

The Assembly met at 2 p.m.

**Clerk:** — I'd like to advise the Assembly that Mr. Speaker is unable to be present to open this sitting today.

Prayers

## ROUTINE PROCEEDINGS

### READING AND RECEIVING PETITIONS

**Clerk:** — According to order, I hereby favourably report on the following petitions under rule 11(7). I lay them on the table for reading and receiving:

Of certain citizens of the province of Saskatchewan, praying that the Legislative Assembly may be pleased to urge the Government of Saskatchewan not to change the Saskatchewan prescription drug plan.

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

### ORAL QUESTIONS

#### Collapse of First Investors and Associated Investors

**Ms. Smart:** — Thank you, Mr. Deputy Speaker. My question was to be to the Minister of Consumer Affairs, but I will address my question to the Minister of Finance because it's very important that we get to the bottom of the issue of the collapse of First Investors and Associated Investors.

I'm dealing with a statement that the Minister of Consumer Affairs made in this legislature on July 15 in answer to a question about why her department had licensed these two companies to do business in Saskatchewan under The Investment Contracts Act. She replied, and I quote:

We rely, Mr. Speaker, upon the audited reports that are filed with the department every year before we issue a licence.

If this is true, Mr. Minister, why did the Department of Consumer Affairs renew the Saskatchewan licences in 1986 and 1987 for those two companies when they knew they were insolvent?

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

**Hon. Mr. Lane:** — Mr. Deputy Speaker, as the answer has been given on numerous occasions to the hon. member and members of the opposition, that the department relies as well on the advice of the incorporating jurisdiction or the prime jurisdiction. We've been over that many times, and that's the position as stated.

**Ms. Smart:** — Then why did the minister say that you rely on the audited statements?

A new question, Mr. Deputy Speaker. On July 17 in this legislature she said, and I quote:

We had no information prior to the end of June to

indicate that these two firms were in financial difficulty.

Obviously that statement was not accurate since those audited statements were filed with the Department of Consumer Affairs. I want to know whether the Minister of Consumer Affairs deliberately misled the public with that statement, or was she just unaware of what her department had received, and failed to act on that information?

**Hon. Mr. Lane:** — Well I have indicated on numerous occasions that there is a national policy dealing with securities legislation. Obviously, the hon. member is not familiar with it. But all provinces rely on the incorporating or so-called prime jurisdiction, with one exception being the documents not necessarily being tabled in French, and they have a different effect in the province of Quebec. So again, there is a national policy which applies to all provinces that they are to rely on the incorporating or prime jurisdiction.

**Ms. Smart:** — Mr. Deputy Speaker, is the Minister of Finance telling me that The Investments Contracts Act, which is a Saskatchewan law requiring that these audited statements be sent to the department here in Saskatchewan, that that law is not being upheld, and that he constantly refers to the trust companies as if it's something different than that Investment Contracts Act. What is he talking about, and isn't he going to obey the law of Saskatchewan?

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

**Hon. Mr. Lane:** — Obviously, Mr. Speaker, the hon. member doesn't understand the securities legislation or the way that the matter operates in Canada, Mr. Speaker, that a company may incorporate in another province. And let's take, for example, it may be in the province of Alberta. The incorporating province, Mr. Deputy Speaker, is the one that supplies the information to the other jurisdictions. This has been the historical practice and the practice in Canada. And we are able, and we have relied on that, Mr. Speaker, the reason being to have any other system nationally would require a massive bureaucracy in each province to review every company that wanted to come along and do business. And of course that's not, I think, a desirable situation. Obviously the opposition is advocating that. And so we do tend — and it's part of a national policy — to rely on the information from the prime jurisdiction.

So, Mr. Speaker, the hon. member doesn't understand the historical practice. She obviously doesn't understand the need for the national policy which allows a province to rely on the information from the so-called prime jurisdictions.

So again, Mr. Speaker, we've been over this numerous times. The hon. member is not prepared . . . the NDP opposition say we'll be over it again; they'll be over it again. They want the bail-out. They don't want to talk about potash.

**Ms. Smart:** — Supplementary, Mr. Deputy Speaker. Does

the Minister of Finance know that since The Saskatchewan Investment Contracts Act requires companies selling investment contracts to have assets on deposit, with a chartered bank or trust company, which will be sufficient at all times to pay out the outstanding investment contracts? Was that requirement complied with in Saskatchewan, according to Saskatchewan law, and if not, what did the Department of Consumer Affairs do about it, and when?

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

**Hon. Mr. Lane:** — I think the Hon. Minister of Consumer Affairs had indicated some considerable time back that the first advice that the department had got was shortly before the two companies went into receivership. And that's the advice that she gave. Again, if the NDP would come out and ask and admit what they're asking for. They are asking for two things, and that is, in effect, a massive provincial bureaucracy in every province for every financial institution to do ever do business; secondly, Mr. Speaker, they're actually asking for a bail out.

Again I find it surprising, and I think most people found it shocking over the weekend, that the NDP opposed this government giving aid to Saskatchewan investors and depositors in Pioneer but are so quick, Mr. Speaker, to ask the people of Saskatchewan to bail out — to bail out, Mr. Speaker, a company from another province that went into receivership. And I find that a rather inconsistent — and I believe I'm being very polite when I say inconsistent — position from the New Democratic Party.

**Hon. Mr. Blakeney:** — Supplementary, Mr. Deputy Speaker. The minister has just said that his government did not receive any indication of problems with these companies before about mid-1987 from Alberta.

Mr. Speaker, I ask the minister: do you not consider a financial statement from an Alberta set of chartered accountants, showing that the companies were insolvent, as some evidence that you ought to take some steps to protect Saskatchewan investors?

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

**Hon. Mr. Lane:** — Well again, it's the same debate we've had for the last couple of days. The financial statement, Mr. Speaker, shows the position at any given time and I've tried to indicate to the hon. member opposite that a company may lose money. That is no indication that it is in fact insolvent; that it shows a picture at a particular given time that you're entitled — and I think it's necessary — to have further information from the prime jurisdiction which would tend to indicate if there was a problem, that there was in fact a problem. And that has been the way it has operated historically, Mr. Speaker, and I believe that any other change in operation would have a far greater cost to the taxpayers of Saskatchewan.

**Hon. Mr. Blakeney:** — Further supplementary, Mr. Speaker. I ask the Minister of Finance: have you seen the financial statements of First Investors as at December 31, 1985, and can you stand in your place and say that those financial statements do not show that that company was insolvent — not that it's lost money, but that it was

insolvent on that date?

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

**Hon. Mr. Lane:** — Well, Mr. Deputy Speaker, the hon. member puts his own interpretation on the financial statements. Again, the fact that a company is losing money in one particular year, and I gather in the financial statements, as the hon. member has indicated, you get a difference of opinion from the auditors as to whether the assets are properly valued.

Obviously that was a matter of some dispute in the province of Alberta with the auditors. Given that sort of circumstances, Mr. Deputy Speaker, one would, I think it is fair to say, assume that if the prime jurisdiction, in that case the province of Alberta, would have been concerned, and under the national policy they would have advised. So again, I think that will show up if there is problems with the way the officials in Alberta handled it; that will show up in the inquiry that's before the courts of Alberta.

And secondly, Mr. Speaker, it justifies again the province of Saskatchewan having counsel in Alberta to appear notwithstanding the criticisms of that from members opposite.

**Hon. Mr. Blakeney:** — Supplementary, Mr. Deputy Speaker. I'm sorry if my question was not clear. I asked the minister this: when you looked at those financial statements, could you stand up in this House and say that as at December 31, First Investors was not insolvent? Would you just tell the House that there's any doubt in your mind as to whether First Investors was insolvent after you looked at those financial statements?

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

**Hon. Mr. Lane:** — Mr. Speaker, I think it fair to say that any time you get a financial statement which indicates that there's a dispute as to the valuation of assets, there has to be some doubt.

**Hon. Mr. Blakeney:** — Further supplementary, Mr. Speaker. Would the minister not agree that that financial statement showed that on any reading of it, the company was insolvent, and that the only dispute between the company and the auditors was the extent of the insolvency? Isn't that what the financial statement said?

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

**Hon. Mr. Lane:** — Again, Mr. Speaker, the hon. member is putting his interpretation on the financial statement. I suggest, Mr. Speaker, that there's a national policy which is to deal with the situation, certainly that existed here, but deals with the situation, Mr. Speaker, that companies incorporate in one jurisdiction. The incorporating jurisdiction, also called the prime jurisdiction, does the assessment and has the bureaucracy to deal with any of the financial commitment statements or anything else that may be made, or the state of the financial institution.

It then is the national practice in Canada that information is given to other provinces. The reason that the

information is then given to other provinces is so that the companies are able to carry on business without going through a massive, costly reapplication. And that's the way the national policy has operated. And that's the national policy upon which the Government of Saskatchewan relies.

I suggest to the hon. member to take his argument that every province, if a company wants to come in and do the business, that they are going to have to set up and go through a massive bureaucracy so we have a full policing operation in each province. The cost to the people of Saskatchewan would be horrendous.

**Hon. Mr. Blakeney:** — New question, Mr. Deputy Speaker. I doubt whether the cost would be horrendous to find a minister who can read a financial statement.

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

**Hon. Mr. Blakeney:** — And I doubt whether it would be horrendous to have an organization which would deny a company a licence to sell when it has filed a financial statement showing it's insolvent.

Now my question to you, Mr. Minister, is this: last Friday you took notice of a question as to whether or not the Consumer Affairs department had denied the public access to information filed with the department under The Investment Contracts Act. You took notice of that; what is your answer to that question?

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

**Hon. Mr. Lane:** — I don't have the information yet from the department, Mr. Deputy Speaker.

### Privatization of SGI

**Mr. Trew:** — Thank you, Mr. Deputy Speaker. In the absence of the minister responsible for Saskatchewan Government Insurance and in the absence of the minister in charge of economic development and privatization, my question is to the Deputy Premier.

