

## EVENING SITTING

## ADJOURNED DEBATES

## SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lane that Bill No. 19 – **An Act to amend The Education and Health Tax Act** be now read a second time.

**Mr. Solomon:** — Thank you, Mr. Speaker. When 5 o'clock arrived and the House adjourned for supper, I was in the process of establishing the position of our party with respect to the E&H (education and health) tax and the massive tax increase, the massive tax grab, from 5 per cent to 7 per cent – a 40 per cent increase which we of the New Democratic Party believe is a very unfair increase in the sales tax.

What we believe has happened, Mr. Speaker, is that this government – in summary to my speech, and my remarks prior to 5 o'clock – in summary: what this government has done is that they have clearly broken the words that they made, the promises that they made, the commitments that they made to the people of Saskatchewan. They made promises and they have broken the promises.

The promises that were made, Mr. Speaker, have been broken with the introduction of an increase of 40 per cent in the sales tax, from 5 per cent to 7 per cent, and as a result, Mr. Speaker, we have basically four or five reasons why we are going to oppose this Bill. One, that it is unfair to the people of Saskatchewan. It's a consumption tax, Mr. Speaker – an increase in the consumption tax by 40 per cent from 5 per cent to 7 per cent on the sales of goods and services. And of course what this does is it hurts middle income and low income and poor people the most. It hits these people the hardest.

This government has clearly indicated, by the increase in the sales tax that they are the authors of, that they do not support the families in Saskatchewan nor the taxpayers in Saskatchewan because all they want from these people is an opportunity to raise some more tax dollars to make up for the massive deficit that they have created. And the people of Saskatchewan . . . And obviously, Mr. Speaker, what they have done is they have cut taxes for oil companies, but have not give the same reciprocity to the taxpayers of the province.

The second reason that we are opposing it, Mr. Speaker, is because it is part of the largest tax grab in the history of this province. It is one of five or six tax increases plus a number of hidden tax increases that we have not been able to count up as yet on the people of Saskatchewan. What this means, Mr. Speaker, is that the E&H tax is part of a tax increase that means, for a family of four in this province, \$1,000 a year increase in provincial taxes alone — \$1,000, Mr. Speaker. Just imagine a family of four earning about 25 to \$30,000 a year, gross income, what \$1,000 net means to them in terms of less dollars to spend on goods that are necessary for their family.

What we have as an example of this government . . . They do not just raise the taxes and say, well we're going to cut back and we're going to provide some leadership in terms of good management. What they have done, Mr. Speaker, is, rather than address their mismanagement and address their fiscal responsibility and address the problems that got us here, they are saying: no, we're going to forget about all that; we're going to help our rich friends; but we're going to tax people in this province at a rate that is unprecedented in the history of Saskatchewan.

The other reason we're going to oppose this Bill, Mr. Speaker, clearly is that it is not the way to attack the deficit. The way to attack the deficit, Mr. Speaker, is to have good management. The way to attack the deficit is to be . . .

**Some Hon. Members:** Hear, hear!

**Mr. Solomon:** — The way to attack the deficit, Mr. Speaker, is not only to have good management, but also to be fiscally responsible, to have some accountability to the people of this province. And they do not have accountability. And, Mr. Speaker, what they also have done is that they have, rather than cleaned up their own shop with respect to management and to clean up their own shop with respect to patronage and nepotism and corruption and other items, Mr. Speaker, what they have done is they have passed their mismanagements, their incapacity to manage, on the backs of the people of this province.

And the fourth reason, Mr. Speaker, that we are opposing this Bill, along with the other tax Bills, is very clearly that it is a double-cross to the people of Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. Solomon:** — They promised in the election campaign that they were going to reduce personal income tax by 10 per cent. What do we see, Mr. Speaker, is a 24 per cent increase in the flat tax.

They promised in the election campaign that they were going to eliminate the 5 per cent E&H tax. And what we have seen, Mr. Speaker, is not an elimination or a reduction, what we have seen is an unprecedented increase, a 40 per cent increase in the E&H tax, the sales tax, from 5 per cent to 7 per cent. That is a clear double-cross, that is a clear deception to the people of Saskatchewan, and that is a deception and a double-cross, Mr. Speaker, that will be rewarded in a reciprocal manner come the next election by the taxpayers of this province.

**Some Hon. Members:** Hear, hear!

**Mr. Solomon:** — And finally, Mr. Speaker, it doesn't resolve the credibility problem that this government has. That is why we are not supporting this E&H Bill. They have on occasion after occasion made statements, and they have obviously not committed themselves to following up on what they have said.

And so, Mr. Speaker, finally what I'd like to say is that this

government, whatever they say, they do the opposite; whatever they promise, they break or double-cross; and whatever they suggest, they deny. That is the government that we have in this province right now, Mr. Speaker, and, Mr. Speaker, as a result of that we cannot support this tax Bill that they've put forward on that very basis, because it's a massive tax grab and for all the reasons that have been stated prior to my sitting down right now. Thank you.

**Some Hon. Members:** Hear, hear!

**Mr. Trew:** — Thank you, Mr. Speaker. I am pleased to join in this debate on the tax grab, the E&H 40 per cent increase in the tax grab. I'm pleased to add my comments to those of my colleague from Regina North West and I'm pleased and proud to be able to be standing here and speaking up for the people of Regina North, and indeed for all of the good people of Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. Trew:** — This tax grab, Mr. Speaker, is clearly a desperate act of a desperate government that is desperate for ordinary people to bail it out of its mismanagement, its incompetence. It's asking the people of Saskatchewan to bail out the Saskatchewan treasury because of your incompetence and your mismanagement.

**Some Hon. Members:** Hear, hear!

**Mr. Trew:** — Mr. Speaker, it is unbelievable that any government could so quickly turn around a \$145 million surplus that the government members opposite took over just over five years ago — took over \$145 million surplus, squandered it, and in its place we now have a \$3.4 billion deficit, and growing daily.

It is absolutely appalling that this is happening in a land where we have so much. There is so much we could have here. What we see are government cut-backs when it comes to services for people, and yet we see patronage rampant, growing daily, more and more patronage appointments, more and more Mr. Hills, and so on. Meanwhile the deficit continues to grow and because of that we see a 40 per cent increase in E&H tax.

I'd like to state the deficit another way. When the members opposite took over the \$145 million surplus . . . I just want to state how often \$145 million fits into a \$3.4 billion deficit, because it's such a huge number it's almost unfathomable. But 145 million will fit into \$3.4 billion 23 times — 23 times, and still there'd be \$65 million left over additional to the 23 times.

Another way of stating this debt . . . My colleague for Regina North has stated it in terms of for a family of four, but this government has introduced brand-new debt of over \$3,400 for every single man, woman, and child in Saskatchewan — \$3,400 per person. Another way of saying what that will result in: it results in \$340 per year interest alone, just interest payments alone, to the lending institutions from which the government has borrowed from — \$340 per person per year, and \$1,360 for a family of four. Small wonder, Mr. Speaker, that this government, the government opposite, has lost all its credibility. Its

credibility is totally gone.

And how did we get into this deficit situation that causes the 40 per cent increase in the E&H tax? The incompetence resulting from the give-aways. We've already outlined in previous speeches how the government has given away in excess of \$1.7 billion in oil royalties primarily to the major oil companies, many of them American — \$1.7 billion in foregone royalties, that to collect that, all the government had to do was leave the royalty structure that was in place, when they became the government, in place. Just leave it alone, and our treasury would be \$1.7 billion better off right today.

Then there was the quarter billion dollar give-away to Weyerhaeuser, a firm from Tacoma, Washington. Small wonder, when you see two examples like that that accumulate to well over \$2 billion, it's small wonder that they have accumulated that deficit and it's small wonder that they have to now nervously look around and say: where can we get this money from; where can we recoup some of that money? And what are they doing? They're going after the ordinary taxpayers, the ordinary people of Saskatchewan. And we say that's unjust; it's unfair; and we won't stand for it.

**Some Hon. Members:** Hear, hear!

**Mr. Trew:** — Two other examples, somewhat smaller but certainly examples that everyone can understand in terms of the financial mismanagement. We have the government opposite selling off \$40 million worth of highway equipment. Better stated, it would be a virtual give-away because they realized about \$6 million for \$40 million worth of highway equipment. Then they have to go about laying off highway workers. Then we watched the highway system — that in Saskatchewan we are very, very proud of our highway system — we've watched that system deteriorate to the state where today there's many highways, Mr. Speaker, you and I would be ashamed to call highways, and indeed we'd be ashamed to drive down them.

**Some Hon. Members:** Hear, hear!

**Mr. Trew:** — The final example I choose to use is the coal mine that the government gave away near Coronach. It cost \$137 million to develop this mine, and they sold it for \$102 million — a ridiculous give-away price. And on top of that they long-term financed \$85 million of it. The net immediate return to the treasury was a mere \$17 million, and the people that were working in that coal mine — even more importantly — the people that were working that coal mine are now working for less money than they were before. Their benefits are eroded shamefully, all as a result of the incompetence of the members opposite.

We are against this increase in the E&H tax, Mr. Speaker, simply because it hits ordinary people very hard and hits them in the pocket-book again. On top of the 2 per cent increase in the flat tax, we're now getting hit with the E&H tax going from 5 per cent to 7 per cent and that despite — as my colleague, the member for Regina North West, so ably pointed out in his speeches just before mine — despite the fact that all of the advertising done by the

government members and indeed advertising done by some that were not elected, because the voters in those constituencies knew better than to trust them a second time, but all of the advertising was saying: we're going to reduce the income tax by 10 per cent; we're going to eliminate the E&H tax in our first term of office.

(1915)

That was the promises made in 1982. Totally eliminated. And it's really small wonder that we have to oppose this tax grab. Couple this – the promises for jobs, the promises for cuts in personal income tax, and the elimination of the E&H sales tax that you had promised – couple this with what is going on with the minimum wage freeze, where there's been one measly 25-cent increase in over five years, mere two-bit increase in over five years.

And I see the member for Weyburn taking great glee in that. He's happy, He's almost beside himself for joy at all of the people, the poor people of Saskatchewan, that are struggling valiantly, struggling, trying to keep their heads above water. And what have we got to present them? A 40 per cent increase in the E&H tax; that's what we present them. We present them with increases in other taxes. Now we've got a 7 per cent gas tax. We've got a flat tax that the people of Saskatchewan had never seen before the Conservative government took office, and indeed it will be a pleasure for us to eliminate that in our first term of office.

The E&H tax, Mr. Speaker, is a consumption tax and it is regressive because low and middle income people pay a disproportionately high amount of their income on taxable items – a disproportionately high amount of income on taxable items.

I don't believe that there is a tax on shares. If somebody wants to buy 100 shares of Esso Resources, for instance, I don't believe we charge the 5 per cent E&H tax on that. The wealthy investors – people with money – have so many places they can invest their money without having to pay the 5 per cent E&H tax. It's a real shame that the government, instead of going after the big corporations, instead of going after the oil companies, the pulp and paper mills, instead of going after the people with the ability to pay, they're hitting minimum wage earners – and indeed people on welfare, Mr. Speaker, also pay this new 7 per cent E&H tax that is being introduced here. And for those reasons, obviously we're going to be voting against that.

I pointed out earlier, in an earlier speech dealing with another matter, how some workers in this province have actually had, not just taking into account inflation . . . But their actual dollars that they're taking home from their employment has been decreasing, and the example that I used then is construction workers that have had a reduction in their wages, in their pay – never mind taxes. The amount of money the employer pays them has been reduced every year since 1982. Prior to '82, it had been steadily growing; since '82 it has been steadily decreasing, Mr. Speaker, and those construction workers that are fortunate enough to still have employment – to still be able to find employment in a province where unemployment has risen so dramatically – those people

are finding now we're adding 40 per cent to their E&H tax in addition to all of the other taxes that have been imposed by a government that stated clearly in their last election campaign, very clearly, that they were the government to reduce taxes. Well if that's a reduction, we don't want any more part of it and nor do the people of Saskatchewan want any part of it.

**Some Hon. Members:** Hear, hear!

**Mr. Trew:** — Civil servants, Mr. Speaker, have had their salaries frozen now for quite some time. Does the government opposite freeze their taxes? Not a chance. Taxes, inescapably, are rising for those people and rising at an incredible rate because of the incompetence of the government.

It's interesting – just before I leave the wage freezes – the SGI in-scope employees, that is, in-the-union employees, have now got a two-year freeze on their salaries while recently the out-of-scope, or management positions, got a 7.6 per cent increase. So there seems to be a double standard by the government that if you happen to be better off, happen to be fairly wealthy, well, we understand, you need a little more money; we'll help you out. But if you happen to be just struggling to keep ahead, just trying to stay one step ahead of the bill collector – only in this case now we're trying to stay one step ahead of the tax collector – those people are being hit. That's the patent unfairness of this particular Bill, Mr. Speaker.

