposite were government, and we had to honour some degree of commitment that had been made earlier to these people. We felt the expenditure of \$197,621 would be easily

made up in better management. In the case of one individual, who I will not name, I felt that that individual had cost the government more than his weight in gold and that, therefore, changes should be made.

Mr. Hagel: — Mr. Minister, is it to be expected that when we're standing here in estimates, and I ask you a question which has a factual answer, that you will provide that answer? Can we operate on that assumption in these estimates, please?

Let me repeat my question to you then, Mr. Minister. I will debate the \$4 million figure with you. Your reference to having directed some of that to child care just doesn't wash, because the fact of the matter is that when you calculate the amount spent on salaries in your department last year and the amount spent this year and you prorate that to the number of positions, there's a difference of \$4 million in the budget.

Now I did not ask you how much has been spent to date. If I did, let me clarify that. I'm asking you how much it is costing — either has been spent already or will be spent? I understand from what you've said that there is at least one court case pending, and that may cost you more than you intended to spend; I don't know. So I quite understand. You haven't . . . some of these people have not left; they're going to be leaving. You haven't paid those out yet.

Will you please give me straight goods for straight questions, Mr. Minister? Do I need to go through these again? Or can you — for each of these individuals I asked you how many years they have served in the Department of Social Services? Your department, Mr. Minister, appears to have been gutted at the upper levels and not replaced with what I would consider highly competent management at the ministerial or deputy ministerial level.

I would like to know, and I think the people of Saskatchewan would like to know, Mr. Minister: what is the experience of these people that you've named me here — and I'll go through them again if you like; how many years have they served in the Department of Social Services, and how much will it cost in total for each individual to have the separation of their employment from the Department of Social Services under your ministry?

Will you please answer that very specific question to me, with very specific numbers about years of experience and very specific dollars as to what it is going to cost in total, this year, for the Government of Saskatchewan to have them leave the employ of your department?

Hon. Mr. Schmidt: — Mr. Deputy Chairman, I don't think I should drag the name of his friends through the mud in this Assembly.

Mr. Hagel: — Mr. Minister, I'm sorry, I had difficulty understanding your answer. It seemed to lack a number of numbers. And would you please repeat that answer for me.

Hon. Mr. Schmidt: — Mr. Chairman, I will send a list of all of the 123 people who have opted for early retirement.

The list does not contain the day that they started employment with the government, so we will not be calculating how many total years these people have had with the government. Possibly at the next retirement banquet such statistics might be available.

But I don't consider it a good expenditure of the taxpayers' money to have the calculations done as to when each of those individuals started, and complied, and calculated, so that you can have some sum that adds up to a certain sum. I don't consider that a good expenditure of the taxpayers' money.

I will send you a list of all 123 people . . . (inaudible) . . . have that information, but I'm not going to go and find out when the 123 people were actually hired.

Mr. Hagel: — Mr. Minister, I did not ask you about 123 people. I will count on the delivery of that information that you provided. And I would ask you, when you respond to answer, to tell me exactly when you intend to have that in my hands.

Let me repeat my question more specifically then for you, Mr. Minister, because as I have said before, the people of Saskatchewan are of the opinion that you have gutted the upper managements of the Department of Social Services. Will you tell me specifically . . . I did not ask for a grand total expenditure; I did not ask you for grand total years of service. Let me repeat a series of questions. I will say them together if this saves time, or if it is necessary for you to follow, I'll do them one at a time. Which is your preference, Mr. Minister?

An Hon. Member: — One at a time.

Mr. Hagel: — One at a time, okay. Then we'll do it one at time, Mr. Minister.

You pointed out that the deputy minister, Con Hnatiuk, is no longer in the employ of the Department of Social Services. How many years has Con Hnatiuk worked in the Department of Social Services; what has it cost, or will it cost, in total for your government, for your department, to sever Mr. Hnatiuk's employ with the Department of Social Services?

Hon. Mr. Schmidt: — With respect to Mr. Con Hnatiuk, if you insist . . .

An Hon. Member: — I insist.

Hon. Mr. Schmidt: — You insist, you say. I will tell you the situation with respect to Mr. Hnatiuk.

Mr. Hnatiuk was with the government for many, many years and rose to the position of Deputy Minister of Social Services. The government did not have confidence in his ability to perform the task of deputy of Social Services in the province of Saskatchewan, and some of the problems that I found were that Saskatchewan does not have an Indian child care agreement, which was costing us . . . and other provinces do, which is costing us millions of dollars per year.

Mr. Chairman: — Order, why is the member on his feet?

Mr. Hagel: — Mr. Chairman, I asked the minister a very specific question, and I would like an answer to that specific question. The question, Mr. Chairman, as you had heard was: how many years has Mr. Hnatiuk been in the employ of the Department of Social Services and what has it cost, or will it cost, in total for the Department of Social Services to sever their employment relationship with him. I would appreciate it, Mr. Chairman. It would serve the interests of the review of the Social Services estimates, if the minister would answer specific questions with specific answers. I ask for your support, Mr. Chairman, in directing him to do that.

Mr. Chairman: — The point of order is not well taken. The Minister of Social Services.