Can you confirm that SGI is the next privatization target for your government, and that you've decided to sell off SGI's general insurance business to the private sector? And in light of that decision, can the minister tell Saskatchewan people why you no longer consider virtually mandatory insurance needs such as home, business, and fire insurance to be part of SGI's public insurance mandate?

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

**Hon. Mr. Berntson:** — Mr. Speaker, any announcements relative to privatization or public participation, beyond those that were stated in the throne speech some months ago, will be made at the appropriate time, which I suggest, Mr. Speaker, would be in due course.

**Mr. Trew:** — Supplementary, Mr. Speaker. Is the Deputy Premier telling us that SGI is not, in fact, being privatized. Is that what you're telling us here today? Is it?

**Hon. Mr. Berntson:** — No, Mr. Speaker, obviously the hon. member wasn't listening. I said any announcements relative to privatization or public participation will be made at the appropriate time. SGI, among others, obviously have been candidates for an analysis as to whether they would be good candidates for public participation or privatization — one of many, I suggest. And that shouldn't surprise anyone here, Mr. Speaker, because those kinds of things were talked about in the throne speech several months ago. And I don't know why it is now, just now, that hon. members opposite are just cottoning on to what was announced in the throne speech.

**Mr. Trew:** — New question, Mr. Deputy Speaker. Mr. Deputy Premier, that's the same old song and dance you gave to the people of Saskatchewan just before you privatized or sold shares in Saskoil. And I'd remind the Deputy Premier that of the Saskoil shares that were sold more than three-quarters of those shares sold have been sold to interests outside of Saskatchewan, and further that Saskoil is almost . . .

**Mr. Deputy Speaker:** — Order. Does the member have a question? Order. Would the member get to his question.

**Mr. Trew:** — Mr. Deputy Speaker, that was a new question, and as such I think a preamble is somewhat in order.

**Mr. Deputy Speaker:** — A short preamble. Would the member get to his question.

**Mr. Trew:** — My question to the Deputy Premier, Mr. Deputy Speaker, is how can you say that selling shares in SGI to people from Ontario and other out of province places is going to protect Saskatchewan consumers in any way.

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

**Hon. Mr. Berntson:** — Mr. Speaker, without even responding directly to the question as it relates to SGI, which I think at this point at least is dealing hypothetically — and of course we all know that dealing in hypotheses is out of order in question period.

But he did make a reference to Saskoil, Mr. Speaker. And so I want to respond to Saskoil, because that is not in any way hypothetical; that's real. And we did have a share offering of Saskoil last . . . about a year ago, Mr. Speaker, and it was a very successful share offering. We now have . . . we have one of the strongest oil companies in Canada, headquartered here in Regina, Mr. Speaker — headquartered here in Regina, and I make no apology for the successes of Saskoil.

I might also point out, Mr. Speaker, that that was done in advance of the last provincial election, and the people of Saskatchewan, I believe, Mr. Speaker, endorsed that in the last provincial election.

**Mr. Trew:** — New question, Mr. Deputy Speaker. New question: short preamble. I have here a letter from Alex

Wilde, president of SGI, and I'm going to read one sentence of it. It was June 9, 1987, and I quote:

A proposal to provide a public share offering of the general business is being developed by SGI for consideration by the government.

Direct quote. My question is you is: do you want to explain to the Saskatchewan consumers why they should feel good about paying more for their general insurance needs?

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

**Hon. Mr. Berntson:** — I was a little worried that I wasn't going to be able to take what the member said as gospel, but I'm prepared to do that since he did complete the sentence that said: for the consideration of government.

Mr. Speaker, for the consideration of government means just that. You have to remember, Mr. Speaker, that the government is still the shareholder of SGI, and the government will ultimately make that decision.

**Mr. Trew:** — Supplementary, Mr. Deputy Speaker. Nobody in this province believes you when you say we're now hypothetical after the information that has been brought forward. It is ludicrous to think that SGI is not about to be privatized. My question is: can you justify to the consumers, to the insuring public, how they are going to possibly in any way, shape, or form benefit from the privatization of SGI's general insurance?

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

**Hon. Mr. Berntson:** — Mr. Speaker, my guess is that SGI attracts the business that it attracts now simply because it is able to be competitive or better than competitive. And my guess is that in the event, in the event of any public offering or any privatization strategy, if in the event that SGI or the general insurance side of SGI is privatized or if, heaven forbid, the member for Regina Centre were to buy some shares in such an organization, if that were to happen, my guess is that it would be equally as competitive, Mr. Speaker . . . (inaudible interjection) . . . And he says: oh yes, just like Weyerhaeuser. I'll tell you, just like Weyerhaeuser. Weyerhaeuser is one of the true success stories in the province of Saskatchewan today.

#### **Special Security Section of Property Management Corporation**

**Mr. Brockelbank:** — Mr. Deputy Speaker, I had intended in directing my question to the minister in charge of the Saskatchewan Property Management Corporation, but in his absence I may direct it to the minister who answers for the minister in charge of the Saskatchewan property development corporation when he's away, or the Deputy Premier since the Premier is not here.

And my question, Mr. Deputy Speaker, has to deal with the special security service section recently created in the government's Saskatchewan Property Management Corporation. This security section with at least five employees is led by the former head of the RCMP Saskatchewan intelligence unit which dealt in

sophisticated electronic surveillance and undercover intelligence work. The minister has said that this new security section will provide increased security to cabinet ministers and certain government buildings.

I want to ask the minister who will be responding: has there been an increase in threats to members of the provincial cabinet? And if not, why is this kind of expense necessary in this time of PC restraint?

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

**Hon. Mr. Berntson:** — I thought your question was going to be: if not, why not? But the simple answer to your question, Mr. Speaker — and I'm not close to this, so you'll forgive me if I'm not entirely right on — but my understanding is that this is in co-operation with the federal government in a program called Vital . . .

**An Hon. Member:** — Vital Points, I think it is.

**Hon. Mr. Berntson:** — . . . Vital Points. But to give you further detail as to the specifics of the question, I will take notice and have the minister responsible respond in the appropriate way, Mr. Speaker.

**Mr. Brockelbank:** — Mr. Deputy Speaker, I shall eagerly await the response as promised to me by the Deputy Premier, since his information comes from quite high up in the government.

Mr. Deputy Premier, since the days of the plumbers' unit and the political dirty tricks of Richard Nixon in the White House . . .

**Mr. Deputy Speaker:** — Order. Supplementary questions need no preamble.

**Mr. Brockelbank:** — Mr. Speaker, I ask a new question of the Deputy Premier, now I've isolated who's going to answer the questions today.

Since the days of the plumbers' unit and the political dirty tricks operation run out of President Nixon's White House, the public has been extremely sceptical of the so-called security units answerable only to politicians. This new security is made up of the former RCMP wire-tap expert and undercover agents, and they are answerable only to the minister and his cabinet colleagues. That, in my view, for what it's worth, is an abuse — an opportunity for abuse.

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

**Mr. Brockelbank:** — If this security section has no political overtones, I assume that the government would have no problem with the creation of a special independent committee of this Assembly, with nominees from all parties, to act as an oversight committee on the work of this new unit. If this is truly, Mr. Minister, a non-political security unit, surely you will have no problem with an independent oversight committee. Are you prepared, Mr. Minister, to do that?

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

**Hon. Mr. Berntson:** — Mr. Speaker, obviously I'm not prepared to commit the minister, in his absence, to anything. I've told you, Mr. Speaker . . .

**An Hon. Member:** — Well if he's not here, you have got to answer.

**Hon. Mr. Berntson:** — And he sits there chirping, he's not here, so I have to answer. Well I can answer. I can answer, Mr. Speaker, but I can't think for the minister; I can't think for the minister who doesn't happen to be in this House today, and I appreciate the acknowledgement of the hon. members opposite for recognizing that finally.

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

**Hon. Mr. Berntson:** — Having said that, Mr. Speaker, as with the first question, I will take notice of this one and give it to the minister responsible, and he will answer in the appropriate way, Mr. Speaker.

### MOTION UNDER RULE 39

#### Collapse of First Investors and Associated Investors

**Hon. Mr. Blakeney:** — Mr. Deputy Speaker, before orders of the day I rise pursuant to rule 39 to seek leave of the Assembly to move a motion of an urgent and pressing nature.

I will take a moment to explain the issue and will then indicate the substance of the motion for which I seek leave. The issue is the government's incompetent mishandling of its responsibility to protect the people of Saskatchewan with respect to the Principal Group of companies, and particularly with respect to the collapse of First Investors Corporation and Associated Investors of Canada.

Last week, Mr. Speaker, it was revealed that at least as early as the first part of 1986, more than a year ago, the Government of Saskatchewan knew, or ought to have known, that First Investors Corporation was insolvent and that Associated Investors of Canada was insolvent. And I say insolvent on the basis of the company's audited financial statements which were available to the government but not available to the public. Nevertheless, Mr. Speaker, the government opposite renewed the company's licence to sell investment contracts to the people of Saskatchewan, and it was renewed for 1987.

Mr. Speaker, the facts are clear. The facts show first that more than 3,000 Saskatchewan people have lost savings, and second, that in regulating First Investors and Associated Investors, the government was incompetent and negligent. It is no less clear, Mr. Speaker, that what is needed here is a full, independent, public inquiry into the government's mishandling of this affair, an inquiry into the government's negligence.

Accordingly, Mr. Speaker, I seek leave of the Assembly to move a motion along the following lines:

That this Assembly condemns the Government of Saskatchewan for failing to fulfil its obligation to protect Saskatchewan people with respect to First

Investors Corporation and Associated Investors of Canada, two of the Principal Group of companies. And further, that this Assembly urge that the Government of Saskatchewan do establish an independent public inquiry to examine the government's negligence in this matter.