As I pointed out, it's the financial irresponsibility, the fiscal mismanagement, the patronage and the just plain incompetence of the members opposite; that's the reasons why we have a 40 per cent increase in the E&H tax. We say: instead of giving a 40 per cent increase, let's get some reasonable, some responsible, some good government. Let's provide some services for people that show people that we can get something for our tax dollars.

A point that I want to make just in closing, Mr. Speaker: the E&H tax is supposedly for education and health. Those are two areas that we have seen drastic changes to. We have seen some pretty significant cuts. The children's dental plan as we knew it has been abolished; two years of service for children 15 and 16 has been abolished – completely cut. Yet we see the government saying: we need more money to provide less service. It doesn't make sense.

We see education cuts, and we hear about them daily. The papers are full of stories about how enrolment is up and yet some classes are full.

Mr. Speaker, I was down at the university just yesterday and I spoke to a constituent of mine who has been trying to take French class. In April this woman enrolled, in April, and the first class she could get into just started this week – the very first available class. Obviously enrolment is at a high level. There's a great deal of demand for some of the classes, and yet we see cut-backs in funding for the universities.

The increase in the E&H tax, at very least, the additional increase should be going to education and to health. But it will not, instead it's going to try and put some sort of a dent in this \$3.4 billion deficit that seems to grow almost hourly.

**An Hon. Member:** — Growing every day.

**Mr. Trew:** — My colleague from Prince Albert-Duck Lake says it's growing daily. I will argue that it's growing hourly. And indeed it's fortunate that the Minister of Finance doesn't come and give us the figures more often, because that number would grow.

In conclusion, Mr. Speaker, I will be joining my colleagues on this side of the House and voting against this regressive Bill 19, which is a tax grab that grabs 40 per cent more E&H tax from the citizens of Saskatchewan. And I will be voting against that Bill.

**Some Hon. Members:** Hear, hear!

**Mr. Upshall:** — Thank you, Mr. Deputy Speaker. It gives me pleasure to be able to join this debate tonight. You have to excuse my voice.

Mr. Speaker, there's two words that I'd like to key on tonight; one of them is trust and the other is need. We have a situation after October of last year where we saw a government that was elected on trust. People gave them the trust, and trusted them that they were going to reduce the sales tax; and trusted that they were going to not increase gas tax; trusted them that they were going to manage the affairs of this province in a way that going to be beneficial to the people of the province. They put in this government that trust. And what have we received? We have received a total opposite of what they said they were going to give us. And the people since October, Mr. Deputy Speaker, have told me and the members on this side that they no longer have trust in this government, and it's proven by the polling, it's proven by the phone calls. It's proven by just the general feeling out in the province of Saskatchewan amongst the people that this government, along with the Mulroney government in Ottawa, cannot be trusted.

We have a Premier who's losing trust. And isn't that a sad statement, Mr. Deputy Speaker, for this province? Planting in the minds of the people a mistrust in the people that they elected — that is degrading the whole system. And the part that bothers me most is the members on this side happen to be dragged down with it, and I say that is wrong.

We have a government over there who is losing trust so they say they have to build the province. Go with us; times are tough. Even though you think that we're not doing what we said we'll do, we have a plan. Our plan is going to be unfolded over the next four years. Right now things are tough; bear with us. It'll get better.

And, Mr. Speaker, on the books, I'm sure it will get better because anybody that can be out as far as the Minister of Finance to the negative can be out as far as that to the positive, because he doesn't know what he's doing.

That brings me to the next point, Mr. Speaker, and that's the one of need. Why do we need this increase in the sales tax? Do we need the increase in the sales tax to help feed the mouths of hungry children? It's not shown from members opposite, the Minister of Social Services. But we need it for George Hill.

Do we need the increase in the E&H tax to employ dental workers and give children good teeth around the province in a very simple, effective, efficient manner? Not according to this government. We need it to employ people like Paul Schoenhals at \$100,000 a year. That's what they say. Paul Schoenhals, the ex-minister of the government opposite.

Do we need this increase in the E&H tax to ensure that people who want to go to university can be there? Not according to that government. The need, according to that government, is to employ party hacks. Do we need that 2 per cent rise — 40 per cent in the E&H tax — to ensure that farm families in this country have centres to go to, to alleviate their stress; to make sure that their family farms are going to be saved; that they have the mental competence and desired facilities to help them through this crisis? Not according to that government. But they need it to fly the member from Kindersley from Regina to Alberta. That's the priority. That's the need they are telling us.

And I say, Mr. Deputy Speaker, that need is wrong. We need a government that is going to be responsible; that is going to be competent; that is going to be able to run the affairs of this province in a manner in which the people respect, in which the people anticipated and which the people need. Their anticipations have been shattered, their respect is lost, and their needs have not been fulfilled.

(1930)

So, Mr. Speaker, today as I stand in this House, I am very, very disappointed with the government opposite. I see members on the other side of the House, who before the last election made promises with straight faces to their constituents. They had made promises to their constituents and now they have to turn around, because they don't even have any say in what this cabinet is doing but they have to defend it. And I say to them: show us on this side, show us and show your constituents that you should deserve their respect by voting against this Bill that puts the needs of the people second to the needs of the prioritized few friends of the Tory party. I ask you that.

With that, Mr. Speaker, all I have to say is I will be voting against this Bill.

**Some Hon. Members:** Hear, hear!

**Mr. Lautermilch:** — Thank you, Mr. Speaker. As I rise from my chair tonight I wish to indicate that I have a few reasons why I will not be supporting this Bill, and I wish to share those reasons with the people of not only Prince Albert-Duck Lake but the rest of the province.

But before I do that, I'd like to share a little message with

our friends opposite, and I think what it will do is indicate a good omen for the people of this province that there are, in fact, good times to come. And I just want to say, Mr. Speaker, I have a little telex here from Ontario, and it says – I'm going to quote from it if that will be all right – and it says:

Not only are the Tories being knocked down to third place for the first time since 1919, but Grossman, the leader of the PC Party, has gone down to defeat in his Toronto riding, St. Andrew-St. Patrick.

He held the riding for 12 years and his father held it before him for 20. And I say to you and the members of this House, a good omen for the people of the province.

**Some Hon. Members:** Hear, hear!

**Mr. Lautermilch:** — Now, Mr. Speaker, as I enter the debate on the legislation to increase the E&H tax from 5 to 7 per cent, I would want to say that what this Bill does is clearly indicate the reason that the people of this country are losing faith in the Tories. An election campaign promise is one thing; a commitment to govern fairly and honestly is another. And I think, Mr. Speaker, it's very clear that the members on that side of the House are unable to distinguish between honesty and fairness.

I recall in the 1982 election campaign, the Tories, 64 candidates, the New Democrats, 64 candidates throughout the province, and I recall, Mr. Speaker, very clearly some of the commitments that were made to the people of this province. I recall that the senior citizens were promised free telephones. I recall that very well. And I want to say, Mr. Speaker, that there isn't a senior citizen in this province who has a telephone in his home that doesn't get a bill from Sask Tel monthly, and I want to suggest to you, Mr. Speaker, a higher bill than what they got in 1982.

**Some Hon. Members:** Hear, hear!

**Mr. Lautermilch:** — Mr. Speaker, I recall a promise to remove the gas tax, and that was kept, but only for a short while.

**An Hon. Member:** — Who made that promise?

**Mr. Lautermilch:** — My colleague says, who made that promise. Well, a number of them did. As a matter of fact I would suggest to you that 64 of them did, and I could quote from a little pamphlet from the member from Shellbrook-Torch River, who is my neighbouring riding. I'll just quote a little piece out of his campaign pamphlet. It was a letter to his constituents and it says, eliminating the provincial sales tax, one of our promises. And if your gas tank holds 15 gallons you'll save \$6 every time you fill her up.

Well I tell you, Mr. Speaker, that member is going to have an awful hard time going home and explaining to the people of Shellbrook and Canwood, if that is in his riding – I'm not sure; I may not be clear on that – but I want to say that he is going to have an awful hard time explaining how these people are going to save \$6 every time they fill

her up now with the new gas tax put on. It's a broken commitment and it's an indication that this government is in trouble, and it's an indication that this government can't be trusted.

Nobody was told that this government was going to bring a flat tax to the people. That was never told. It came in the most intelligent budget that this province had ever seen.

The former Minister of Finance stood before the people of this province, told them he was delivering the most intelligent budget, and what did they get? What did they get, Mr. Speaker? I'll tell you what they got. They got the prelude to the biggest tax grab that any government has ever perpetrated upon the people of Saskatchewan since this province was formed.

**Some Hon. Members:** Hear, hear!

**Mr. Lautermilch:** — But, Mr. Speaker, we're talking today about an increase in the sales tax, and I will try to make my comments pertinent to that particular increase. It's very difficult because the number of increases in cost to the people and the taxpayers of this province varies widely. A lot of increases you can't see on the surface, like the cuts to the dental plan that are going to cost the children and the people of this province money; the drug prescription plan that is costing already, and I say, Mr. Speaker grossly unfair. The members on that side of the House should be embarrassed.

I would like to say tonight that as this debate started and when it started, I have not seen one member from the PC caucus on the government side of the House stand up to either try to explain or to try to defend the reasons that this Bill and that this increase is before this legislature, and that the people of this province are now paying for.

Not one member has had the courage to stand up here and explain to the people who live in his riding, or her riding, why this government has had to increase the E&H tax.

And I say to you that all of us in this legislature, all of us who sit in here, want to get home to our families. And we all want to move the . . . the way the House works. We want to speed it up and get it working, and get our work done, so that we can be home and visit with our constituents; so we can be with our families.

But on a Bill as important as what this one is to the people of the province, I think we stood here for two weeks, and if every member on this side of the House stood up to defend the rights of the people of this province against untruths and misrepresentation from members on that side of the House, I think we would have our time well spent. And I want to say to you that I'm willing to stand here and do it.

**Some Hon. Members:** Hear, hear!

**Mr. Lautermilch:** — As I said, Mr. Speaker, there's a wide range of tax increases that the people of this province have seen, and a wide range of cuts to services. The number of people on social assistance has increased dramatically. The number of people unemployed has

increased dramatically, and we could talk about all of those things.

We could talk about the fact that young people can't get into university. We could talk about the fact that young people are leaving this province. We could talk about the fact that this government has simply mismanaged the affairs of the province. We could go all through all of those things. But, Mr. Speaker, I want to focus on the fact that this government has misrepresented what their plans were, and that they've been unfair to the people.

I have seen since 1982 people who have worked in the construction industry who made good livings for their families, and who were able to buy new cars and pay 5 per cent E&H tax on building materials. I've seen those people go to their local merchants and buy major appliances — fridge, stoves, washers, dryers — and pay 5 per cent E&H tax. And I've seen the time when there was an income level in those families that they could do that.

But, Mr. Speaker, I've seen since 1982 some of those same families on an income level that they simply can't afford to buy those appliances and those cars, and buy the homes to house their families, and the chesterfields. And I know all members of this side have experienced the same because the same situation prevails throughout this province. I've seen those people move to a decent wage scale to 5 and \$6 an hour; seen some of them go through their unemployment insurance, and finally be moved to the rolls of social assistance where they never expected or never wanted to be.

And, Mr. Speaker, I say that's one of the reasons that this government has had to increase the E&H tax because the number of sales of those kinds of items that used to produce revenue for the government through that tax of 5 per cent isn't sufficient any more, so this government has decided to increase that rate. And as well, Mr. Speaker, I've seen the business people who used to sell goods to these workers in a situation where their businesses are breaking even, and they don't have the disposable income that they used to have, which means they don't shop at their neighbouring stores, which means a chain reaction, and it means, inevitably, that the economy of this province is slowing down.

And I think if you followed the economic growth pattern and the economic indicators of the province of Saskatchewan, it becomes very, very clear that if you're going to relegate middle-income people to the low-income level, you're going to stifle your economy, and that's what this government's been doing. Wealth is polarized to a certain few in higher-income levels. It's not happening rapidly; it's a slow progression, but it is happening. The number of people that middle-income people are asked to support on social assistance is growing.

In short, Mr. Speaker, what is happening is that we're having two income levels in this province. We're having those that have, and those that don't have. And, Mr. Speaker, that's not the kind of a society that the people of Saskatchewan want, nor did they expect, from this

government in 1982.

Mr. Speaker, I have a great deal of difficulty going back to my riding and explaining why this government has thrust these increases upon the people of this province without being terribly political. And I try in my constituency office not to be political, but at times it becomes a situation where, aside from partisan politics, I can't explain it. And what I end up having to do in a lot of cases is explain it in very partisan fashion, saying that the Tories govern for the rich and the rest of us don't matter.

And I don't like to have to do that because — I'll be honest and very sincere about this — in 1982 I expected better from this government. I really did. And members on this side of the House have nothing against any member on that side of the House, nothing personally, but it's what this government stands for, and it's what the PC Party collectively, as an organization, does to people when they govern.