Hon. Mr. Schmidt: — Mr. Deputy Chairman, we can find out exactly when Mr. Hnatiuk became employed with the Department of Social Services. But I recall that when I came back to Melville to practise law in 1971, he was with the Parkland Community College at that time, and then shortly after that Mr. Hnatiuk went, I believe, to CORE Services. I recall that when my wife was teaching in Melville he was a social worker, in about 1973-74, so he would have started about 1973-74 with the Department of Social Services. My wife recalls him being a social worker when she was a special education teacher there.

So that would give you an indication of how long he had been with the Department of Social Services. We found that we did not have a child care agreement because the deputy had not asked for one and really hadn't pushed the matter. There were other problems that I found in the department that I felt were costing the taxpayers money, and therefore we felt that we had to make a change of the upper management, and we did that.

The question is of what the cost is . . . it is a question of what is the cost or what is the saving. I did not deal in this matter as deputy ministers have contracts with the Executive Council and deal with Executive Council, so you could possibly ask the question in the Executive Council estimates. I estimate that the management improvements will save the province millions of dollars.

Mr. Hagel: — Mr. Chairman, I would ask that you listen to the question I ask, and I would ask that after I do that, you would direct the minister to respond to the question that was asked, please.

Mr. Minister, the questions I'm asking are not particularly difficult questions. You were the one who chose to come into this Assembly today for Social Services estimates. The timing was entirely your choice. You came into these estimates today knowing exactly what kind of questions you should anticipate. If you didn't anticipate these kinds of questions, then you are a more foolish man than many people give you credit for being.

I ask you again, Mr. Minister, to give me some statistical, numerical information which is not hard to retrieve. Surely — surely a department which is managing the taxpayers' dollar with care and control, as you pretend, knows exactly to the penny how much your early

retirements and your dismissals of employees in your department cost. Surely it is not difficult for your department to say: employee "X" has worked in this department for "Y" number of years. These are not difficult questions.

I ask you again, Mr. Minister: will you tell me how many years Con Hnatiuk had worked in the Department of Social Services? Will you tell me to the dollar, in total, what it will cost your department to sever the employment relationship with Con Hnatiuk in the Department of Social Services?

Hon. Mr. Schmidt: — I'll ask the page to come, and I'll send over a copy of the early retirement list of people, the date they retired, the severance pay paid, the holiday pay paid, and all the 123 individuals are on the list.

Mr. Hagel: — Then, Mr. Minister, I assume that you've retained a copy of this for your own desk. Am I correct, Mr. Minister . . . (inaudible interjection) . . . Then, Mr. Minister, it will not be difficult for you to tell me in this Assembly, on the public record, how many years Con Hnatiuk served in the Department of Social Services and, to the penny, what it has or will, in total, cost your department to sever the employment relationship? Will you answer that very specific question for me right now?

Hon. Mr. Schmidt: — Well, Mr. Chairman, the answer is no, I will not.

Mr. Hagel: — Mr. Chairman, this is remarkable. How is it supposed to be in the best interests of the service of the public of Saskatchewan to come into estimates of a department, and to ask specific questions about dollar expenditures related to a department, and a minister has the gall to stand in this Assembly and say, I will not tell you how much we spent, or plan to spend, on this specific expenditure.

Mr. Chairman, I direct my question to the minister, what — let me reword this because clarity seems to be one of the difficulties we're having here, Mr. Minister. Will you tell — not will you — please, Mr. Minister, how many years has Con Hnatiuk served for the Department of Social Services? And to the dollar, how much has or will be spent by the Department of Social Services to sever his employment relationship with your department?

Hon. Mr. Schmidt: — The answer to the first question, Mr. Deputy Chairman, is: too long. The answer to the question: how long will he serve in Manitoba? The same answer: too long. The question is: how much did it cost? It was a great saving to have him go to Manitoba. I told you that in an individual's case and in this individual's case I felt that he had cost the taxpayers his weight in gold. You can phone him up and ask him how much we paid him to leave, and you can phone him up and ask him how much he weighs, and you can calculate it yourself.

Mr. Hagel: — Mr. Minister, you told us in this Assembly not so long ago that it is for your amusement that you serve as Minister of Social Services. You told us about the caring heart that you have, and I assume, in making those comments, if you want to be believed, Mr. Minister, that you have to conduct yourself in such a way. You are

making a farce of this estimates review and I ask you the question again . . . these are not difficult questions, and you have an opportunity, Mr. Minister, to get your act together and quit looking like a fool in this Assembly. Will you tell me how many years Con Hnatiuk worked in the Department of Social Services, and how much money it has, or will, cost your department to severance your employment relationship?

Hon. Mr. Schmidt: — Despite what I have said, I did like Con Hnatiuk. As a person I did like him; I didn't dislike him personally. I felt that there was a need for a change. I don't really want to speak any more about Con Hnatiuk. The man is working in Manitoba. It clearly sends a message as to where his heart is. The man could possibly serve well there if his heart is in it. Personally I did not dislike him. I don't doubt that he probably dislikes me, but I did not do it as a matter of malice to change deputies. I got along on pleasant terms with him, but I felt that the change had to be made, and I did make the change. And I am not about to discuss Mr. Hnatiuk any further. Let him do his job in Manitoba and be done with it.

The committee reported progress.

The Assembly adjourned at 4:56 p.m.