Mr. Deputy Speaker, I so move, seconded by my colleague, the member for Quill Lakes.

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

Leave not granted.

### TABLING OF DOCUMENTS

**Ms. Simard:** — Thank you, Mr. Deputy Speaker. Before orders of the day, I rise to table documents signed by 1,120 Saskatchewan citizens. These documents call upon the Saskatchewan Power Corporation.

**Hon. Mr. Berntson:** — Mr. Speaker, on a point of order.

**Mr. Deputy Speaker:** — State your point of order.

**Hon. Mr. Berntson:** — The point of order is this, Mr. Speaker. There is a place, there is a place in routine proceedings for the tabling of petitions, or reading and receiving petitions. There is no place on the order paper for tabling documents, and the practice has always been, if you have documents to table, you stand up and table them. You don't have an opportunity to give a great political harangue every time you table a document, Mr. Speaker.

**Mr. Deputy Speaker:** — The point of order is well taken.

**Ms. Simard:** — Mr. Speaker, I table this on behalf of 1,120 citizens who are concerned about . . .

**Mr. Deputy Speaker:** — Order. Order. Order. Order. I ask members on both sides of the House . . . Order. The point of order I found was well taken from the Deputy Premier. There is a place on . . . Order. There is a time and a place to table the documents. There is no time and place for tabled documents. Reading and receiving petitions is dealt with every day.

Order. If the member wishes to table the documents, the member can.

**Mr. Shillington:** — Mr. Speaker, I wonder if I might comment on your . . . I wonder if I might ask you a question. It has . . .

**Mr. Deputy Speaker:** — Order.

**An Hon. Member:** — Then a point of order.

**Mr. Deputy Speaker:** — State your point of view.

**Mr. Shillington:** — The point of order is that it has been customary to table documents which are not petitions before the order of the day, and it has been customary to give a few words of introduction to explain what you're

tabling. Members opposite have done it, and we have done it, and that's all the member from Regina Lakeview is doing. And I suggest, Mr. Speaker, that what the member from Regina Lakeview is doing is in keeping with decades of practice in this Legislative Assembly. There's nothing new about it.

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

**Mr. Deputy Speaker:** — I have ruled on the Deputy Premier's point of order. The member . . . Order. The member is welcome to table the document.

**Ms. Simard:** — Mr. Deputy Speaker, these documents were not tabled for formal presentation as petitions in the legislature. They are like any other documents that other people have tabled in here, and they've always been entitled to give a preamble as to what the content of the document is about.

**Mr. Deputy Speaker:** — Order. If the member wants to table the documents, she may table them.

**Mr. Brockelbank:** — Mr. Deputy Speaker, in due course, if you could give us a citation and a written ruling with regard to this matter to clarify it.

**Mr. Deputy Speaker:** — Order. Order. I will take notice and come back with a ruling.

**Ms. Simard:** — I will now table these documents, Mr. Deputy Speaker, representing some . . . over 1,000 . . .

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

**Mr. Deputy Speaker:** — Order.

**Hon. Mr. Lane:** — Mr. Deputy Speaker, point of order. Prior to orders of the day, it's a rule, Mr. Speaker, of this Assembly that a special debate is a matter of pressing and urgent public importance. And obviously, the Leader of the Opposition on his motion today brought up a matter that has been a matter of some debate for the last couple of months in this Assembly, Mr. Speaker . . . (inaudible interjection) . . . I'm raising my point of order. I have a right to raise my point of order . . .

**Mr. Deputy Speaker:** — Order. Order. Order. Allow the Minister of Finance to state his point of order.

**Hon. Mr. Lane:** — Thank you, Mr. Speaker. It's a matter of the special debates or matters of pressing and urgent public importance. Unless that is the overriding criterion, Mr. Deputy Speaker, then it will become the opportunity for members of this Assembly to simply raise matters not of pressing and public importance or without other opportunities to debate, which is a factor in that, Mr. Speaker, and merely abuse that particular system.

Now that matter has been before the House. There's ample opportunities to debate it in the past, and I frankly think that the motion was abuse of the Assembly, Mr. Speaker, and I urge Mr. Deputy Speaker to perhaps bring forward to the Assembly the guide-lines for what constitutes pressing and public importance.

**Mr. Deputy Speaker:** — Order.

**Hon. Mr. Blakeney:** — Mr. Deputy Speaker, I'd like to speak to the point of order.

The member suggests that this matter has been before the House for months. The matter I raised had to do with the circumstances which became public when a financial statement of First Investors became public three or four days ago.

Mr. Deputy Speaker, the member for Qu'Appelle-Lumsden admitted that he hadn't even seen the financial statement and was unwilling to comment on it, even though he now says the matter was around for two months. Can we believe what he says?

It is very clear that this is new material, material of an urgent nature, material which he has not even seen, he admits, but which he should have seen and which should be considered by this House on an urgent basis, notwithstanding the efforts of the member for Qu'Appelle-Lumsden to stonewall public knowledge about the incompetence of the government on this matter.

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

**Mr. Deputy Speaker:** — Order. Order. Order. I find the points of order not well taken. They're . . . Order! Order! It's a dispute between two members; it's not a point of order.

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

#### COMMITTEE OF FINANCE

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

#### Item 1 (continued)

**Mr. Hagel:** — Thank you very much, Mr. Chairman. When we broke off review of the estimates of the Department of Social Services on Thursday evening slightly before 10 o'clock, under discussion then before the review of the Assembly was the part of the Social Services delivery system that guarantees some basic security to Saskatchewan people who are deprived of security by way of income.

We also took a bit of a review, Mr. Chairman, with the track record of the present government as related to this particular delivery of service within the Department of Social Services, and were able to pin-point that really it's the income security branch, or the social assistance program specifically, of the present government, combined with the track record in unemployment, that most clearly spells out the abject failure of the Saskatchewan government for people in Saskatchewan.

And we also saw, Mr. Chairman, how this failing Saskatchewan people in the number one responsibility

that government has, as a matter of fact, has led to an even further hammering of people who are most vulnerable, who are most in need in Saskatchewan society today.

(1445)

Just a quick review of the facts to put it into context, Mr. Chairman, because I want to continue this review of the Department of Social Services in the context of the entire Progressive Conservative government track record over the past five years.

And if we look at that track record over the past five years up until . . . and if we compare the period of time in which the government inherited – the Progressive Conservatives inherited the government, if we compare April of 1982 with April of 1987, we see some alarming facts, Mr. Chairman. We see that in Saskatchewan, from 1982 to 1987, unemployment increased by 14,000, from 27,000 to 41,000 people in Saskatchewan unemployed and looking for work.

We see at the same period, in the same five years, Mr. Chairman, that here in Saskatchewan the social assistance beneficiaries increased by a like number. There were 48,000, and an increase to 62,000 people in Saskatchewan living in families dependent upon social assistance, and I suggest, not purely coincidence, an increase again of 14,000 Saskatchewan people.

When we look at how those people got there, I think there's a telling story as well, Mr. Chairman. In 1982 there were 11,800 social assistance cases, and this is applicants for social assistance who were described as being capable of employment, looking for work but not able to find it. But in 1987 that number is slightly over 20,000.

And so we find an increase of in excess of more than 8,000 of those social assistance cases being people who are capable of working, looking for work, and not able to find it – a 70 per cent, Mr. Chairman, increase in the number of cases in Saskatchewan over a five-year period of people who have become dependent or who require social assistance in order to survive and make ends meet. And what a sad statement that is, Mr. Chairman, what a sad statement.

In Saskatchewan today, two out of every three applicants for social assistance is applying for assistance because they're unable to find work in order to support their family. And when we look at those families, what do we know, what do we know about the people in Saskatchewan who have become dependent upon social assistance in order to survive, in order to make ends meet. When we look at the 62,000 people in Saskatchewan, we find that 29,000 of those folks are 19 years or age or younger, truly the young people of Saskatchewan – 29,000.

By anybody's definition, Mr. Chairman, a young person easily is someone who is 14 or under. And we find in Saskatchewan today there are 23,000 young people who are of the age of 14 or younger who are living in families dependent upon social assistance. And saddest of all, when we talk about the families in Saskatchewan, saddest of all, Mr. Chairman, is the fact that in Saskatchewan

today there are 10,000 pre-schoolers, 10,000 little children four years of age or younger who live in families who are dependent upon social assistance, and living in families without a great deal of hope, families oftentimes living in despair, families whose sense of dignity is being challenged on a daily basis. And I think that that is a condemning fact, Mr. Chairman – a condemning fact.

When we look at the dollar figures, we find that the present-day government is spending nearly twice as much on social assistance in Saskatchewan today. Having taken over a budget of . . . an expenditure of \$105 million for social assistance last year, the Saskatchewan government spent \$204 million on social assistance – \$204 million, Mr. Chairman – \$204 million compared to \$105 million being spent on social assistance for the poorest of the poor in Saskatchewan today.

And I suggest that the number . . . the fact that we have increased the numbers of people who are dependent upon social assistance, the fact that the budget for social assistance in Saskatchewan has doubled, is directly attributable to the failure of the PC government to deal with its most important responsibility to the people of Saskatchewan, and that's providing employment opportunity.

And clearly we can draw no conclusion other than that. Failure in employment opportunity leads to failure in the Department of Social Services, as realized by increased numbers in recipients of social assistance and increased expenditures.

And saddest of all, Mr. Chairman, is the fact that those increased expenditures don't relate to improved benefits. Nobody who's living on social assistance is doing any better. In fact, to a person, every one is worse off today than they were in 1982. So the increased expenditures have nothing to do with improving the quality of life, to allow better opportunity for participation in community and dignity for the poorest of the poor in our province. The increased expenditure of \$100 million under the PC government is directly related to its failure to create employment.