And I go back to the letter, to the message we got from Ontario, where Mr. Grossman was soundly defeated in his own riding — the leader of the PC Party in Ontario. It's a trend that we're going to see in this province, Mr. Speaker, because the people have lost trust, they've lost faith, they feel betrayed. And this government is only here for as long as it takes for the Premier to get the courage to call an election.

**Some Hon. Members:** Hear, hear!

**Mr. Lautermilch:** — My colleagues today have gone through a list of commitments, a list of commitments made by members from that side, and one of those commitments was that they were going to eliminate the education and health tax in this province.

(1945)

Did they do it? Mr. Speaker, no, they never eliminated that tax in the first four years of government as they promised. What they did was wait until they were lucked in to the second victory and then increased it to seven.

As I said we can go through the whole works. I look through a list here from one of your candidates, a former MLA who was summarily defeated in the last election, one Gordon Currie, provide free telephones for seniors, freeze utility rates, phase out the 5 per cent E&H tax.

But, Mr. Speaker, I just . . . I'm about to close my remarks, but before I do, I have a graph here that clearly indicates why we have these kind of Bills before us, and why this legislature and the members of this legislature are faced with going back to their constituencies and explaining to people why this kind of legislation is before the House. And if you look at this graph, and I'm hoping that the people through their televisions can see, and these numbers were all quoted by the member from Quill Lakes earlier today, but this graph outlines the deficit as it grows since 1982.

**Mr. Speaker:** — Order. Order. I'm afraid the member is using an exhibit, and rules of the House do not allow it. You may explain what the graph depicts, but he may not

use as a exhibit in the House.

**Mr. Lautermilch:** — Excuse me, Mr. Speaker, I apologize for that; I wasn't familiar with it.

Then let me quote the numbers for the Deputy Premier because I'm sure he'll be interested in this. Estimated deficit in 1982, and this was from an inherited \$150 million surplus, Mr. Speaker, \$150 million that was left by the former administration in this province, and this is what they've turned it into. In 1982-83, \$220 million forecasted deficit, actual deficit, 227; 1983-84, \$317 million deficit, actual deficit 331; 1984-85, \$267 million forecasted deficit, actual deficit, 379; 1985-86, \$291 million deficit, actual deficit, 584.

And the Finance minister of the day, in this pre-election projection of what the deficit was going to be before this government was going to the people, forecasted a \$389 million deficit. What was the actual? A little slip — whoops, whoops — \$1.235 billion. How can anybody be so wrong? Even the most incompetent of Finance ministers, I would suggest to you, would be a little closer than that.

I say it's one of the reasons that the people of this province feel betrayed, and again, it's one of the reasons we're back to this kind of legislation in this House.

Mr. Speaker, I know that we could go on and on and on and we'll have a chance, I'm sure, on third reading. And there are, I'm sure many of my colleagues wanting to say a few more words about this particular piece of legislation.

I want to indicate that I will be voting against this Bill, and I also want to indicate that I'm hoping the people, the members who represent a lot of people in this province — not as many as they might like, less than 50 per cent — but the members from that side of the House will be able to go back to their ridings and explain with some conviction why they're again into the pockets of these people, why they've betrayed them, why they campaigned in 1982 saying one thing and in 1987 are doing another. I'm hoping that they've got their lines down pat because I think they've got a tall tale to tell. They're going to have to be some very good story-tellers in order to get that one believed in their ridings.

There's much more to be said, as I have already indicated, Mr. Speaker, and I now beg leave to adjourn debate.

Debate adjourned.

## COMMITTEE OF FINANCE

### Consolidated Fund Budgetary Expenditure Social Services Ordinary Expenditure — Vote 36

#### Item 1 (continued)

**Mr. Hagel:** — Thank you very much, Mr. Chairman. As we adjourned the review of the estimates of the spending of the Department of Social Services and the plans for the department for the next year at the end of the day yesterday, we were in the process of discussing some of the

funding issues that directly affect hundreds of non-government organizations who provide very valuable social services to their clients around many, many communities in the province of Saskatchewan. I don't think it's stretching the point at all to say that the large majority — as a matter of fact, if not all — of those non-government organizations are feeling the pinch these days because they're put into a position where they have demands to do more with less. Security is not their strong characteristic these days, Mr. Chairman.

And, Mr. Minister, I would like to continue this discussion on behalf of the many non-government organizations that put to work thousands of volunteers across communities in the province of Saskatchewan to do good works for the men, the women, and the children in their communities, people who work as a labour of love because they believe that through their efforts they can in some way help to make it a better world for their fellow men and women and children. And I want to ask you, Mr. Minister, if you will consider changing your policy by which funding is granted to non-government organizations.

We've seen this year the insecurity of the funding policies that have been used for a number of years, funding policies that mean that on a year-by-year basis every non-government organization in Saskatchewan cringes as it waits for the budget announcement, not knowing if it will have the same budget this year as it had last year, hoping that it may be expanded so that they can expand their services and better serve the people that they exist to serve within their mandate, and fearing, fearing that at the whim of government or pressures real or imagined by the politicians in this Assembly that they may not have the resources to continue to offer their capable services.

I would ask, Mr. Minister, if you have given some thought or if you would consider providing funding commitments to non-government organizations two years in advance. The advantages of that are obvious. What it means is that if there are cut-backs, and we know that there have been some cut-backs this year. The large majority of non-government organizations were held to zero per cent increases which in terms of the impact of inflation meant that they're working now with 4 per cent less than they had last year. The insecurities that they have to commit to their clients, their ability to continue to provide services, to commit to their employees — thousands of dedicated employees — the security of employment.

And I would ask, Mr. Minister, if you would tell me if you have given consideration to a policy whereby funding commitments to non-government organizations would be made not year by year but would be made one year in advance, at the very least, to provide security to those dedicated volunteers and people in communities around Saskatchewan to serve the people in their communities.

**Hon. Mr. Schmidt:** — Well, Mr. Chairman, the situation is thus, that the legislature votes an annual budget. It would be beyond our jurisdiction to make commitments that are not authorized by this Assembly, and this Assembly does not operate on a two-calendar year but on a single-budget year. And that seems the only practical way to do it.

**Mr. Hagel:** — Well, Mr. Minister, I don't know that that's entirely accurate because within each government department, well in advance of the release of the budget, department officials are asked to submit their budget plans, in many cases more than a year in advance, and decisions are made just the day before the budget. And I think with political will, if it is the will of the Minister of Social Services to make it happen, it is possible to give that kind of commitment to non-government organizations.

I know, Mr. Minister, you've not made that decision. I don't criticize you for that, but let me ask you again whether you would be willing to consider making . . . if you would give consideration to a policy whereby commitments would be made, funding commitments would be made to non-government organizations a year in advance.

**Hon. Mr. Schmidt:** — Mr. Chairman, I give no commitment to spending next year's budget, but I will look at the possibility of two-year contracts rather than one-year contracts where contract work is being supplied to the government by outside agencies.

**Mr. Hagel:** — Thank you, Mr. Minister, and I would say to you that I would be most happy to work together with you towards that objective. I think it would be a worthwhile objective that would lend some security to a very, very important kind of function done within communities around Saskatchewan.

Mr. Minister, if I can ask you another . . . and the questions I have today not surprisingly having to do with non-government organizations or funding related questions basically. You will be aware, as I am, that by and large employees of non-government organizations do not enjoy the same level of employment benefits as do employees say, for example, who are in the employ of your department or many other departments. And in addition to the insecurity that exists whereby on a year-by-year basis, they're not certain whether the operation will continue and their jobs will continue beyond the beginning of the budget year, they often are sacrificing the ability, if they were to work in public employ, in pensions, sick leave benefits, dental plans, and sick pay in many cases, and so on.

And I would ask, Mr. Minister, if you recognize that this is a reality for employees in many non-government organizations. I would hazard to say the large majority of non-government organizations . . . and if you have given some consideration in recognizing that, first of all, to increasing funding to permit for improved employment benefits for non-government organization employees.

**Hon. Mr. Schmidt:** — Mr. Chairman, it's a concept that I constantly keep in mind. There are many factors that have to be considered. The factor is that these people do not directly work for the government, so we would not have direct control over the benefits or the qualifications of people. If we started paying benefits and wages in line with what the government workers are receiving, we would have to expect the same kind of qualifications to be followed. So it's something that we give some thought to but it's not an easy thing to resolve.

**Mr. Hagel:** — Well, Mr. Minister, I don't totally agree. Partially I agree, and that has to do with my next question. I don't totally agree with what you've said because for non-government organizations budgets are approved on, as you know, on a line-by-line basis, and one of those lines is employee benefits. And it is possible, if the will is there, to assign increased funding to non-government organizations which can be translated, which have to be translated into employee benefits so that employees in non-government organizations can enjoy some of the securities that are common to people in the public sector.

But let me address the second half of your statement, Mr. Minister. You are correct. I believe that in many cases employees of non-government organizations have been hired with less paper qualifications, if we want to call them that, than might often be the case in the public sector, and as people who have often been hired, I would suggest, because of their personal skills, because of their commitment, and not necessarily, in many cases, because they have the paper qualifications.

(2000)

What that means is that in changing times, as needs change in order for NGOs to meet their mandates, to serve their clients and their constituents, that oftentimes the skills required of those employees also do change. And I think it's been . . . It's fair to say that it's been a sore point for some time that NGOs generally do not have training budgets sufficient to permit for any kind of concentrated upgrading of staff skills.

And I would ask, Mr. Minister, if that is a fact that you have recognized and if you have any plans to increase funding again — I apologize for these being funding questions, but that's the reality — to increase funding that can be earmarked in non-government organizations to provide for training so as to improve the qualifications but, more importantly, the skills, of those employees in NGOs to serve their clients more effectively.

**Hon. Mr. Schmidt:** — Mr. Chairman, we have recognized this. For example this past spring I announced that there would be increased training for foster parents, as an example. And we are putting that money in the budget, and we recognize these factors and are doing what is possible.

The members of the opposition have an easy time finding new places to spend money. And I find that my children have no problems spending all the money that I give them or all the money that I could earn, but what I have to tell my children is that the money has to come from somewhere. And I say to the members of the opposition, if they could think of somewhere this money should come from . . . I can assure them that we are receiving all we can from oil companies and all their other favourite enemies. And so if they can think of some easy ways for us to get money, I would be pleased to spend it, and I'm sure we can agree on many worthwhile places that it could be spent.

**Mr. Hagel:** — Well, I'm sure we can, Mr. Minister. It's, as you recognize, a matter of priorities. If you're looking for



suggestions, I would suggest an extra \$300 million a year or so that you've been giving up on oil royalty losses. I would suggest a quarter of a billion dollars for Weyerhaeuser. I would suggest looking at the \$10 million paid to political staffs of cabinet ministers. I'd suggest looking at the \$20 million paid each year for government advertising. And those can be sources that can be looked at for increased funding.

Now you're heard those suggestions before, and it will be up to you and your colleagues to decide whether you see any merit in them or you want to continue on the path that you've arrived at. But I simply, as we come here this evening, Mr. Minister, and talk about social service needs, I would assume that part of the process that you involve yourself in as you sit around the table with your cabinet colleagues is to talk about priorities, revenues, and expenditures, and putting them in the places that are most important. I'm simply asking this evening, then, as you look at the non-government organization sector of the Department of Social Services, whether there is the political will to increase funding to allow for training of staff; to allow for security of employment with better benefits; to allow for security of employment and delivery of services by funding a year in advance.

And again, I repeat, Mr. Minister, I think these are worthwhile objectives. I'm realistic enough to know they can't happen overnight, but we can make progress if the will is there. And I commit myself to working together with you to reach that objective because I believe it is one that is worthwhile, and in the long run is in the best interests of Saskatchewan people.

Mr. Minister, another funding related question, and it has to do with the fact that largely due to the delay of the budget and this year's spring budget being delivered not until June 17, that whereas many non-government organizations were used to getting quarterly funds, as you mentioned yesterday when we spoke about this topic, and as a result were getting funding month by month in one-twelfth increments of their total funding: I would simply ask, Mr. Minister, if that practice has now ceased and if non-government organizations can look forward to receiving their moneys from your department to carry out their services by payment of quarterly amounts of each year so that they can have that money in the bank and use that to plan their operations for the next year.

**Hon. Mr. Schmidt:** — Mr. Chairman, when I pointed out to the members opposite that they should make suggestions, I also pointed out that they would come up with their usual, standard NDP answers, and they did — \$300 million dollars more could be obtained from oil.

When the price of oil went down there were 5,000 jobs lost. How many more jobs would you lose by raising royalties? How many jobs would the members opposite want to lose in Saskatchewan to try to raise money to create other jobs? Would it offset? I doubt very much, because money does not grow on trees. It comes out of oil wells; it grows on farms in the form of grain and cattle; and it goes on and on that way, but the members opposite don't realize that potash mines produce money when they are producing potash. So the royalties on oil, on shut-in wells, are zero. So you have to balance these

things.

Weyerhaeuser again. Somehow Weyerhaeuser and the jobs at Weyerhaeuser, somehow that is detrimental to our economy. The \$10 million for political staff — we don't have political staff in this government. We have people that do the job of running the government. Just because they don't happen to be people that are suitable to the members opposite does not mean that they are political staff.

What we are looking at here is governing under the circumstances that exist today. It should be pointed out that NGOs received \$59,000 towards training last year — \$48,000 was for benefits and \$11,000 to the Saskatchewan human services organization for executive development training. So we are doing what is possible.

I suppose that if the NDP solution of pouring taxpayers' money on every problem was a real solution, then when we were elected in 1982 there should have been no problems in this province, and yet they were there and have continued to be there. And as I pointed out earlier today, many of the problems in this province are not financial problems but social problems that go to the moral issues and the life-styles of people. And therefore we have to work on not only pouring money on the problem but work on the spirits of people. People may not necessarily be poor in body but if you are poor in spirit you will soon become poor in body, and that has to be taken into account. I don't know what the magic answer is, but I would think that more morality, better values, better education, all of those factors would alleviate the problem.

**Mr. Hagel:** — Mr. Minister, if I could just reflect for a moment on the topic at hand . . . And I will happily debate with you your oil revenues policy; I will happily debate with you Weyerhaeuser and on and on. But it's been the practice of yourself, Mr. Minister, whenever we go through the estimates, and the plans and practices of your department, that you get into an area which you feel a little bit uncomfortable — rather than giving a straight answer, we go off on some rambling oratorical excursion.

Let me just reflect for a moment, Mr. Minister. When you say \$60,000 for NGOs for training, that translates into something in the neighbourhood of 200, maybe \$250 per NGO, for training. And that's not a whole lot of money. I think both you and I will recognize that you can't do a lot of staff training for 200 or \$250. And I'm simply asking you tonight: you are the individual responsible for the Department of Social Services. I understand and I accept that it's largely at the direction of your Premier, who is inputting as to how Social Services shall function and that it's not solely your decision but you are the spokesperson for the department. I'm simply asking, as you look at the real problems that face the requirement for funds within your department to deliver good quality social services to the people of Saskatchewan, if you'll address those real issues.

You may have forgotten, Mr. Minister, that I asked you a question, a very specific question, and I'd appreciate it if you'd answer it for me.

Rather than continuing the funding by month by month to non-government organizations, my question is this – let me repeat it: is that practice now ended and are we now into the point at which NGOs, non-government organizations, can count on their funding coming in quarterly payments? Which is a very significant factor – non-government organizations, as you well know, are non-profit organizations. They don't have slush funds sitting around and they can't afford to go out and borrow, and they rely very heavily on the consistency on which the government funding comes in order to carry out their services for the people that they serve in their own communities. So, Mr. Minister, please, a simple answer to a simple question. Has that practice discontinued now and can they expect quarterly funding?

**Hon. Mr. Schmidt:** — Mr. Chairman, when the budget is passed, NGOs can expect quarterly funding. But as long as the NDP continue to hold up the budget, then they will have to do with monthly funding because we are on interim supply. So as soon as the members opposite see fit to pass the budget and stop holding up the budget, then we will go to the usual procedure.

Before I sat down earlier, I heard the member from Saskatoon Sutherland, I believe . . .

**An Hon. Member:** — South.

**Hon. Mr. Schmidt:** — No, Saskatoon Sutherland, I believe, ask what sort of values. And I don't think it's necessary for me to explain to the member for Saskatoon Sutherland, a member of my church, a pastor in the Lutheran Church that I go to – I don't think that I should have to explain to him what sort of values are required. He should know and he shouldn't be asking the question.

**Mr. Hagel:** — Well Mr. Minister, I'm pleased to hear you say that when the . . . Mr. Chairman, could you call the government members to order, please.

**Mr. Chairman:** — Order. Order. Order. All members on both sides of the House have an . . . Order. All members on both sides of the House have an opportunity to ask questions in Committee of Finance, so I would ask all members to allow the member from Moose Jaw North to ask his questions without interruption.

**Mr. Hagel:** — Thank you very much, Mr. Chairman. I appreciate that.

Mr. Minister, I'm pleased to hear you say that when the estimates are passed, because the day will come in which they're passed. They will be passed when the review of your department has been completed and that will occur, Mr. Minister, when you've finished answering the questions.

So let me suggest, Mr. Minister, it is my responsibility, as critic for Social Services, to ask the questions to hold you accountable to the people of Saskatchewan. It is your responsibility, Mr. Minister, to provide answers as to the plans and the conduct of your department.

Let me remind you as well, Mr. Minister, that there was a day in this province in which it was a common

occurrence that budgets were presented in the month of February or the month of March, often passed before the April 1 beginning of the fiscal year, and so that government departments knew what they had to operate with because there was some competent management of the Government of Saskatchewan.

You will recognize, Mr. Minister, that those were days that occurred prior to 1982, and the picture has gotten worse every day since. Let me remind you that it was the decision of you, your Premier and your cabinet colleagues, made without the concurrence of your back-benchers – the few key cabinet colleagues, and you may not have been in on that decision, I don't know – but it was your decision to delay the calling of the Legislative Assembly until June 17. So as we sit in this Assembly debating the estimates for your department there is only one side of this House that is responsible for the delay, and Mr. Minister, that responsibility rests squarely on the shoulders of your Premier. That is where that responsibility exists.

Mr. Minister, I will be happy to move to another topic within the Department of Social Services. As I've said to you, I've asked some very serious questions this evening, and I give to you my commitment to work together with you to improve the working operations of non-government organizations to deliver important social services to the people of Saskatchewan.

Before moving to another topic I'd like to wrap up, Mr. Minister, by putting, I think, the delivery of social services – non-government organization social services – into context by reading a portion of a letter that was written to you, Mr. Minister, on April 20. It was written to you by the NGO chairperson for the Saskatchewan Government Employees' Union, which represents 27 organizations that are funded in whole or in part by your department.

I'd like to simply conclude, Mr. Minister, by putting it in context because I think, I believe that non-government organizations, the boards and the staffs of non-government organizations, are very responsible, are very caring, and are very capable people who are quite capable of delivering good quality social services. But they have limits too, Mr. Minister, and I'd like to share with the Assembly this letter written to you on April 20. It reads, and I quote:

NGO workers represented by the Saskatchewan Government Employees' Union . . .

And I would add, Mr. Minister, a paraphrase that I think what is said here is just as true for those who are not unionized, who are not represented by any union.

NGO workers . . . are not responsible for creating the provincial deficit and should not be expected to assist in its reduction. On behalf of our thousands of clients across the province we are informing you that our services cannot be cut back any further. There is no fat to trim. Any attempt to gouge our funding would jeopardize our ability to work effectively with our clients.

(2015)

The people we serve are the most powerless in society; abused and assaulted women and children; the unemployed, the hungry, and the disabled. For many reasons it is difficult for our clients to speak out. (How true that is.) Often they have already been silenced by a system that isolates and excludes them. Many fear they will lose what little they have if they publicly question injustice. That is why we, the workers in the agencies they rely on, are telling you that their services cannot be cut back any further without incurring a great deal more human suffering.

May we remind you that NGO's exist because Saskatchewan communities identified a need for our services. As non-governmental organizations we are run by community boards made up of individuals who volunteer their time and energy to support the work (that) we do. Now you are telling (the) communities across this province that their priorities are not your priorities; that your government is prepared to sacrifice the needs of the most powerless in society in order to chisel away at the deficit.

NGO workers cannot help reduce the deficit because we cannot afford to cut our services anymore. We have been consistent practitioners of fiscal restraint. We've always run on shoe-string budgets; we have been forced to hold bake sales and bingos to earn the additional funds we desperately need.

We believe we have done more than our share to work within the confines of the meagre budgets we receive. We have accepted minimal budget increases in the past few years, we have worked at wages substantially lower than our counterparts in other jurisdictions, and have handled large and unwieldy client caseloads.

You attempt to appeal to our sense of obligation to Saskatchewan taxpayers. We, in turn, appeal to your responsibility to the public.

I think, Mr. Minister, that summarizes the situation for non-government organizations in Saskatchewan, that is facing them in Saskatchewan today.

I simply wanted to conclude with that, Mr. Minister, because I think it reflects the clarity of thought, the positive commitment, and the sense of responsibility that pervades non-government organizations in the province of Saskatchewan.

**Hon. Mr. Schmidt:** — Mr. Chairman, I will repeat what was said earlier publicly when I announced well before the budget what the situation would be on non-government organizations so that they would know where they are in this budget year. We did that prior to the budget.

The budget for non-governmental organizations this year is \$27,781,180, which is approximately the same as last year. It's an increase of \$103,920. There are 272

programs: 80 saw no change; 133 saw an increase; 57 saw a decrease; and 2 were dropped. As a result, 213 programs were unchanged or had their money increased.

I think those statistics speak for themselves and nothing more needs to be said.

**Mr. Goulet:** — Mr. Chairperson, I would like to direct my questions to the minister.

Mr. Minister, my first series of questions relate to northern Saskatchewan. In regards to the North, I must say that the PC government's economic development strategy for northern Saskatchewan is based much on welfare itself. In the history of northern Saskatchewan, in the past five years, especially, since your government has come into office, there has been a huge increase in regards to welfare in northern Saskatchewan.

A lot of people have been concerned, of course, with the fact that you didn't follow the law in regards to the Key Lake agreement where 60 per cent of the people should have been employed there, but in fact only 20 per cent were; the fact that when your government came in a lot of the people were working in the forestry area, a lot of them lost their jobs and they were unable to get as many contracts as they used to during the period of the '70s.

So when I look at your history of the past five years, your economic policy is one of welfare — welfare on two counts; welfare to the people and giant amounts of welfare, of course, to the large corporations such as Weyerhaeuser. The government funding that is required even to build the roads, like I mentioned this past week, on \$8 million, to me is still a form of welfare in a sense that, you know, money from the public purse is transferred to a large corporation.

But getting to the issue of welfare, your strategy even this year on economic development in northern Saskatchewan, about a month ago, reflected your strong attachment, I guess, to the welfare model of economic development.

You gave a certain amount of money for the development of a golf course in northern Saskatchewan, and that was right in La Ronge. I'm trying to find out a little bit more details about that specific development in itself, so I'm going to ask you some questions in that regard.

There was of course a golf club, the Eagle's Nest Golf Club, from La Ronge was formed, and in a matter of the long-term interest to have a golf course in La Ronge to sort of be co-ordinated with a tourist industry. But also there is an independent developer by the name of Jean Poirier who is part of this development scheme.

What I'm asking you, Mr. Minister, is this: a lot of people well recognize that a golf course is very important for the tourist industry in La Ronge, but the thing that a lot of people want to know is how the money was spent. Exactly how much money was given and who was it given to? Was it given to the . . . transferred to the club itself, or was it transferred to the developer? Exactly how much money was transferred and exactly who was it transferred to?

And what has been done so far in regards to your commitment? Has any work already been done in regards to the government's commitment?

So I'll leave you with those questions for the time being and find out what you have to say.

**Hon. Mr. Schmidt:** — Well first with respect to . . . I don't know the name of the golf course in La Ronge, but it's eagle something. Eagle's Nest, is it?

**An Hon. Member:** — It's Eagle's nest golf course.

**Hon. Mr. Schmidt:** — Thank you. Eagle's Nest golf course. The Department of Social Services has not given any money to the Eagle's nest golf course.

What has happened there is that under our welfare reform plan, we have funded the golf course to hire people in lieu of paying them welfare, so they are doing community work at the La Ronge Eagle's Nest golf course. Rather than us paying them welfare, they are working at the golf course. It costs the province approximately the same amount of money, and a community service is being done.

The developer and the golf course are separate, and that was one of the problems they had to iron out. The information I have is that the developer has kept his land around the golf course separate, and that the golf course is a community project. We have nothing to do with the developer. The developer may do as he sees fit with his land.

The golf course is a community project, and as you've indicated, we feel that it is a useful community project for future tourism in La Range and that part of Saskatchewan. It gives people a greater variety. When they go up to fish, they can also play golf. It greatly increases the tourist potential, and we look forward to that project.

With respect to the welfare case-load in the North, in 1982 statistics and the 1986-87 statistics, as a per cent of the provincial of the Saskatchewan case-load, it is now lower. It was 5.5 per cent of the Saskatchewan case-load; it is now 4.7 per cent of the Saskatchewan case-load. So the North has done better in the last five years as compared to the rest of Saskatchewan.

In addition, last year under welfare reform in Saskatchewan employment development program, there were the following number of jobs created in lieu of having people on welfare: Athabasca constituency, 467; Cumberland, 99; Meadow Lake, 59; for a total of 625 jobs, 13,087 work weeks. A total dollar expenditure of \$3.4 million to have people working rather than having them on welfare.