And those are the facts of the matter, Mr. Chairman; those are the sad facts of the matter. And I think that it is a common opinion in Saskatchewan that we don't like to be paying large amounts of money to social assistance. Yes, those who are incapable of earning their own income, I think, have a right to expect from their government a basic degree of security that allows them some hope and dignity.

But most important of all, to the masses, to two-thirds of the cases in social assistance, is an opportunity – an opportunity to work. As the social services task force of the New Democratic caucus toured the province last March, we heard over and over again recipients and people who have daily contact, regular contact with recipients, telling us over and over again that the most important thing, the most valuable thing that those recipients of social assistance in Saskatchewan would like today is a job.

And that's the reality. Those are the factual realities. And

as we come to review the *Estimates* before this Assembly, Mr. Speaker, it's unfortunate that oftentimes, because we're dealing with budgets, we end up dealing with numbers, and sometimes dehumanizing the whole process of the review.

And I think that's the greatest challenge that faces the government today, as expressed in the harsh realities of social assistance – the challenge to create employment opportunity, real employment opportunity, employment opportunity that offers full-time employment, with decent wages, and covered by labour standards, that provides hope and dignity for Saskatchewan families who, more than anything else, would like to pay their own way and be able to provide for their own families.

Well, Mr. Chairman, when we left off on Thursday evening, we were discussing a specific element of the policy of the Department of Social Services, and that has to do with the Canada Pension Plan change that was introduced in January 1, allowing seniors who are the age of 60 years or older, but prior to the age of 65, to take early Canada pension.

And as a result of that opportunity, there was a strange set of circumstances occurred in the province of Saskatchewan. The Department of Social Services, Mr. Chairman, was requiring, has been requiring – and I say that very specifically, noting that that's been confirmed by the minister – has been requiring at least some seniors in Saskatchewan who are the age of 60, prior to the age of 65, people who are the poorest of the poor in our province who are receiving social assistance, to take early Canada pension.

And let me point out, Mr. Chairman, the regulation around that, because someone who takes early Canada pension has their pension reduced by one-half of 1 per cent for every month prior to age 65. And that means someone who's 60 years old and poor, who takes the early Canada pension, has reduced their Canada pension by a total of 30 per cent for life – 30 per cent for life.

And the Department of Social Services has been requiring individuals, seniors 60 years of age but prior to age 65, to take the early Canada pension, to reduce their Canada pension by up to 30 per cent for life, and, Mr. Chairman, most shocking of all, then deducting from their social assistance payments, dollar for dollar, whatever those individuals receive by early Canada pension.

In other words, Mr. Chairman, the Department of Social Services was saying to seniors: you have to apply for that early Canada pension – I produced a letter here the other night saying that if they didn't that they would be cut off social assistance – and then told them: when you get those pension benefits, even though you're reducing your pension by up to 30 per cent for life, you will benefit by not one penny today because the Department of Social Services will take whatever pension you receive away from you entirely.

Well that's the point at which we arrived Thursday night, Mr. Chairman, at which time the government chose then to adjourn for the evening. And my question then to the minister is this, Mr. Chairman: how many people in

Saskatchewan who are age 60 or older . . . and I understand the context of your answer on Thursday in which you said that that was a mistake. You clearly said to this Assembly and I quote:

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.

And then you went on to say:

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.

Mr. Minister, I ask you: how many people in Saskatchewan have applied for their early Canada Pension Plan, and are having those benefits deducted dollar for dollar, from their social assistance coverage in the province of Saskatchewan?

**Hon. Mr. Schmidt:** — Mr. Deputy Chairman, what we've just heard is another example of political distortion that borders on the fringe of the rules of this Assembly.

The situation we're looking at here is that . . . First of all, briefly, with the economy, doesn't anyone in this city know that there's an upgrader being built? Doesn't anyone in this city know that there are people employed there? I spoke to a man yesterday who's an electrician, has lived in Regina for eight years, and this is the first year that he's ever worked in Regina, and he's working at the upgrader. He's travelled all over Canada to work as an electrician, yet the members opposite don't seem to notice those type of things.

Further with the situation on unemployment and how it relates to welfare, with respect to the Weyerhaeuser project in Prince Albert. We have another project there, Par Industries project, which is training welfare recipients to work in the forest industry. Two of those people are now working on the construction project at the Weyerhaeuser construction site. They received references from Par Industries where they were good employees. Those are the kind of co-ordinated things that we are doing in this province and yet the members of the opposition don't understand that they exist.

The member for Moose Jaw North has indicated there are 21,000 – I believe he said 21,000 – people who were employable who are on welfare. The case-load statistics show that in April 1987 there were 14,500 employable people on welfare and another 7,000 partially employable. And we are examining the definition of partially employable and how realistic that may be.

In 1982 the government that we took over from didn't even count single employables – lumped all employables together, whether they had families or didn't have families. The statistics are quite distortive. There are different pressures now than there were.

The former government allowed – just before the 1982



election – allowed the federal government to off-load the cost of treaty Indians. At the time we became government, there were approximately 1,000 treaty Indians in Saskatchewan on the Saskatchewan welfare role. There are approximately 3,000 now – a tripling of the number of cases that the federal government has been able to off-load on to this government as a result of the decisions made by the NDP just prior to 1981 . . . just prior to the 1982 election in 1981. That's an extra 2,000 cases.

We talk about the expenditures. In 1966, when Saskatchewan joined the Canada assistance plan, the average case pay out was \$87.54 per month. It now is estimated in these estimates that the cost this year will be \$558.32 per month. In 1982, when the members of the NDP boasted they had the most generous system, it was \$434.32 per month. There has been an increase in the average case pay out of approximately \$120.00 per month in the average case pay out. And then the member opposite suggests that things were much better five or six years ago; we'll try to take those figures into account.

And then we get to the question: the Canada Pension Plan, the one I answered when we last were assembled in this committee. The calculations that my department has done is that the impact of taking the Canada Pension Plan early only impacts on those people in the highest 25 per cent of the Canada Pension Plan eligibility and the highest 25 per cent of income people.

(1500)

The people that now require welfare and would apply for the Canada Pension Plan early would not be affected in a dollars and cents way by applying early other than that they would now be receiving money from the Canada Pension Plan rather than from the Canada assistance plan and the Saskatchewan assistance plan. And they would be, in the short run, saving dollars – saving money to the province of Saskatchewan because they would be receiving federal money.

And once they reach the age of 65, they would qualify for seniors' income plan and that the slack – the reduced Canada Pension Plan that they received now would be picked up by the Saskatchewan seniors' income plan which, I should point out to the member opposite, was raised from \$25 a month when they were government, to \$65 a month right now – a two and a half times increase. But these are things that the members opposite would distort and paint for us that the situation for seniors or those people on welfare have somehow gotten worse since we have become government.

Lastly, in answer to the question of how many people are affected by the taking of the Canada Pension Plan early, we expect that the number is in the range of 100, but the calculations have, of course, not yet been done because we are still encouraging people who qualify to take them, and the figures would change every day, but we anticipate that it's approximately 100 cases that are affected.

**Mr. Hagel:** — Well, Mr. Minister, if I may encourage you to do something more than change definitions, and if I

may encourage you to create jobs, there are 20,000 applicants for social assistance in this province that would welcome an initiative by the government to create jobs instead of change definitions.

You say that there are approximately 100 people who have taken early Canada pensions, seniors who have taken early Canada pension, and are having that deducted dollar for dollar from their social assistance payments. And I ask you again, how are you going to compensate them in the long run to ensure that they will not be out personal income past the age of 65? Would you please state that clearly for me, Mr. Minister?

**Hon. Mr. Schmidt:** — Well I just explained that the Saskatchewan income plan for seniors now pays \$65 per month rather than \$25 per month. People who qualify for Canada Pension Plan and welfare, at this stage, if they applied for their Canada Pension Plan, it would reduce the amount of welfare they receive. It will also reduce the amount of pension they will receive when they are over the age of 65; however, the amount of Canada Pension Plan they receive when they are over the 65, if it is reduced, will increase the amount of Saskatchewan income plan they will receive when they are over 65. So they would be taking money from the federal government plan now and taking money from the province later. Theoretically, later we'll be in a better position to pay for it with current dollars rather than with borrowed dollars, and it is always better for a province to spend money in the future, rather than to spend it in the present.

**Mr. Hagel:** — Well, Mr. Minister, I will follow that carefully, and will apply pencil to paper to ensure that those numbers as a matter of act do assure Saskatchewan seniors – and I suspect we're probably talking of these hundred people, the majority of those being widows – to ensure that they have financial security past the age of 65 that's not inhibited in any way because of this policy decision in your department.

Now, Mr. Minister, as you may know, a little over a year ago a group of nine organizations in Saskatoon, including some doctors, social workers, the United Church, the Community Health Services association, Crocus Co-op, and others, made a public brief linking poverty to certain physical and mental illnesses. There were many experts in that group, Mr. Minister, who say clearly that there are people who are sick in Saskatchewan today primarily because they are poor.

And I want to ask you, Mr. Minister, if you're aware of that brief, and what you have done to respond to the disturbing points made in that brief.

**Hon. Mr. Schmidt:** — Well the situation is quite simple. It has been for thousands and thousands of years that people who are sick do not have an ability to earn much income, and therefore because people are ill they may be poor.

We have a health care system that is spending, in addition to last year's expenditure, another \$36 million. We have an excellent health care system in Saskatchewan, but even that cannot heal everyone, cannot rehabilitate everyone, and therefore there are systems in place that

assist people. You have workers' compensation for injury on the job. You have the Canada Pension Plan disability payments for people who've paid into the Canada Pension Plan, and for those people who've not been able to make any of those provisions, in addition you have private plans. People put away money and buy accident and disability insurance.