**Mr. Goulet:** — Could you give me the specific facts on numbers, percentages in relationship to figures. When you have a smaller number of people in the North versus a larger number of people in the South . . . is not an equitable type of way of computing and figuring out exactly. I want to know, in 1982 how many welfare cases were there. In 1986-87, how many were there?

**Hon. Mr. Schmidt:** — The average welfare case-load in 1982 was 1,449. Our most recent statistics show 1,426.

Further information on your golf course project. Jean Poirier turned over all of the land that he owned for the golf course to Air Ronge, who gave it to the non-profit society, the Eagle's Nest golf course. So the developer gave the golf course land to the community and kept his own land for future development surrounding the golf course.

**Mr. Goulet:** — In regards to the golf course. My understanding — I was reading the paper this past week — Eagle's Nest golf course, the community club has now changed its idea and instead of building on the spot where the original developer wanted it, they are talking about a new area. To me it raises a problem in terms of your planning. It reminds me of the wilderness adventurers camp where you put in tourist dollars and the thing fell apart, and he didn't have, you know, a proper look at it. You see, this community group is now saying that they are going to move to another location. What do you know about it, and what will happen to that initial investment that you put in it?

**Hon. Mr. Schmidt:** — Mr. Chairman, we have not put any initial investment into the particular piece of ground the member opposite refers to. If the community wishes to move the site of their golf course, that's fine with us. To my knowledge they are moving it before they start. So if they want to move it from one place to another, that may be a problem for the developer — and I don't know maybe they'll give him his land back.

I don't really care where they put their golf course. I certainly have no desire to assist them with employees to build two golf courses or waste any money clearing land that they're not going to use, but to my understanding they are going to use it wherever they're putting their golf course, and it seems to me like a very good community project.

**Mr. Goulet:** — Okay. One more general statement, and that is in relation to Indian and Metis people. The issue is one of concern, and I will read you a statement by the Federation of Saskatchewan Indian Nations, and this is how they put it:

The province does not accept the idea of Indian government. It fails to understand that what is in the best interests of Indian people is also in the best interest of the province, namely that good, sound, band-controlled programs would reduce the alarming numbers of Indian people in provincial correctional centres, child care institutions, and in all facilities. Indigenous people can only effectively deal with their problems when they have a meaningful control over their own affairs.

(2030)

On August 26, when I was asking you questions in regards to Indian and Metis self-government, you kept on repeating the fact of responsibility. You seemed to imply that Indian-Metis people were not responsible, that in fact

the only responsible government was the PC Government of Saskatchewan, and that seems to be what your implication was. And when I looked at the facts, and when you look at Indian-Metis organizations, you always come out with this financial argument or anything, and when you look at your government, you're \$3.4 billion in the hole. You've cut back health; you've cut back, you know, a lot of the basic services that we've come to recognize in this province. And yet when you look at the record of a lot of the Indian-Metis organizations, such as in the field of education, there has been tremendous progress made. And when people gain control and are responsible for their own lives, the situation in the long run becomes a lot more better.

And when I was hearing some of your statements, you seemed to imply that aboriginal people in this province could not be responsible, but that wasn't very clear. So I want to hear from you directly what do you think of the idea of especially a lot of the Indian-Metis people wanting to gain control of aspects of even training more of their people in regards to the social service sector and also for gaining, you know, delivery of part of the services, especially as happens in their particular areas. And I wanted to know whether or not you agree with the idea of increasing the responsibility and role and the decision making of aboriginal people in this province. Where is your position on that, Mr. Minister?

**Hon. Mr. Schmidt:** — Mr. Chairman, yes, I do agree that Indian and Metis people should have more responsibility for their own lives, and in the not too distant future I will be able to announce in this Assembly some progress in that regard, but I'm not prepared to announce it today.

**Mr. Goulet:** — Mr. Minister, I would . . . In regards to the whole issue of northern Saskatchewan and also in regards to Indian-Metis people, may I remind the minister that it is extremely important that, especially at a time when economic development is at the low end, and that the policies and practices of your government systematically forced out a lot more Indian and Metis people from the employment ranks, that you need to combine it with a quality social services system, and that you need involvement in that area and also in regards to involvement of people in the North.

Could you make a final statement in regards to making sure that you will definitely work towards greater involvement of both the North and both the Indian and Metis people; and make sure that the tremendous pressures that the workers have had to face, the high case-loads in the North, the tremendous pressure that the families had to put up with, you know, are turned back. That in fact you will work your utmost to try and resolve some of these situations. So I will leave you with that comment, Mr. Minister.

**Hon. Mr. Schmidt:** — Thank you, Mr. Chairman.

I believe you and I both have to go to the North and see what we can do there. You have a greater chance of success because you know the people better and have a better chance of leading the people into what you suggest, responsibility for their own lives.

I went to La Loche and I met with the mayor and council there, and they were very straightforward. They said there is no economic base for La Loche. They said that the people are here and they don't want to move, and so we have to try to find things for them to do and ways for them to control their own lives, to be responsible for their own lives.

And I've offered up, as Minister of Social Services, that rather than pay welfare in La Loche, we are prepared to have people work for themselves, learning new skills.

I understand it's possible to grow some food in La Loche. We have offered on many occasions that we have a Saskatchewan employment development program where people would be hired to grow food for themselves, rather than be on welfare. We have asked them to submit projects which would grow food in La Loche. They can be co-operative gardens; they can be collective gardens. I don't really care what they do, but we are prepared to spend money on the people growing food for themselves rather than having it trucked in, and have had no response.

So what has to be done is that there has to be leadership and there has to be internal desire. And I fully agree with you that Indian and Metis people should be given more responsibility for their own lives, to use your wording. I fully agree with that, and I encourage them to take that responsibility.

**Mr. Upshall:** — Thank you, Mr. Chairman.

Mr. Minister, you will know — you should know that the crisis situation in rural Saskatchewan is affecting farm families, affecting rural communities, small towns. We have a drastic situation where we need counselling, we need stress management, we need other facilities to alleviate the problems that are developing in a very, very quick manner, fast manner — problems that to date, haven't been confronted by your government. In fact, the opposite is true, and I could use the example of the Yorkton Crisis Centre, a centre that you closed because you wouldn't give them \$60,000 — \$60,000 out of your budget — leaving people in that area and the surrounding area, and you know where they come from. They come from Melville and Kamsack and Sturgis and Canora and Saltcoats and Preeceville and Bredenbury and Langenburg, and all the other places around there, as well as in Yorkton. For \$60,000, you deny them access. You deny them access to the counselling and referral that they need to help their families maintain a way of life that they deserve.

The Yorkton Crisis Centre, prior to June of this year, saw an increase in the 11 months preceding of 300 per cent in their case-load. The centre was supported by hospitals, RCMP, and the transition house. And the numbers are interesting, Mr. Minister. And this is just an example of the other areas of the province. The numbers are interesting because when you look at the issues, for which they came in, they have the top few are suicides, alcohol, depression, or general information — general information being that there's a problem and they're just trying to feel their way through this thing — and it goes on to talk about a number of other issues. But the interesting

thing, as was in December of 1986, the referrals from the Yorkton Crisis Centre, out of a total of 103, 24 referrals went to the Mental Health Centre. So although the issue that they came in from varied, the real issue in the eyes of the person who referred was that their mental health was at stake. And for \$60,000, you deny these people. You say there's other places they can go. Well I'll tell you, Mr. Minister, that's very, very deceitful when you say that.

The highest number in December . . . The second highest number was 17 for information, information because those people are scared out of their life to even be there, and you're going to tell go to some government institution, go to Social Services. Do you know, Mr. Minister, how much it takes for a farm family in crisis to go to anybody? Do know what it takes for them to get up in the morning and decide today's the day we have to go because things are so bad that we cannot stand it any more? And you're denying them the easiest access in Yorkton that they had.

It goes on: Mental Health Centre, 20 per cent in January, roughly, and February. And that is a direct result of your government's effect on the people in the rural areas of this province. The rhetoric about helping them falls flat on its face when you look at the numbers in the Yorkton Crisis Centre. So, Mr. Minister, I ask you: what is the Department of Social Services doing in rural Saskatchewan in the future – things that it's not doing now – to improve programs in stress management, family counselling, crisis intervention, and transition houses?

**Hon. Mr. Schmidt:** — Mr. Deputy Chairman, the member from Humboldt stands here and professes to be an expert in eastern Saskatchewan, in my constituency, and in agriculture. I do not believe he knows very much about my constituency, about Yorkton, or about agriculture. I don't know if his questions were on agriculture or if they were on social services.

But I can tell you this, that farmers don't want welfare. Farmers want a fair deal. The farmers want a fair price for their product, and they do not want welfare. So don't bring agriculture into the estimates of the Department of Social Services.

**An Hon. Member:** — Gee, you're a dunce.

**Hon. Mr. Schmidt:** — In . . . The member from Saskatoon South calls me a dunce. He will have his chance to speak here . . . He's still shouting from his seat. If he wishes to call me a dunce on his feet, then we can take that matter up. But for the time being, I would ask him to listen.

In Yorkton the following services are available for people who have problems: the Yorkton hospital, the RCMP, Shelwin House, which helps women and families in need, the Department of Social Services, the Yorkton psychiatric centre, the churches in the area, Alcoholics Anonymous, SIGN (Society for Involvement of Good Neighbours), the friendship centre, and soon coming on-stream, the youth drug and alcohol centre – 10 agencies right now.

And I cannot . . . I don't understand at all how the crisis

centre in Yorkton would save agriculture in my constituency, or in the member for Yorkton's constituency or Canora or Pelly or any of the constituencies in that area, how the Yorkton Crisis Centre would have anything to do with saving agriculture and assisting agriculture in that area. Agriculture . . . That's how much the member from Humboldt knows about agriculture.

I said earlier today in question period that the Yorkton Crisis Centre was providing useful services, but we felt that they were, at least in 60 per cent of the cases, duplication of services that were already available, some of them have already been listed for this Assembly. So therefore, because this was federally funded and not funded by the province, nor had the province ever asked for the service, it is totally unfair to suggest that now it is a provincial responsibility.

This centre started, the crisis services, approximately the same time as Shelwin House shelter for women and families, and at that time it may have been more necessary. But Shelwin House has now been established, is more mature, and can provide those kind of services where necessary. So you have 10 services in the city of Yorkton providing services to that region, and the member asks what are we doing for rural Saskatchewan. Are we to send a social services counsellor to every farmer? Is that going to solve the financial problems of farmers?

No, we have to come up with solutions for agriculture. It took the member from Humboldt 44 days to realize the House was in session before he even talked about agriculture, and now he thinks it has something to do with social services.

**Mr. Upshall:** — Mr. Minister, it's all I can do to sit here and listen to that garble. I just ask you: do you have an answer to my question that I asked previously?

(2045)

**Hon. Mr. Schmidt:** — Well if he could ask a specific question, I would try to give him a specific answer. I've answered in the Assembly today, and the member was present in question period when I explained the situation on the Yorkton Crisis Centre. I could go into a long explanation of agriculture and what this government is doing for agriculture, but beyond that, I believe his question has been answered.

**Mr. Upshall:** — Unfortunately that is wrong. My question, and I'll repeat it again: what is the Department of Social Services doing in rural Saskatchewan to improve family counselling, stress management, crisis intervention, and transition houses? What are they doing to improve those programs in the future that they are not doing at the present time?

**Hon. Mr. Schmidt:** — Mr. Chairman, the Department of Social Services has 41 social workers employed in the Yorkton region. Most of them are working out of the Yorkton office, one of them in the Melville office. We've followed the same procedures that have been followed for a long time in that area, and it is commonly known to

the people in that area where to find the Department of Social Services, where the offices are, where the office is in Melville, where the office is in Yorkton, and we intend to continue providing the services with a staff of 41 people we have in that area.

**Mr. Upshall:** — So in other words, Mr. Minister, you're not improving the service, you're actually cutting your service by things like the Yorkton Crisis Centre.

I will ask you now . . . You said previously in the estimates that there was no need for developing a rural day-care program, ensuring the safety for children. I would ask you: on what facts do you base that assumption?

**Hon. Mr. Schmidt:** — Mr. Minister, I did not say that. I said the demand was not as great, that we would analyse the demand and try to service rural Saskatchewan in accordance with the demand that's out there.

**Mr. Upshall:** — Mr. Minister, will you be attempting to run on any type of a pilot project in rural Saskatchewan with regards to a rural day-care program in the next six months?

**Hon. Mr. Schmidt:** — Well, Mr. Chairman, I've been considering that.

**Mr. Upshall:** — You said you were considering it. Does that mean yes, no, maybe so?

**Hon. Mr. Schmidt:** — It means yes. If we can find a suitable pilot project, we would run one.

**Mr. Upshall:** — So in other words, at this point in time you are attempting to find a suitable area where you can run a pilot project for the next six months.

**Hon. Mr. Schmidt:** — Mr. Chairman, I know a suitable area. I'm just trying to find the suitable project.

**Mr. Upshall:** — Mr. Minister, at this time you are attempting to set up a pilot project in rural day care within the next six months — actively attempting to set up a project?