But in addition to that, for those people who've not been able to do any of those things, we have the Saskatchewan/Canada assistance plan which pays according to peoples' needs. So it is hard to believe that money has much to do with health in this province, and if money could buy health, then I could show you some of the healthiest people you ever saw. I know people who have money, but they can't buy their health, and they would trade their money for their health in many, many cases.

But that is not the situation. The situation is that some people are unfortunate, do not have good health, and therefore cannot earn incomes and may be poor as a result of that. The question then is: to what extent should the state remedy the poverty? Should the state restore them to the position they were in before they fell ill, or should the state restore them to a position where they are covered by what needs they have? And in this province, and in all of Canada, people are covered according to their needs, not according to their past life-style.

**Mr. Hagel:** — Well the point is still left, Mr. Minister, to recognize the very message of that brief that was put together about a year ago, and the point was not made that illness brings about poverty. It was, as a matter of fact, the opposite, that poverty begets illness, both physical and mental illness. And I think it's a brief, Mr. Minister, that speaks to the level of assistance for those who are forced, who are forced to rely on the safety net through social assistance.

Mr. Minister, last year the Regina city council expressed the opinion that social assistance rates are too low. And the city's board of health and social planning subsequently proposed that an independent agency be established to set social assistance rates, an agency independent of the department, independent of the government. Mr. Minister, have you considered that option, and if not, why not?

**Hon. Mr. Schmidt:** — Well you have to take into account, Mr. Deputy Chairman, that you should also consider that people on welfare are entitled to get all of their prescriptions for \$2. They don't pay 3.95; they don't pay a deductible; they don't pay a percentage. It's \$2. And for those who have the most extreme needs for drugs, it is zero.

Then you get down to the question of how much the state should be paying. And I submit to the member opposite and to the city of Regina council that if they think the rates are too low in the city of Regina, they province will not stop the city of Regina from paying welfare rates in addition to those that we pay to such ever level as their taxpayers think is desirable.

**Mr. Hagel:** — Well, Mr. Minister, the amounts that your

department has to work with to provide social assistance are dependent on a number of factors. One is that the Canada assistance plan agreement covers half the cost. We've discussed previously in estimates here that 1 per cent of the total budget is assessed to municipalities. There are also, then, the general government revenues from a variety of sources that contribute to what the government has to offer by way of security to the poorest of the poor.

Let me ask you the same question again, Mr. Minister, and ask that you answer that question. Have you considered the setting of an independent agency or board to set social assistance rates?

**Hon. Mr. Schmidt:** — Mr. Chairman, we had a referendum on October 20, 1986, a massive referendum, and the people of Saskatchewan picked a board called the Government of Saskatchewan to decide what should be done in the government of this province.

Now we have the city of Regina saying that welfare rates are too low, when at the same time the city of Regina comes to me and says, we don't want to pay our share; the city should pay nothing towards the cost of welfare. And did you know what the city of Regina pays now? About 1 per cent of the welfare costs paid out in this city. The municipalities in this province pay \$1.9 million out of approximately \$200 million — approximately 1 per cent of the welfare costs. And then the city of Regina says it should be higher. And then they come to me and say, we shouldn't pay 1 per cent.

It seems to me that there's an inconsistency there. And I have said to the municipalities that the 1 per cent they now pay seems to be a very reasonable share, and I don't intend to reduce it, and nor do I intend to ask the city of Regina how we should spend more money in the city of Regina on the welfare cases here. We will come up with the most efficient, the fairest system possible, and will be certain that everyone has enough to eat.

**Mr. Hagel:** — Well, Mr. Minister, I agree there was a referendum on October 26. If we want to go by the rules of referendum, the referendum on October 26 provided more support for the members of the New Democratic Party than it did for the members of the Progressive Conservatives — if you want to measure it in terms of referendum.

Mr. Minister, you do not have a monopoly on caring, and there are those who suggest it, as a matter of fact, you not only do not have a monopoly, that you're a little short-changed in that area. And let me come back to my question again. I did not ask whether you thought the city of Regina should set social assistance rates. The city of Regina made a recommendation. The recommendation was that the rates would be set by an independent agency or board. Have you considered that option? If not, why not?

**Hon. Mr. Schmidt:** — No I haven't because first of all the city of Regina pays 1 per cent. How many representatives would you give them — 1 out of 100? How do you in this province find an independent anything? And it seems to me that this province has been polarized for generations

between socialists and un-socialists. And if you ever add up the socialist vote, I believe only once did it ever have more than 50 per cent – and yet a socialist government in this province for most of the last 45 years.

So under the rules, we are the government. Under past rules, the socialists were the government. As long as we are the government, we will do the best we can to take care of everyone within the ability of society to do that. And what we will do is not only say we will take care of you, but we will help you take care of yourself. That's our difference in philosophy. The philosophy of the NDP is: there should be equality even if it's equal poverty for all. The philosophy of our government is that there should be some room for incentives. There should be equal opportunity. Those people who do not have the ability to care for themselves, do not have the ability to compete in a complicated, modern world, should be assisted. And that's what we do.

**Mr. Hagel:** — Mr. Minister, I am sure that you're aware that many families who live on social assistance have many limitations, and among those is the fact that children in those families are very, very frequently – the vast majority of times – denied normal opportunity to participate in recreational activities. It would be the procedure of your department in foster home placement or adoptions placement to ensure that children going into those homes would be provided some normal opportunity to participate in recreation. This, as a matter of fact, because of the rate levels applied to social assistance families and also due to the fact that there is no specific category providing for children's recreational activities, means that there is a difference between those children who are living in families who are the poorest of our poor.

I ask, Mr. Minister, if you have or would consider providing for those families who have children who are the poorest of the poor, depending on social assistance, some means to participate in normal recreational activities?

**Hon. Mr. Schmidt:** — Well, Mr. Chairman, I am also concerned that all children have an equal opportunity to participate in recreation and sports, and as much as possible we will look at every possible means as far as the province of Saskatchewan is involved in recreation. I see a large number of sports facilities in the vicinity of downtown Regina – more facilities than are available to most children in Saskatchewan – and I would hope that these children have an opportunity to participate.

(1515)

In addition, not only do I hope, but I will look at all possibilities for having all children in Saskatchewan able to participate. And that's not to say that we will buy new skates for all children in Saskatchewan if they are not able to buy new skates. My children are skating right now in \$10 used skates. My wife said that he doesn't skate very well, he should have new skates. I said, it's not the problem of the skates, it's the feet. And so what my son needs is more practice. But I realize that there are costs involved that some people may not be able to afford, and

we will do everything possible to help in that area.

I also am concerned about children who may go to school hungry, and ways of alleviating that. But I want to be certain that I . . . if I could solve that problem with money I would lay the money on the table in the legislature instantly, but I want to make sure that that extra money goes to the children and provides the recreation and the food that is necessary and is not squandered in other ways. So I want to make sure that that money goes to the children because I agree that all children should have equal opportunity when they are young.

**Mr. Hagel:** — I appreciate your sentiments on that, Mr. Minister. You will know, as well as I, that one of the strains that the providers of recreational facilities, like municipalities and others, are having these days is cut-backs in funding through other decisions of your government. Unfortunately what that means, is that it impacts the greatest on those who have the least.

As difficult as it is to afford a \$2 cover charge to go skating – pick a figure, I'm not getting hung up on figures here – it becomes even that much more imposing to pay 2.50 or 3, so that as the rates go up because other bodies have more of a pressure to recoup the operating costs through fees, it simply excludes poor children even more.

And, Mr. Minister, as I've said on some other occasions, you have my commitment if it is your intent to work towards providing recreational opportunity for children in poverty. You have my commitment to work in co-operation with you.

Mr. Minister, you will know that single employable recipients who are living in urban centres today are receiving through social assistance income approximately equal to half the poverty line. By single employable recipients – this is the group that was particularly hard hit by the reforms of 1984 – and I'm referring to people then who don't have children and who are determined to be capable of employment but simply cannot find employment, and I want to ask, Mr. Minister, if you find it acceptable in the context of the philosophy of your department that people who are capable of employment but cannot find employment in the province of Saskatchewan, if you find it acceptable that they would be living with an income of approximately half the poverty line, and that they would be living in it with an income that provides, after rent, for up to only \$123. And I ask, Mr. Minister . . . per month, \$123 per month. And I ask, Mr. Minister, if you find those support levels acceptable and if you have any intentions to bring about changes to address that?

**Hon. Mr. Schmidt:** — Well, Mr. Chairman, this is a problem area – single employables. You have a whole category there. If you went from, on a scale of 1 to 10, of single employables that deserve assistance, you would have people at a 10 who are trying their best to support themselves and just can't find a job, and they would be 10's. But then you find 1's, people that make no effort whatsoever to support themselves. And how do I help the 10's, the ones that try so hard, and not benefit the 1's that don't try at all. That is quite a quandary we have at Social Services.

I was driving into Regina this morning and I was thinking – and I'll tell you what I was thinking – I was thinking that with respect to single employables I should devise the system where they could keep more of the initial earnings they had on part-time wages or casual jobs or things of that nature. And I can't make policy here in estimates while I'm thinking out loud, but I will look at a system where a single employable can keep a greater proportion of their initial earnings so that there is some incentive there to go out and help yourself.

I've also looked at the possibility, in a lot of areas, where single employables receive a lower rate than employables with dependants or people who are unemployable. And I would like to see a system somehow, and I'm going to work on it, a system where single employables can earn, either through community work or some way, bonus credits so that those people who genuinely can't find a job, but say: well look, I will go out and help at the nursing home one day a week, even if it's to visit with people and cheer people up. That is useful to society and we should take that into account and give them an extra exemption or an extra sum.