**Hon. Mr. Schmidt:** — Mr. Chairperson — as is now common — I will be meeting with the federal minister in the not too distant future, and when the federal government has come out with their national day-care program, I will try to work that in with our Saskatchewan program.

The percentage of day-care spaces in rural Saskatchewan is considerably lower than it is in urban Saskatchewan, and I would like nothing better than to work on some pilot projects in rural Saskatchewan with respect to day care. And as I indicated earlier, I would just have to have a suitable pilot project to work with, and we're looking at some new concepts in that regard.

**Mr. Upshall:** — Mr. Chairman, Mr. Minister, I find it upsetting that there are . . . (inaudible interjection) . . . Yes, I do get upset, because there are people — and you should know that, being in Social Services — who have a need, in rural areas, for counselling, they have a need for

crisis centres, they have a need for family centres that they can go to to alleviate the crisis that they're in.

We have people in rural Saskatchewan who are suffering in silence, and you're muzzling them by taking away crisis centres. We have people in rural Saskatchewan, because of the economics, who are showing increased stress, and the numbers are showing day after day that they're increasing.

So why, may I ask, are you not increasing the number of staff that you have? Why are you not localizing it more? Why do you not meet the needs of the people? You sit there watching family breakdowns, child abuse, drug and alcohol abuse and suicides happening in the country because of stress — and all the numbers are going up — and yet I believe, sadly, that you and your government think along the lines of the Mulroney government, that rural Saskatchewan is a commodity and not a socio-economic infrastructure that it is. And that's very sad.

I sit here day after day and hear you attack people, talking about women, talking about foreigners. My grandfather was a foreigner at one time; so were many other people. I hear you, the Minister of Social Services, standing up day and day again, robotified, spilling out unemotional comments about people and people's lives.

I think that's the most disgusting thing I've ever seen, turning people out of North Park Centre, telling them to go somewhere else, telling the people, the young children of this province, that . . . telling us today in this legislature's question period that the families should be able to feed their children. Those families could feed their children if your government could manage this province. I've never seen anybody stand up in this House like that before.

And I see here the Premier of this province sitting mute, letting you go on attacking the children and families of this province in rural Saskatchewan. How can that government and that Premier let this happen?

And I will just close by saying one thing. The children of this province that you're neglecting today, 20 years from now, I can hear what they're going to be saying, the Tory government took the "good" out of the good old days. The Tory government took the "good" out of the good old days.

So I ask you, come out of your shell, cast off the ironclad armour, show some emotion, and let these people, this province, carry on their lives in a fashion that they deserve.

Thank you.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Schmidt:** — Mr. Chairman, what does one reply to a question like that?

The question is . . . It is an interesting note that the agricultural critic for the NDP, and the only person who calls himself a farmer among the NDP, did not win the

farm vote in his own constituency. So that person has no credibility speaking for farmers because the only farmer among the NDP did not win the farm vote in his own constituency.

I tell you what adds to stress for farmers. The NDP's policies added a lot to stress for farmers. I recall farmers in my law office when the interest rates were 22 per cent and the NDP did nothing. The NDP had our money tied up in potash mines, in Crown corporations. The money could have been lent to farmers at 5 per cent – 22 per cent interest was stress.

I had farmers in my office in my constituency whose interest exceeded their entire crop, and they are still suffering from that kind of stress. I spoke to farmers this weekend, farmers who haven't recovered from 22 per cent interest rates. Now the prices of grain are low, and they haven't recovered yet from the 22 per cent. That's what caused a lot of stress, I can assure you that – that causes stress; those are the kind of policies. And then the NDP solution was, well sell your land to the government and rent it back from us.

And the member from Humboldt refers to his grandfather. Well I believe our ancestors probably came from the same type of background. I believe they probably were farmers in Europe who came here because they could own their own land. And we have to find ways for farmers to be able to keep their land, and not sell it to the government, and not pay 22 per cent interest. And furthermore, farmers are so independent that even though they suffer and probably have less cash on which to feed their children than people in cities, than the people that the members opposite think they represent, there are only 124 farmers on welfare in Saskatchewan out of 70,000. There is a group of self-sufficient people who have the pride to feed their children no matter what, and they will continue to do so.

**Mr. Hagel:** — Thank you very much, Mr. Chairman. Mr. Minister, we've touched on some topics this evening. I'd like to move to a new area – the delivery of services within your department. And I refer to the income security services offered by your department – a very, very critical part of the security that Saskatchewan people need and have come to rely on in much larger numbers than any of us are proud to say.

And as I think about income security, Mr. Minister, Mr. Chairman, I think back so many years to a former premier of this province. Tommy Douglas, a premier who understood the culture; he understood the psyche; he understood the heart of Saskatchewan people; he understood that Saskatchewan people are by their very nature a caring and sharing people. And Tommy said many times, and has been quoted many times as saying, the measure of any society is the degree to which it provides for the least fortunate of its citizens. The measure of any society is the degree to which it provides for the least fortunate of its citizens.

And I would suggest, Mr. Chairman, that if there is anywhere that we can clearly define the abject failure of the PC government in its administration, it is found in its track record related to social assistance in this province

– not just social assistance in isolation, but social assistance in combination with the most serious social problem in Saskatchewan, and that is the issue of unemployment.

And I'd like to take a review, a review of the facts because the facts cannot be denied. The facts cannot be denied in tracing the track record of the PC government and its sensitivity to the real needs of real Saskatchewan people. And if we look at the track record, if we look at the track record of the PC government from the time it came to office in 1982 until today in 1987, what is the legacy? What is the legacy that the PC government can leave for Saskatchewan people?

Well, Mr. Minister, let's start with unemployment. When your Premier came to office in 1982, he came to office in a province that had 27,000 unemployed people – 27,000 people who were capable of working and wanted to work and couldn't find employment. In March of 1987, five years later, we find that in Saskatchewan there are 41,000 – 41,000 Saskatchewan people – honest, hard-working Saskatchewan people who would give anything to have a job. And the legacy of five years of PC government is an increase . . .

**An Hon. Member:** — Crocodile tears.

**Mr. Hagel:** — The member from Maple Creek says crocodile tears. Well I'll tell you Madam member from Maple Creek, this is not crocodile tears that the people of Saskatchewan are looking for. They're looking for action from your government and they are being denied that and you know that.

**Some Hon. Members:** Hear, hear!

(2100)

**Mr. Hagel:** — Five years, five years of PC government and the administration of the Premier we have today, and what is the legacy of employment? Fourteen thousand more people looking for work. And so what do we find? What do we find when we look at the social safety net and the . . . the bottom line, the bottom line in the social safety net is social assistance, when people have had to rely on public assistance in order to survive. And what, Mr. Minister, did your Premier, what did your Premier inherit?

And I'm not proud to say, but at the end of the New Democrat term of government, Mr. Minister, there were 23,613 cases, people who had applied for social assistance. And that translated, Mr. Minister, into 48,396 – 48,000 people who lived in the families of people who were dependent on social assistance. And how does that compare? We come to 1987. In 1987 we find 30,544 social assistance cases in the province of Saskatchewan. In five years an increase from 23,000 to 30,000, an increase of 7,000 cases dependent on social assistance to survive.

But more important, more important, Mr. Minister, because we must understand these serious social problems in terms of human reality; and what is the human reality? The human reality, Mr. Minister, is that the number of



people in Saskatchewan today, the number of people in Saskatchewan today who live in families dependent on social assistance in order to make ends meet from day to day is 62,061 in March of this year. A legacy, a legacy, Mr. Minister, after five years of PC government – 14,000 more people looking for work and 14,000 more people dependent on social assistance, just to make ends meet.

**Some Hon. Members:** Hear, hear!

**Mr. Hagel:** — And what about those people who have had to apply for social assistance? And I say “had” because it’s not something that Saskatchewan people do easily.

In 1982 there were 11,800 people who were living on social assistance who were capable of working. And in 1987, Mr. Minister, slightly in excess of 20,000 of those cases of people who are dependent on social assistance, those applicants are capable of working. An increase in five years of 70 per cent – 70 per cent more people who are capable of working who are dependent upon social assistance in order to make ends meet. What a legacy. What a legacy!

And, Mr. Minister, you and the Premier of this province have tried to make light of the seriousness of this problem. You’ve tried to imply that through your insensitive references to people on assistance – and there’ve been a number of cases; we don’t need to repeat those now – but people on assistance in Saskatchewan are people who are shiftless and lazy. And is that true? I suggest not, Mr. Minister. I suggest not.

When we look at those 62,000 Saskatchewan people who were living in families dependent upon social assistance, Mr. Minister, you and I both know that 29,000, nearly half of them, are of the age of 19 or younger. You and I both know, Mr. Minister, that 23,000 of them are the age of 14 or younger – a young person by anybody’s definition. And saddest of all – saddest of all, Mr. Minister – in the province of Saskatchewan today there are 10,000 pre-schoolers, four years old or younger, living in families dependent upon social assistance; living in families without a lot of hope; living in families struggling to preserve their sense of dignity. That’s the reality.

Now the Premier will stand and he will brag. He will brag that the PC government today is spending more money on social assistance – and so it is, so it is – spending more money on social assistance than the last term of the Democrat government. The record you inherited, there were \$105 million spent on social assistance in the province of Saskatchewan. Last year, Mr. Minister, last year in the province of Saskatchewan \$204 million was spent on social assistance.

Was that because conditions have been improved for the poorest of the poor who are dependant? I suggest not. The reason that amount of money – double the amount of money spent under the last term of the New Democrat government – the reason the amount of money was so high, Mr. Minister, is because of the failure of your government to deal with the employment problems and condemning 14,000 more people to live on social

assistance, and that’s the reason we’re spending more.

**Some Hon. Members:** Hear, hear!

**Mr. Hagel:** — Nobody likes to be spending public money on social assistance. It’s not a popular thing to do, and I join that sentiment in a sense, Mr. Minister, because I would much rather see Saskatchewan people capable of working – working so that social assistance is the security of last resort, only for those who are forced there through no reason of their own. That is the objective that we should all have, to reduce the social assistance expenditures out of our province, not to cut and slash and infringe on their ability to survive, but because the need has gone down and, Mr. Minister, I suggest that the track record of your Premier and your government has been abysmal in this regard.

You’ll know, Mr. Minister – you will know because I gave you a copy of the report – that earlier this year the new Democrat caucus formed a social services task force to travel Saskatchewan and listen to Saskatchewan people, to real Saskatchewan people talking about real Saskatchewan problems and real Saskatchewan solutions. And we’ve heard from, among other, many other presentations; we have heard from some of those real people who have been forced to live on social assistance, and they told us over and over, Mr. Minister, that living on welfare is a demeaning experience that saps their hope and their dignity. And they told us over and over and over again that they would do anything for a job – anything for a job to get off.

I will long remember, Mr. Minister, I will long remember one gentleman in his mid-fifties who spoke to the task force, and who told us how difficult it was to live on \$123 a month after rent — \$123. And he wasn’t a whiner; he wasn’t a complainer, but I remember him saying, Mr. Minister, that he doesn’t mind eating a lot of macaroni, but it would be nice to have some cheese and some tomatoes to put with it on a regular kind of basis. And I remember, Mr. Minister, as he sat and he spoke to those of us in the social services task force, as he sat in his well-washed shirt but with his elbows sticking out, and he talked about how difficult it was because to get off . . . he talked about the fact that he couldn’t get a travel allowance to look for a job; he talked about the fact that he couldn’t get funding for a phone, for a phone to look for a job; and he told us that he felt trapped on welfare and didn’t know how to get off. And I will long remember, Mr. Minister, that gentleman in his mid-50s breaking down and crying, not because he was looking for sympathy, but because of his reflection of his sadness and the despair that he felt as a recipient of social assistance. And all he wanted was a job, a job to get out of the trap.

We’ve all had the experiences and contact with people, the poorest of the poor in our province. And I’ll never forget . . . I don’t think I will ever forget something that happened about a year and a half ago in Moose Jaw. There is an office in Moose Jaw, in my constituency, Mr. Minister, in which trustee services are given to people who are social assistance recipients. And I remember walking out the door of the building and seeing an elderly

gentleman coming across the parking lot on crutches, and I knew, I knew from what he said, that for him being on social assistance was a new experience. He was not one of these people that you like to refer to as long-term dependent people because he referred to it as relief.

I will never ever forget, Mr. Minister, as I held the door open for him and he went through on his crutches, he stopped and he turned, and he said to me, he said: oh, you can't be on relief, you look intelligent. And he wasn't making a statement, Mr. Minister, about me. He was making a statement about himself. He was telling me in his own words what it felt like to be on social assistance.

I'm sure you got calls. I know I got them, and I know many of the members on this side of the House got them just a few days ago. Calls . . . I recall very clearly one call that I got from a mother and a family dependent on social assistance who was calling to see if there was any way that she could get the education allowance in advance of the first day of school, because her little five-year-old girl was starting kindergarten, and she said that she just wouldn't, she wouldn't send her to school the first day along with the rest of the kids because she had no money for school supplies, and she didn't have a new pair of jeans like the rest of the kids in school.