So that is how I'm trying wrestle with the problem of helping those that are very deserving and just can't get a job, and those who could get a job if they put a little effort into it. And I don't want to lump everyone that's a single employable into one category and categorize them as a this or a that, but I'm saying there's a broad spectrum and I'd like to help those people who are really trying hard to help themselves. I'd like to let that initiative be developed a bit further. On the other hand, I can't encourage those people who do nothing for themselves. So it's quite a problem.

**Mr. Hagel:** — Well, Mr. Minister, I'm somewhat pleased to hear some of your sentiments expressed here today. I hope they're expressed honestly and sincerely.

It is my view, Mr. Minister, I share with the sentiment that I think I heard you imply, and that's that the amounts to live on that are available to single employable persons are insufficient, and I share that sentiment with you. It would also be my opinion, very clearly, Mr. Minister, that we must work to eliminate discrimination in the providing of benefits, singling out people who are employable from those who are not employable, singling out people who are single from those who are not single, and to get our assistance plan back into the spirit and the context of the Canada assistance plan agreement of 1966, which very clearly required that in the benefits to be paid by the province.

I share with you as well, your concerns about the incentive to work through the earnings exemption policies that you brought forth in August – I think was the 21st – in the latter part of August. And we'll deal with that this afternoon in a moment, Mr. Minister, because very clearly – and I will give you some figures to demonstrate that those changes on income exemption, as a matter of fact, have been steps backward in terms of incentive to work for every single person who is receiving social assistance.

I don't know if that was the intention of your department. I hope not. And it may have been that the department was misdirected in bringing about the changes in those policies, but we'll explore those a little this afternoon.

And again, I say to you: you have my commitment. If we are moving to remove discrimination for single employable persons, and if we are moving to honestly and sincerely provide incentive to work so that those who are living on social assistance with very low income can improve their lot in life, and consistent with their first objective – to get themselves off of assistance and become employment earners – those kinds of initiatives, Mr. Minister, you have my commitment to work in co-operation with you.

Mr. Minister, I've heard your statements, and I would like, for clarification, if you would answer for me: have the round of cut-backs initiated by your government since the last election in any way affected negatively the medical, dental, or prescription drug coverage of social assistance recipients?

I'm simply looking for your crystal-clear assurance, Mr. Minister. I'm anticipating your answer will be that they haven't negatively affected that, but I would like just a clear statement to that effect, Mr. Minister.

**Hon. Mr. Schmidt:** — Mr. Chairman, the answer is no. And woe be to anyone who goes around spreading anything else to the contrary.

**Mr. Hagel:** — Well it is refreshing to have a clear statement like that, Mr. Minister, and I welcome you for that.

Mr. Minister, it has been reported to me that there are seniors who have been coming to the Department of Social Services for assistance by way of food voucher because they haven't yet received their promised rebates from the prescription drug plan. Could you confirm for me, Mr. Minister, whether that, as a matter of fact, is the case, and how many situations would be there within the province of Saskatchewan where that's occurred?

**Hon. Mr. Schmidt:** — Mr. Chairman, none that we know of.

With respect to the question that was asked in the House in question period one day about senior citizens being forced onto welfare because of changes in the drug plan, we have not been able to find any cases of that nature. We have been able to determine that one of our workers did phone the Leader of the Opposition and misinform the Leader of the Opposition. The member was suspended for a brief period of time and is . . . or the individual that phoned the member was suspended for a brief period of time and has now been reinstated and is back on the job.

**Mr. Hagel:** — Mr. Minister, can you tell me what the largest case-load handled by a social worker in your department would be?

**Hon. Mr. Schmidt:** — Mr. Deputy Chairman, we have different kinds of programs and workers for different things. With respect to welfare case workers, the average

is 173 per worker of which one-third – if you take the provincial average – of which one-third would be unemployable clientele case-load, people that would be fairly stable disabled and wouldn't have a very large change in circumstances; approximately two-thirds would be partially employable or employable.

**Mr. Hagel:** — And, Mr. Minister, could you advise me of the largest case-load that you have within your department.

**Hon. Mr. Schmidt:** — Mr. Chairman, I realize that the member from Moose Jaw North is trying to find some sensational statistic that he could quote as the norm and that the SGEU (Saskatchewan Government Employees' Union) could then drag forward as the massive overload, but we don't keep track of the highest case-load or the lowest case-load. There are situations where you could be dealing with people in institutions, a static case-load where it could reach as high as 350 or possibly 400, but we don't keep statistics on what the highest is, so it would depend on the clientele. The average for the province is 173.

**Mr. Hagel:** — Mr. Minister, I raise the point because it has been reported to me that there are certainly more than one example in the province of Saskatchewan where social workers are carrying social assistance case-loads well in excess of 200. I've had numbers in excess of 300 and, as a matter of fact, in excess of 400 reported to me.

And I simply . . . And also, Mr. Minister, I've heard them in the context of access to social workers by people who are looking for direction to help them cut that tie or that dependency with the Department of Social Services, that requirement for social assistance. And so as a . . . I've had reported to me, on a number of cases, that the case-loads are very high, the opportunity for social workers to provide counselling, in addition to simply mathematical form filling-out, has been reduced. And the concern that I have about that is simply that we may, as a matter of fact, be throwing out the baby with the bath water if the objective is to increase case-loads, streamline administrative procedures, but lose in the process that ability of department employees to deal in human terms with impoverished people in Saskatchewan, and to assist them through a variety of means to break that dependency and to become more independent – I think that would be all of our objective – that if that's true, and it's been reported a number of times, and that it is a concern.

And it's in that context that I raise that question, Mr. Minister. Could you please confirm for me whether as a matter of fact those kinds of numbers do exist in some parts of the province, or are these simply false reports that I'm receiving from Saskatchewan people in these cases?

(1530)

**Hon. Mr. Schmidt:** — Mr. Chairman, I haven't finalized the details yet, but we will be working on changes in the system because I believe that social workers should be doing social work and financial workers should be doing financial work. And I will be looking at changes in the system to allow social workers more time to do actual

social work.

**Mr. Hagel:** — Well, Mr. Minister, that is an objective with which I concur and I would hope that that's the direction in which we're heading.

Can you advise me, Mr. Minister, here in the city of Regina or say in the city of Saskatoon, what would be the length of time an applicant for social assistance who would be described as having an emergency, in need for their assistance, how long would a person who's an emergency case applying for assistance be required to wait till such an appointment could be arranged with a social worker?

**Hon. Mr. Schmidt:** — Mr. Chairman, same day in the case of emergency.

**Mr. Hagel:** — Is that as a matter of fact, occurring in all offices, Mr. Minister, to the best of your knowledge?

**Hon. Mr. Schmidt:** — Mr. Chairman, that is our policy. I had a complaint from somewhere, either Saskatoon or Prince Albert, about someone who had been on social services had gone to Arizona for several months and came back and insisted on receiving assistance the very same day. Our worker set up an appointment – I think this was on a Friday, and they set up an appointment for the following Wednesday. And you sometimes have to judge whether it's an emergency or isn't an emergency. We believe that someone who has been out of the country for, I think it was in excess of six months, I believe it was eight – that that would probably not be an emergency situation. But otherwise we know that our policy is that in emergencies they would be dealt with the very same day.

**Mr. Hagel:** — Mr. Minister, I'm not interested in dealing with red herrings and snide innuendoes and that sort of thing. If we can keep this thing on the up and up, that would be just great.

I know what the policy of the department is to provide that first appointment in emergency cases the same day, but that wasn't my question. The question is: how long is it taking? And let me ask that in the context of the two largest cities – in the city of Regina and Saskatoon. As a matter of fact, can you provide assurance to Saskatchewan people in need, who are needing emergency assistance, that they can get an appointment with a social worker the same day that they make that contact with one of the department's offices?

**Hon. Mr. Schmidt:** — Mr. Chairman, in Regina and Saskatoon, the best information I have is that emergency cases are dealt with on the very same day.

**Mr. Hagel:** — Well I'm pleased to hear that, Mr. Minister, and I take it that if, as a matter of fact, that's not occurring, that you would welcome information to that extent and would take action to remedy it. The minister nods his head, and I'll take that as confirmation.

Mr. Minister, I'd like now to deal with some specifics of concern to people who are dependent on social assistance and to refer specifically to a number of the

changes that have been recently announced. And if your ADMS (assistance deputy ministers) who are there may want to get some paper and pencil ready because I do want to deal with some numbers. I want to talk dollars and cents because that's very critical issue, and small dollars and cents are a big issue with many impoverished people in Saskatchewan, Mr. Minister.

First of all, you announced some reforms – and I don't have it before me – I believe the date was August 21. But to the best of my knowledge, the previous revision to rates for social assistance occurred in May 1984 –you'll correct me if I'm mistaken on that – and at that time there were some increases. There were, as a matter of fact, some decreases to people who were described as employable and single.

Can you tell me, Mr. Minister, between May 1984 and, let's say, today, or as of the August 21 date of announcement, what your department understands the rate of inflation to have been between May 1984 and August 1987? It would be my rough calculation, Mr. Minister, that inflation in that period of time was approximately 15 to 20 per cent, and could you please confirm that for me?

**Hon. Mr. Schmidt:** — Mr. Chairman, I'm glad the member for Moose Jaw North asked the question, because the calculation of the inflation rate has always been a statistic that has been confusing, and I'd like to explain that statistic.

Taken into account in Statistics Canada's inflation rate are: the cost of a new house – if you purchased a house, housing is taken into account. So therefore if . . . Let's look at Canada as a whole. If there was inflation of 20 per cent this year in Canada – there isn't; don't let anybody say there is – but if there were, then cost of housing may go up 20 per cent. But for those 95 per cent or more of the people who already have their housing, or did not purchase housing, they had no inflation in housing.

With respect to the same situation, the cost of living takes into account the cost of cigarettes and the cost of alcohol. So those people who had . . . do not consume alcohol or do not smoke had no cost of living increase with respect to cigarettes or alcohol.

Somehow there is a confusion in this country that everyone's cost of living goes up equally, and it does not. It depends how you live. If you live like the middle income, middle class Canadian, then your cost of living has likely gone up. But the cost of living takes into account the cost of a new car. If you do not buy a new car, if you do not buy new houses, if you do not buy boats, and all the other things that are taken account into the cost of living, your individual costs may not have gone up.

The cost figures that we have . . . costs for Saskatchewan average in that period of time – you're talking about two years, are you? – we would have to try to break it down because it's always calculated on a yearly basis.

**Mr. Hagel:** — Mr. Minister, it would be a three-year period. The last revisions were May of 1984, and you announced some in August of 1987. So it's a three-year

period we're talking about. My assumption is that that you would refer to the consumer price index for things such as food and clothing and shelter and transportation and recreation, many of the things that we have talked about and will talk about here this afternoon, the basic living items which are the things that directly affect social assistance recipients.

Could you then . . . surely your department makes some assumptions when revising rates and tries to deal with the living realities for poor people who are required to live on social assistance. And could you simply advise me then, what your assessment is about the cost of living for those items that have been covered by social assistance over that three-year – well it's a little longer than a three-year period; about a 39-month, 39-, 40-month period – for things such as food and shelter and clothing and transportation, those sorts of things, Mr. Minister?

**Hon. Mr. Schmidt:** I don't have the exact breakdown for that period, but from 1984 to 1985, cost of living in Saskatchewan up 4.5 per cent. The '86 figure I don't have; I believe it was lower than that.

As you know, we are now in a period where inflation is the lowest it has been in about 20 years, so the cost of living and inflation has been not so much in people's mind as some other factors. And the question is, how much really is the cost?

As you know, people on welfare pay a greater percentage of their income on food, on rent, and clothing. On clothing, this government removed the 5 per cent sales tax on clothing, so the cost of clothing actually went down.

You have to take into account federal tax initiatives like the child tax credit which puts actually a lump sum of money into people's pockets all at once. So all in all, the poor people in Saskatchewan, while they are still poor, are better off than they were two years ago, five years ago, and ten years ago.

**Mr. Hagel:** — I understand what you're saying, Mr. Minister, I think, but that still doesn't answer my question. It would seem to me inconceivable that your department, in arriving at appropriate rates to provide a basic security income to the poorest in our province, social assistance rates would have an indication as to how much costs had increased since those rates were last revised in May of 1984 in that 39- or 40-month period of time.

And my assumption is that that's a factor that is taken into consideration. I'm telling you, Mr. Minister, that my calculations are somewhere between 15 and 20 per cent, perhaps closer to the 15 than the 20. And I simply ask you to give me a figure. Maybe you don't have a firm one; maybe you have a range. But I don't think we're talking about 1 or 2 per cent increase in the cost of living for food and shelter and clothing and transportation and recreation over the past 40 months. I don't think that's the figure we're looking at. My opinion is it's somewhere around 15 per cent, maybe slightly higher. And I'm simply asking you what the department's view is of the increasing cost.

**Hon. Mr. Schmidt:** — Well our view is that for everyone costs are going up, and we'll try to keep up with those as much as possible.

**Mr. Hagel:** — Well, Mr. Minister, what is the purpose for avoiding this question? This is not a difficult question. I mean, we'll try and keep up with . . . that only makes sense if you know what you're trying to keep up with. Now there were some changes in 1984; you've announced some changes in 1987. I would assume from what you've said that you're trying to keep up with the costs. How much have those costs increased that you're trying to keep up with, Mr. Minister?

**Hon. Mr. Schmidt:** — Well, Mr. Deputy Chairman, one of the reasons we're trying to simplify the welfare system is because it's so complicated you can't even get a comparison. As it stands today, by the national calculation, we would be a close third, closer to second, in rates for people with families — families with children.

Last year the special needs paid out by the department were nearly \$20 million. They run at about 10 per cent of the budget at Social Services, in the welfare section of it. If you add that 10 per cent that was paid out in special needs to the welfare statistics across the country, we will then be, because we're not given credit right now for that 10 per cent, we will then be number one in Canada in the amount we pay out. And so that also has to be taken into account — that extra 10 per cent that doesn't show up in welfare rates at all.

**Mr. Hagel:** — Well, Mr. Minister, I really am not certain why we're having such a hard time coming up with a figure from you here, but I'm not going to belabour the point. We'll let it rest that I think it's something in excess of 15 per cent cost of living increase for basic items for Saskatchewan people since the last revision, and we'll leave it that you think it's something different, but I'm not sure what, and we'll move along to some specifics.

But let's talk about, first of all, Mr. Minister, the item that would be of most pleasure to you, I think, and that's about your increases. You announced that there would be an increase in social assistance rates, effective January 1, 1988, I believe. And I ask you to confirm the date that it's effective, the increase, in the amounts of \$17 per adult and \$13 per child in families.

(1545)

And I ask, Mr. Minister — you may want to just simply confirm those; I think those are accurate — I ask you a specific question: will those increases of 17 and \$13 respectively be assigned to the portion of assistance that's allocated to food expenditure?

Let me anticipate your answer in saying, well we just have the basic benefit and we don't break it down and so on. But as a matter of fact that's not entirely true, because some people are not eligible for things such as clothing allowance or transportation allowance. And so it becomes a very significant factor to social assistance recipients as to whether that whole 17 and \$13 are assigned specifically to food expenditure or whether they're prorated across the basic allowance. This may not

make a great deal of difference to you, 4 or \$3 a month, but there are many, many people in Saskatchewan for whom that's a very important factor.

So, Mr. Minister, can you confirm that those increases are in effect January 1, 1988? And would you please advise as to whether they are assigned to food expenditure or some other prorated form?

**Hon. Mr. Schmidt:** — Mr. Deputy Chairman, the increases are on January 1, 1988. They are \$17 for an adult, \$13 per child per month, plus a rent allocation of 4 to 5 per cent, depending on the costs. They're not assigned to any particular expenditure. Assuming that there might be some children hungry in Regina, I would hope that all of that \$13 would go towards their food.

In addition, we have the rent situation where some families will be receiving 20 or \$30 a month extra for rent. So in the case of some families, if you add on \$17 per adult; two adults, \$34; two children, \$26 — \$60; and 20 to \$30 for their rent; you're looking at about an increase per family there, on January 1, of about \$85 per month.

**Mr. Hagel:** — Well, Mr. Minister, let's not complicate a simple item. As I pointed out, not everyone in Saskatchewan who receives assistance receives approval for all categories.

Will you please give me a clear indication, because this is a real question for people who . . . And they very clearly do not have an answer to this. Will every individual in Saskatchewan have an increase to their benefits, effective January 1, 1988, to the amount of \$17 per adult and \$13 per child, regardless of whatever benefit categories they may not be entitled to?

**Hon. Mr. Schmidt:** — Well, Mr. Deputy Chairman, this money is a basic allowance increase. The recipient can spend it wherever they think they need it spent, except with the rent portion which has to be spent on the actual rent if it has increased. The balance of the money goes to whatever they think it's for. It's not considered part of the special needs; it's not a special need.

Everyone who gets a basic allowance will receive the increase. I'm advised that there are very few cases where some people receive only food assistance from Social Services. This is the first I've come across them; it still exists in the old regulations. I doubt very much if it will be a major factor there. They will receive whatever they need according to their needs up to that maximum level.

But we will be trying to get the system under a comprehensive system where you are given assistance based on your need. And if your need is calculated after you've already paid your own rent and all the other kinds of things, or you live in free housing of a relative or whatever and you still have need, then that will be taken into account.

So that sum will be passed on to all people who are on the basic allowance which would be 99-point-some- per cent of them; and in addition, to those people who are in need of food will get up to the maximum increase.

**Mr. Hagel:** — Mr. Minister, can we please simplify this and translate it into reality? And this is not a hypothetical question; it's a real one, an important one to poor people.

Mr. Minister, you and I both know that if . . . Let me use myself as an example. If I found myself in dire straits and approach the Department of Social Services to apply for assistance for my family, there is a different amount that I'm eligible for in the first three months than the period of time after that.

Now that's a regulation of your department. And the reason for that is because there are some forms of assistance I'm eligible for after three months that we simply don't get in the first three months. For example, we don't get any entitlement to purchase clothing.

What I'm simply asking then is if this first-time applicant comes to your department, an individual or family, and are applying for assistance because this is the end of the line for them, will they be entitled, will every applicant receive that full \$17 increase because it will be assigned to everybody? Or is there a variation depending on whether it's the first three months or later on, or other complications that enter into the entitlement calculation?

And I raise this with you. Obviously we're talking here dollar, \$2, maybe \$3 a month, and that may not seem in this Assembly like a lot of money for individuals. But believe me, for people who are dependent on social assistance, it is a large amount of money. And I'd like a clear answer. Will that \$17 per adult increase and \$13 per child increase apply completely to every applicant, regardless of circumstances?

**Hon. Mr. Schmidt:** Mr. Deputy Chairman, the answer is yes, and I will qualify it to say that it's an across the board increase.

**Mr. Hagel:** — Well if the answer is clearly yes, I'm not sure what the qualification is necessary for. But I understand you, Mr. Minister, to be saying it applies to everyone. And I concur. I would hope that that is the way that that increase is being applied.

You're made reference to the 4 to 5 per cent shelter increase allowance in possible shelter expenditures. And that's the first adjustment since 1984, and I recognize that.

Mr. Minister, another change that was made was in the laundry allowance. And if I can just outline for you the changes that occurred as a result of your announced welfare reform. The laundry allowance to my understanding is for people who require coin-operated machines.