I don't bring these experiences to this Assembly to be dramatic. I don't think my experiences are unique. But simply to spell out, Mr. Minister, the reality, the reality for people who are condemned to live dependent on social assistance. And this government, this government, Mr. Minister, under the leadership of your Premier in the past five years, has condemned 14,000 more people to the indignity of welfare. And the minister knows that the Premier cannot wash his hands of the issue.

Let me refer, Mr. Minister, to a Saskatoon *Star-Phoenix* article of Saturday, August 22, entitled: "Welfare reforms done out of love – Devine." And this was, Mr. Minister, this was after you had in August issued your release announcing policy changes.

And the Premier of this province, the Premier of this province talking to an audience made reference, and let me quote, reference to:

The three-year-old decision to cut the basic monthly allowance for single, childless recipients, capable of working, to \$123.

He thought it was an excellent idea to cut single people capable of working, people who were not able to find employment in the province of Saskatchewan, to cut them to \$123 a month after rent in order to live. And the irony – the irony.

The article goes on to say, and let me quote:

He told the enthusiastic crowd at the \$100-a-plate fund raiser for the Progressive Conservative Party . . .

At \$100-a-plate fund raiser for the Progressive Conservative Party, he talked about treatment of the poor — \$100 a plate. Mr. Minister, you and I know that for \$8

more, \$8 more on top of that \$100-a-plate PC fund raiser, \$8 more spells the amount of money available in the province of Saskatchewan for an adult to eat three meals a day for 31 days. You and I both know, Mr. Minister, that \$100 a plate is \$8 more, \$8 more than what is provided for a teenager in Saskatchewan to eat three meals a day for 31 days. You know, Mr. Minister, that that \$100-a-plate dinner that the Premier spoke to is \$13 more – \$13 more than for that kindergarten student to go off to school and to eat three meals a day for 31 days.

(2115)

What did the Premier say? What did the Premier of Saskatchewan say? He said, in describing this message to people on social assistance, he said: in fact it's because we do love you that we're going to do what's right – Devine said to a burst of loud applause.

What an expression of love. Picture if you will for a moment, Mr. Chairman, picture if you will for a moment, the Premier of this province going to those living in poverty and telling them he's treating them this way because he loves them. Can you picture the Premier of Saskatchewan going to the poorest of the poor in Saskatchewan and whispering sweet nothings in their ears? Sweet nothings.

Well I tell you, Mr. Minister, that if, as a matter of fact, all he gave them was sweet nothing, they would be better off than they are under the so-called welfare reform that you introduced in August.

**Some Hon. Members:** Hear, hear!

**Mr. Hagel:** — Because, as a matter of fact, Mr. Minister, those poorest of the poor in the province of Saskatchewan who are dependent upon public assistance, virtually all – if not, as a matter of fact, every one – are worse off today than they were before your introduction of your so-called welfare reform. And how sad it is to say that it would be to their advantage if all they got from the Premier of Saskatchewan was sweet nothing.

Well, Mr. Minister, we will all at some point in time find ourselves being held accountable and measuring the contribution we brought to this House and to this Assembly. And I suggest, I suggest that the measure of success with which we functioned as legislators will not be found in how much we helped Peter Pocklington. I suggest that the measure of success as to how we functioned in this Legislative Assembly will not be found in how we helped Weyerhaeuser of Tacoma, Washington. I suggest that the measure of success that we will find in determining whether we were effective as legislators in this Assembly will not be found in how we helped George Hill and Paul Schoenhals and Tim Embury and Gordon Dirks, because those people are all capable of taking care of themselves.

But I do suggest, I do suggest that in whatever way each of us chooses to measure our contributions to the Government of Saskatchewan as legislators in this Assembly, that we will measure them in terms, and we will be measured in terms, of how we contributed to providing opportunity to those least capable of

determining their own fate.

The back-benchers opposite and some of the front-benchers, some of them sit here, Mr. Chairman, and make light of this issue. There's the member from Wilkie; he's got lots to say as he sits in his back bench. And, Mr. Member from Wilkie, you have not contributed, I suggest, a great deal of anything at all in the time that you have served as a member of this Assembly to improve the lot of those who are least fortunate in the province of Saskatchewan. And you can count many in the numbers of your back-benchers and front-benchers . . .

**Mr. Chairman:** — Order. Order. It's getting . . . Order. Order. Order. It's getting pretty rowdy in the House and I would ask members to allow the member from Moose Jaw to make his comments.

**Mr. Hagel:** — Thank you, Mr. Chairman. I appreciate your assistance in drawing some order to the House.

But I would say, Mr. Chairman, that all of us as legislators will determine whether we were successful or not in terms of how we contributed to opportunity for Saskatchewan people to find jobs, and what we did — what we did to allow those who were forced to rely on social assistance to do that with a sense of dignity and hope. And I say, Mr. Minister, that I believe in the vision of Tommy Douglas, who saw Saskatchewan as a society of people who believed in caring and sharing, who believed in pulling together and using their government as an instrument of their will to provide for those who had less opportunity in Saskatchewan society. I believe in that vision. It's just as real today as when Tommy gave it to Saskatchewan people more than 40 years ago. It's a vision that has lived for decades, and it will live for decades more. I suggest, Mr. Minister, that any government which contradicts that vision and that belief and that faith of Saskatchewan people is a government that's not destined for longevity.

**Some Hon. Members:** Hear, hear!

**Mr. Hagel:** — And I condemn . . . I stand in this Assembly on record as condemning the track record of the PC government in addressing the problems of unemployment, and addressing the problems of allowing people in Saskatchewan, the most unfortunate, to live with a sense of dignity.

In estimates now, Mr. Minister, I have some questions that I would like to address to you, to ask you, Mr. Minister, whether — not just you, because I understand that what you've done in the Department of Social Services has not been your decision alone. You are operating, Mr. Minister, I believe, by the direction of the Premier of Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. Hagel:** — You are making decisions, Mr. Minister, in your Department of Social Services which are condoned, and in fact applauded, by your colleagues in the PC caucus of this government. And so you alone cannot be held accountable, Mr. Minister; you're the mouth piece; you're the mouth piece. But it's the Premier of

Saskatchewan who is ultimately to be held accountable.

I have a number of questions, Mr. Minister, that I want to address to you as to whether you have the political will, you and the Premier and your caucus colleagues have the political will to address the real problems of the real people of Saskatchewan, those people, Mr. Minister, who rely on us in this Assembly. They rely on us in this Assembly to provide opportunity for them.

And let me begin, Mr. Minister, by making reference back to question period of July 7th, earlier this year. When I asked you about an increase that was granted to disabled people by the Canada Pension Plan on January 1st, it amounted to \$152 per person per month — \$152 per month, Mr. Minister. And I asked you at that time if you would reverse your decision to reduce the amount of social assistance paid to disabled social assistance recipients who were receiving the Canada Pension Plan disability pension, because as you know, Mr. Minister, in Saskatchewan today you deduct dollar for dollar from that \$152 increase that they got on their Canada Pension Plan disability benefits.

And you responded that day, Mr. Minister, that there was not a dollar for dollar deduction. Let me ask you, Mr. Minister, if you would like to stand and correct your statement when you responded to that question, Mr. Minister.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Schmidt:** — Mr. Chairman, first of all, in the Department of Social Services the welfare case-load has been reduced by 1,000 cases in the last two years, 500 cases this year alone.

When you talk about unemployment, you have to also consider the labour force in Saskatchewan. And it is clear that today there are 550,000 more people working in Saskatchewan than there were five years ago. You also have to consider the participation rate and the percentage of people between the ages of 18 and 65 who have applied for work.

And those are statistics, and it's hard to determine how many of those applicants are people who would get a job if they liked it, or if they are people who need a job or people who have put their name in saying, well if something that I like comes along, I'll get a job. That factor has to be taken into account because the participation rate is at a record high. And in addition, there are 55,000 more people working in Saskatchewan at this time.

So as I've indicated earlier, the case-load we anticipate this year will be down 5.8 per cent at the Department of Social Services. Since we have introduced welfare reform, the number of single employables on welfare has been reduced from 6,300 to 4,800. In addition we have come up with projects to put people to work doing something, rather than paying them to do nothing.

We have the example of Par Industries in Prince Albert. In that situation people have been trained for jobs. They've been trained — working, running equipment in the forest,

cleaning up the forest, salvaging lumber, salvaging firewood. People that were – and I will compile the total statistics – the people that were working for Par Industries are now working in private industry in the lumbering business. Two people that were there are now working on the construction site at the Weyerhaeuser plant.

So we've got them from being on welfare, to working on a community project, to now having been trained and rehabilitated so they are working on a construction project on the Weyerhaeuser pulp and paper mill. And, of course, you don't acknowledge that anyone works there. You don't acknowledge that that is useful, but ask those two people who have come all that way now to a good paying job.

Other people are working in other parts of industry. In addition, some people did not want to work a Par Industries. One individual said, oh, I don't want to do this; I'll go get a different job. I think that's perfectly fine. The individual is free to get a different job, but why wasn't that individual motivated to get a different job until asked to come and assist at Par Industries and do something useful in society.

In addition, Saskatchewan employment development program and the Saskatchewan skills development program, you have a considerable change in the number of people who are now being educated or trained. Twenty-five hundred people right now are being educated and retrained rather than be on welfare.

I had some figures here on the total welfare reform situation. Since our government introduced welfare reform, in the last two years \$9 million has been an increased benefit to families. 4,310 have been created, benefiting a total – because of the over lap – of 5,100 welfare recipients who in the last two years have been working rather than be on welfare; 3,500 in total over those two years have been offered training, with over 5,560 enrolments benefiting 3,900 clients. We have taken some positive action to solve these problems.

In addition, you refer to a gentleman in his fifties who could not find a job. If you will send me the name of that gentleman, he will have a job offer before the end of the month, and I await that name and address tomorrow.

In addition, while I agree it is not easy to live with a low – a small amount of money; I agree that poverty is not pleasant. But I also want to point out to you that over the years even the poorest people in Saskatchewan have increased their standard of living considerably.

Saskatchewan now has for families the third highest welfare rates for families in Canada. When our new increases come into effect, they will be again the second highest rates next to Alberta. We may even get to the first highest.

But the members opposite like to consider statistics, and I would ask them to consider this – that according to Statistics Canada, 90 per cent of the families living under the poverty line had colour television sets; two-thirds owned automatic washing machines and clothes dryers;

approximately half had freezers; approximately one-quarter had automatic dishwashers; and 28.2 per cent owned video cassette recorders.

(2130)

So the question then is: what is poverty in our society today, and where is the poverty line? I agree that there is certainly a vast difference in the affluence of the members in this Assembly – between the affluence of the members in this Assembly and the poorest citizens of this province. But certainly conditions for all people in this province have improved considerably in the last few years.

With respect to the issue you raise of the standardized education allowances, the standardized education allowances were sent out on August 25, 1987, with the August welfare cheques. That is the information that my department has indicated. We were in a great rush, and you will recall I announced it in the House here that we would try to get them out before the school year started. Now I don't know when the school year started in Moose Jaw, but the cheques were mailed out on August 25, 1987. My son started kindergarten this year – he's five years old – he was given last June from his school a list of the books that would be required, so we had plenty of notice as to what my son would need. I don't know if all the schools operated that way; certainly the school in Melville operated that way.

And so you have the NDP with their usual rhetoric. Their campaign slogan I recall, in the Melville election, was something about working together and sharing together, and I didn't believe that was quite what they meant. What the NDP usually mean and their motto is: we care, you work, and we share; that's the NDP's philosophy.

**An Hon. Member:** — Say that again.

**Hon. Mr. Schmidt:** — Some of our members didn't hear that. The NDP's philosophy is: we care, you work, and we share. That's the NDP's philosophy of sharing.

What I submit is that all people in this province have to do their share to benefit society as a whole, and I believe there will be a fair distribution, and there is a fair distribution of the assets in this society.

With respect to the question you finally did ask – the Canada Pension Plan disability benefits. I advised you earlier that they were based on need. You asked the question: were they deducted dollar for dollar? I acknowledge that you were correct, and I was wrong, that they are deducted dollar for dollar. You were correct in that regard, but I do not believe it would be fair to change the system.

And I realize there is quite a problem here; it is a decision that requires the wisdom of King Solomon, but it's not a decision that I'm making an isolated case, and that all of the other provinces are taking the same position, whether they are from your political party, the Liberal political party, or the Conservative. All of the provinces are taking the same position at this time, and that position is that social services is based on needs. And it would not be fair to pay more to have a person who is on Canada pension

disability, and on social services, to receive more money than a person who is simply on social services and does not have Canada pension.

Now I do acknowledge that the individual did pay into Canada pension and that one-half of the premium was paid by the individual, so the individual did make some provision for disability. I do agree with that, but that is certainly a concern. I would like to rectify that. However, how do you justify paying a person, who has Canada Pension Plan disability income, Social Services money in excess of other individuals who have no other income? And where do you then calculate? Does a person who has savings and interest income also get more social services than a person who has no savings? Does a person who owns land, farm land, and rents it out, qualify for social services to a greater extent than other people who have no assets?

So the test has been, it is based on need, and you are to provide for yourself as much as possible. And when you cannot provide for yourself up to the required need, then Social Services picks up the difference. To make the change you suggest would not be fair to other social service recipients.

**Mr. Hagel:** — Mr. Minister, you stand and speak glibly in this House, and I invite you, Mr. Minister, I invite you to send your Premier out to tell the 41,000 people in Saskatchewan who are looking for work that they're better off. I invite you to ask your Premier to go and see those 62,000 people in Saskatchewan, dependent upon social assistance, and tell them that they are better off. I invite you and your Premier to tell the people of Saskatchewan that we are spending \$200 million a year on social assistance and to explain to them, because you have been an abject failure in dealing with the need for employment in the province of Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. Hagel:** — And I contest, Mr. Minister, your statement that following the welfare reform changes, that social assistance families in Saskatchewan will move from third best to second best, because as we proceed here, Mr. Minister, I will show you that, as a matter of fact, Saskatchewan families dependent on social assistance are worse off, not better off. And if they're rising in the relative terms in the country of Canada, it's only because the other provinces are going even further backward than you are going. And I challenge you, Mr. Minister, to get honest. I challenge you to get honest, and be straight when you talk about comparisons for family incomes who are living on social assistance, because you know and I know that there is only one province in the nation of Canada, there is only one province in Canada which deducts, dollar for dollar, the family allowance cheques that Saskatchewan families living on social assistance receive. There is only one province in Canada that does that; that is Saskatchewan, Mr. Minister. And so, if you're going to make comparisons to other provinces, you have to take the family allowance off. That's what you have to do if you want to be fair.

Well, Mr. Minister, let us come back to the topic that we've started out discussing here, and that's the Canada

Pension Plan disability benefits. And I'd like to read and to quote to you, Mr. Minister . . . I have here a letter from the Minister of National Health and Welfare. It's dated June 9, 1987, and it's addressed to one of the members of parliament in the House of Commons. And what does the national Minister of Health and Welfare have to say about this disability pension plan benefits that were granted, \$152 a month to disabled people who qualified for benefits since January 1 of this year? And what does he say? Let me quote, Mr. Minister, let me quote the Minister of National Health and Welfare. He says:

As you know, last June parliament passed certain amendments in the Canada Pension Plan legislation. One of these amendments was to increase the disability flat rate benefit from \$91 to \$243 per month.

An increase, I add, Mr. Minister, of \$152 per month.

And in referring later in his letter to those who are receiving the disability pension and also on assistance, the poorest of the poor, he says, and let me quote again, Mr. Minister. He says:

It was my intention that the provinces/territories would pass on the increases. I assumed that this would occur because I understood that there was sufficient flexibility under the Canada Assistance Plan to allow this to happen.

Those are the words of the national Minister of Health and Welfare. He said very clearly, if the provinces want to pass on these benefits to those who are disabled and living on social assistance, that they can do that, and that the national government, the Government of Canada, will not interfere.

And then he goes on to say:

I have informed the provinces/territories that effective January 1, 1987, increases in the CPP (Canada Pension Plan) flat rate benefits for the disabled are to be excluded from the definition of income maintenance payments under the Canada Assistance Plan with respect to current social assistance beneficiaries. The effect of this decision will be that the provinces/territories, in order to sustain cost-sharing under CAP (Canada Assistance Plan), will not be required to deduct these particular payments from social assistance payments.

Very clearly it's the will, the political will, of the ministers of Social Services across the nation. He then says:

Provinces/territories will then have the freedom to pass on these federal increases, and continue to receive cost-sharing for social assistance payments made to these same individuals without any increase in their own expenditures.

And then he concludes in the final page of his letter, Mr. Minister, by saying:

I recognize that ultimately it will be up to each

province/territory to make the decision to pass on the CPP disability flat rate increase and at the same time to continue providing social assistance benefits.

He said in his final statement, Mr. Minister:

I see no reason why provinces/territories would refuse to do so since I am sure that they are as anxious as the federal government to improve the financial situation of this particular group of Canadians.

Let me repeat and underline that sentence written by the Minister of National Health and Welfare:

I see no reason why provinces/territories would refuse to do so (to pass on those benefits) since I am sure that they are as anxious as the federal government to improve the financial situation of this particular group of Canadians.

Mr. Minister, will you explain to me – and don't give me this mumbo-jumbo about what other provinces are doing. You are the Minister responsible for Social Services in the province of Saskatchewan. You and the Premier of this province determine how these benefits will be implemented and whether Saskatchewan people will receive them or not. You made a decision – you and the Premier of Saskatchewan made a decision – to take this \$152 increase paid to disabled recipients receiving social assistance, to take that \$152 a month from the Canadian government out of their pockets so that they benefited to a sum total, Mr. Minister, of not a penny. Will you justify for Saskatchewan people, not this mumbo-jumbo about other provinces, will you be accountable to Saskatchewan people?

I ask you, Mr. Minister: will you consider reversing the decision made by you and your Premier, and will you allow disabled recipients on social assistance who can get this \$152 a month from the Canadian government to retain that, Mr. Minister?

**Hon. Mr. Schmidt:** — Mr. Chairman, let's look at specifically Saskatchewan. The policy that the member from Moose Jaw North – the NDP member from Moose Jaw North – complains of was started by the NDP government before we became government. So if he could publicly have their future leader, the member from Saskatoon Riversdale, admit that he did the wrong thing when he started this policy, then I will consider changing it.

**Mr. Hagel:** — Well, Mr. Minister, you have the authority. You have the authority to make decisions, to consult with your Premier, and I ask you simply whether you have the political will. As we come into this House to review Social Services estimates, they are your department. It is your Premier who is heading the Government of Saskatchewan. And if you see that there is an error that needs correcting, then I encourage you, Mr. Minister, in the interest of Saskatchewan people in need, to correct that error so that Saskatchewan disabled people on social assistance can benefit that \$152 that are paid to them by the Canadian government. I invite you, Mr. Minister, to

review your policy and to make a fair and just decision in the interest of disabled Saskatchewan people.

Mr. Minister, you will also know that there was another change that was implemented on January 1, having to do with the Canada Pension Plan. The Canada Pension Plan, Mr. Minister, you'll know, as of January 1st, allowed for people at age 60 – or any time between age 60 or prior to the age of 65 – to take an early retirement. And you know, Mr. Minister, the rules for that are this: that for every month prior to the age of 65 that you take that early retirement, your benefit is reduced by half a per cent.

What that means, of course, Mr. Minister, is that someone who at age 60 opts for the early Canada Pension Plan retirement has a reduced pension of 30 per cent – 30 per cent for life. Now, Mr. Minister, I ask you if you will consider reversing your decision to require absolutely every social assistance recipient in Saskatchewan who is 60 years or older to apply for the Canada Pension Plan, the early retirement benefits, and then – and then deduct that pension from their benefits, dollar for dollar, at the same time, Mr. Minister, condemning 60-year-old people in Saskatchewan to reduce Canada Pension Plans for the rest of their life and not receiving a single penny benefit as a result of taking their early Canada pensions.

Mr. Minister, will you consider reversing your decision and not forcing, at the threat of being cut off of social assistance, 60-year-old Saskatchewan social assistance recipients from being required to take that early Canada Pension Plan retirement?

**Hon. Mr. Schmidt:** — Mr. Chairman, I won't reconsider that decision because I never made that decision. The decision I made is a very fair decision, and the member opposite hasn't been following welfare reform very closely because at no time have we forced people over 60 to apply for Canada Pension Plan early retirement benefits.

(2145)

As a matter of fact, my most recent announcement on welfare reform said that we would encourage them to do it, but we would leave it as an option. We would encourage them because they can be self-sufficient, and only at the highest income levels will it cost them any future money after they retire at the age of 65. In some cases they will be better off financially to do it now, in other cases they would be slightly worse off after they're 65. We encourage them to do it; we do not require people to do this.

In addition, the other reason we encourage them is that if they can be self-sufficient at very little future cost to them, that that would be a good thing for them to do. Most people tend to believe that if they can be self-sufficient, they will be self-sufficient.

**Mr. Hagel:** — Mr. Minister, will you explain the meaning of this letter that I have in my hand – a letter dated in April that is on the letterhead of the Department of . . . the letterhead reads, Saskatchewan Social Services, Saskatoon region, east district.

Let me read this letter to you, Mr. Minister, because the explanation, the interpretation I get from the message in this letter just simply does not wash with your explanation. It's addressed to a social assistance recipient, and it reads, and I quote, Mr. Minister:

We have received your Canada Pension Plan information as we have requested and are returning it enclosed. Our interpretation of this information is that you would receive about (blank, a figure per month) Canada Pension by applying now.

We therefore request that you apply for Canada Pension now. Failure to do so will result in a cancellation of your assistance.

Let me repeat that, Mr. Minister. Let me repeat that for clarity. This does not sound like encouraging someone to take the early Canada Pension Plan. Let me read these words, Mr. Minister, and encourage you to listen very carefully because I read verbatim to you. It says:

Failure to do so will result in a cancellation of your assistance. (A cancellation of your assistance.) Please report your CPP when received . . .

And then it goes on to give information about how appeals, meaningless appeals, could be launched by the individual.

And this is a form letter, Mr. Minister. You know that; I know that. It's a form letter that was sent to people who were 60 years old or older, advising them that if they did not apply for Canada Pension Plan early retirement benefits, that their assistance would be cancelled. And also you and I both know, Mr. Minister, that those benefits were deducted dollar for dollar from their assistance, and you were condemning them to up to 30 per cent reduced Canada Pension Plan for life.

**Hon. Mr. Schmidt:** — Mr. Chairman, our Saskatoon office made an error when they followed that letter. They didn't get the policy straight. They should have checked with Regina to be certain before they followed that policy. They've made the error, and I would hope they would have corrected their error by now, and I leave it open to you what punishment you suggest for the individuals involved. I was about to forgive them, but if you suggest a greater punishment, I would consider it.

**Mr. Hagel:** — Mr. Minister, then let me ask you to repeat for clarity, because there are obviously a lot of people — there are a lot of people who do not have the same interpretation about the ruling of your department as you present in this House tonight. Let me ask you to repeat for clarity, Mr. Minister: are you saying that Saskatchewan residents who are receiving social assistance and who are eligible for the early Canada Pension Plan benefits shall not be required by your department to apply for that early Canada pension, and shall not have that benefit, if they apply for it, deducted dollar for dollar?

Will you be specifically clear in answering that question, Mr. Minister, and clarifying this very important issue for many Saskatchewan seniors who are among the poorest

of our poor.

**Hon. Mr. Schmidt:** — Well, Mr. Chairman, I would hope that the members of my staff . . . that all of the employees in my department would try to follow department policy, and if they're not certain, they would try to get an explanation. The policy is — and it was spelled out clearly in my most recent announcement on welfare reform — the policy is that we will not require people to apply for early retirement under Canada pension; that the department is to encourage people to apply, but we do not force people to apply.

I would hope that many of the employees of the Department of Social Services would now be listening and that would be clear to them, that they are to follow this policy. But if not, they're to phone their supervisor tomorrow morning and get it clear in their minds. The individuals involved there did not understand the policy of not requiring people to apply. If people do apply, it is treated as income.

And therefore, I would think the matter is cleared up with my staff. I would hope that they would follow department policies correctly in the future.

**Mr. Hagel:** — Mr. Minister, I hear you saying very clearly that you are no longer requiring people to apply for the early Canada Pension Plan benefit. I hear you saying that very clearly and on record in this House. And I heard you say that if they do, it would be treated as income.

Now let me ask you, Mr. Minister: would it be treated as income which is deducted dollar for dollar from their assistance, or would it be treated as income which they're entitled to keep the first \$25 and then lose 80 per cent of every dollar after the twenty-fifth dollar? Which way would it be treated, Mr. Minister?

**Hon. Mr. Schmidt:** — Well I believe you heard me correctly, and I believe you understand that we are not forcing people to apply. We are encouraging people to apply; that if they apply the income will be deducted dollar for dollar as pension income available, and it's not earned income. Earned income is treated in a different manner.

And in addition, I would encourage people to apply for their Canada pension because it will not substantially affect the final result of their income. The province of Saskatchewan has, as you know, increased substantially the Saskatchewan supplement. The people who are in the poorest positions will have that money made up with Saskatchewan supplement when they turn 65. We would encourage them to take their pension rather than to take welfare from the province of Saskatchewan. But we will not force them to do it.

The committee reported progress.

The Assembly adjourned at 9:55 p.m.