And I ask you two questions. One is, what date are the changes effective? My understanding is that they're October 1; and please confirm that or correct me. Also my understanding, Mr. Minister, is this, that the changes are spelled out this way. Prior to and after your most recent welfare reform, one person was previously eligible for up to \$12 for laundry; that's now 10, standard 10. Two people in a family unit eligible previously up to \$24 per month; that's now 15. Three people in the family unit or

more, up to \$35 per month; three people is now 20 that they're eligible for, and four or more is eligible for \$25 for laundry. That represents as a matter of fact, if I'm correct, Mr. Minister, a reduction for every family unit in the amount that they're allocated to spend on their laundry.

And so could you confirm for me those figures, Mr. Minister, and please justify them for me if they are correct; and secondly, what date these cuts will come into effect.

**Hon. Mr. Schmidt:** — Mr. Deputy Chairman, laundry up until now has been a special need. It's been calculated differently in every district according to whatever they felt like the calculation should be in that area. And the practices and the amounts paid varied throughout the province. We've decided to standardize those rates at \$10 for single, \$15 dollars for two, \$20 for a family of three, and \$25 for a family of four. Those rates will be standard across the province, and all people will be entitled to them.

**Hon. Mr. Schmidt:** — Mr. Minister, then two qualifications again. You didn't tell me when those are effective, and you didn't tell me why it was decided to reduce the amounts available to families who require assistance in order to wash their clothes.

**Hon. Mr. Schmidt:** — I didn't get the last part of your question there.

**Mr. Hagel:** — When are they effective, and why was it decided to reduce the amounts that families are eligible for to wash their clothes?

**Hon. Mr. Schmidt:** — They're effective October 1 and the amounts have not been reduced. There were no set amounts before. They've now set the amounts.

**Mr. Hagel:** — Well, Mr. Minister, I would debate that point with you because I just finished outlining what people were eligible for before and now, and I saw you concur that those are as a matter of fact true. And that means that a family that was receiving assistance for laundry before and now, is getting less. I don't know how you describe that as anything other than a reduction. And would you like to justify that, Mr. Minister?

**Hon. Mr. Schmidt:** — Mr. Deputy Chairman, I've advised that we've standardized the sum, and the regional offices will now not set the sum as they see fit in the regional offices, but they will pay the standardized amount.

**Mr. Hagel:** — Well, Mr. Minister, if I may encourage you to rethink that in terms of the hardships it imposes on families who were receiving that allowance before, and will after your changes as well.

Mr. Minister, you announced as well that there would be an elimination of travel allowances in some cases, with the exceptions, I believe, of medical reasons, those attending Saskatchewan Abilities Council programs; perhaps all sheltered employment. If you would you please confirm that. And secondary school students will still be eligible to receive assistance for transportation. But all adults, with the exception of those who are



attending for those reasons, will now be denied travel allowance across the board.

That would have an impact here in the city of Regina, for example, by reduction in per adult allowance in a family, of \$27 per month. Mr. Minister, would you please tell me effective what date those travel allowances are being eliminated, the ones you're eliminating; and again, the justification.

And I ask that in the context of assisting people to get out and look for employment so as to be less dependent on social assistance. I would see, and I guess I'm making it very clear here, I have a problem accepting that change. Because I would have thought, in terms of carrying out family responsibilities in seeking employment, it would have been an incentive to get employment to provide the transportation allowance.

So what date are those effective; and can you please justify that for me, Mr. Minister?

**Hon. Mr. Schmidt:** — Mr. Deputy Chairman, the effective date is October 1. There will be a change for some people in the cities because for some reason they were receiving travel allowance; the people in rural Saskatchewan, they were not receiving a travel allowance. And it seems to me that it's a lot easier to get around the city of Regina than it is around rural Saskatchewan.

So if there is any change, it will be for single, employable people, or healthy people in Regina, Saskatoon, Moose Jaw, Prince Albert — the larger cities. I feel that for a period of time here, until the increases go through, these people should be able to, if they don't have a vehicle — and by the way, a lot of them do have vehicles — they should be able to scratch up enough gas if they just drive their vehicle to job interviews, that they should be able to operate their vehicle. And if they don't have a vehicle, they should be able to walk within the city; the city is not that large.

**Mr. Hagel:** — Mr. Minister, I find that reasoning a bit difficult to understand and accept. It would seem to me that if transportation is a problem . . . and it's certainly been reported to me a number of times as being a problem in the rural areas because people were not eligible to get it.

I have a difficult time understanding, if your objective is to provide people assistance to become independent of the department, then why would you bring everybody down to the lowest common denominator? Would it not make more sense, Mr. Minister, to provide the necessary transportation assistance to meet their needs? You know and I know that if there is a social assistance recipient who has a vehicle, then they still have to operate that vehicle. If they don't have a vehicle they've still got to get around.

There are some cities — granted this is not Toronto or Montreal here in Saskatchewan — but we do have some cities in which it's a little bit difficult to be hoofing it around the city looking for employment, and also extremely difficult to be getting the shopping done and

getting the groceries and attending to other needs that families may have, Mr. Minister.

(1600)

I simply find it difficult to understand the rationale for saying, well they're not generally getting anything out in the rural area, and in the city they are getting a bus pass, in many cases, so we'll cut them all off and treat them the same. That seems to me to be a run in the face, slightly, Mr. Minister, of a sense of fairness and equality of treatment. Clearly what you're suggesting is equality of treatment — we cut them all off. But that flies in the face of incentives to work and being realistic in our understanding of the needs of poor people.

And, Mr. Minister, I would ask that you please reconsider that policy decision to eliminate the transportation allowance. And in reconsidering that, if you would please consider providing realistic transportation amounts to those who live in the rural areas. Their needs for looking for employment are just the same as those who live in cities. They are expressed differently, but they are just the same. They may have access to a vehicle, but that vehicle takes gas and requires insurance and has to operate on tires, and so on, to get out and look for work. So I would ask that you would reconsider that Mr. Minister.

**Hon. Mr. Schmidt:** — Mr. Deputy Chairman, first of all, from what I know of the city of Regina, food is always within walking distance. With respect to people on welfare who need transportation for school, we cover that; for medical reasons we cover that. We cover all of those things, as you indicated earlier.

The situation is also that you have to take into account that there are 2,350 employables who have part-time or full-time earnings in addition to what they show as . . . in addition to what they receive from the Department of Social Services.

There are another 2,500 people who are employable, who are on training, and they've received an increase in their training allowance to transportation money. So those people who are in training and are getting an education, need the training allowance money, if it's on the job or educational, have got an increase.

What you're talking about here is single employables, and you're talking about bus passes or whether they have gas to drive their cars or not. You know, surely they can get a little help if . . . If one of my relatives had a job interview in Saskatoon and was on welfare, I would make sure that that relative got there, and I wouldn't ask the government for any money.

Surely everybody that's a single employable does not have parents or relatives or friends. There must be someone who will help someone. And if, in a most difficult case, somebody has a job interview in Prince Albert and they happen to be in Regina, we will buy them the bus pass to go there for the job interview. But as far as whether people should be given transportation money so that they can ride to the grocery store rather than walk to the grocery store, we do not believe that's essential.

**Mr. Hagel:** — Well, Mr. Minister, I won't stand and argue with you here. We've obviously both outlined our views, and I simply ask you to reconsider that, to reconsider that in the context of providing incentive and opportunity for people to get off social assistance, to find themselves employment, and to have a chance here in Saskatchewan to live with a sense of hope and dignity that often, unfortunately, is not possible when living on social assistance.

You and I will both know as well . . . You say food is often within walking distance, and that may be. But you and I will also both know that in many cases, if it's within walking distance, it's at a corner store that has much higher prices. And so that explanation simply doesn't wash, Mr. Minister.

Mr. Minister, I'd like to take a look at the bigger picture with you. You've announced some changes effective August . . . Well you announced them in August, and it seems that the increases are going to be in January; the decreases are going to occur this fall. And assuming, Mr. Minister . . . Let me be kinder than many and assume that increases and decreases will occur at the same time, which is simply not the case, because the decreases happened before increases. In the context, Mr. Minister, of about 15 per cent inflation increase since May of 1984, when we look at the amount of entitlement to Saskatchewan people, the poorest of the poor, and we look at Saskatchewan families, Mr. Minister, would you . . . I simply ask if you would confirm or deny, and give me an explanation.

Up until welfare reform, it would seem to me that a family is eligible for . . . a family of one person, partially employable, so a single individual: shelter up to \$348 a month; their basic allowance up to \$178; travel up to 27; laundry up to 12; utilities up to 22, for a grant total of up to \$587. And under the changes, that same person, now, with the new regulations, would have at most an increase of \$3 — a \$3 increase from 587 with 15 per cent inflation over the past 40 months, Mr. Minister.

Two adults, using the same criteria, their maximum shelter available — being fair and comparing apples to apples on one column and on the other — could, as a matter of fact — would, as a matter of fact, be eligible for even less. Previously \$844 a month; under your changes, at best a reduction, a reduction in their family income for two adults of at least \$11.25.

One adult and one child, \$801 up to a maximum of \$812.75; at most an \$11.75 increase on \$801 maximum eligibility over the last 40 months. Two adults, one child, 1,007; at best two adults and one child in Saskatchewan under welfare reform, at best, will receive \$3.25 less, \$3.25 less, than they were receiving before reform in spite of inflation. One adult and two children, one adult and two children, this is a little better. They will benefit to the maximum amount — and I'm being kind in all my numbers, Mr. Minister — a maximum amount of \$19.75 on a previously 962 assessed income — an increase of about 2 per cent, to be a bit kind, about 2 per cent over the past 40 months.

Two adults and two children, two adults and two

children, Mr. Minister, under your welfare reform, at best, at best, will benefit to the degree of \$16.75 — about a 1 per cent increase over the last 40 months, Mr. Minister. And those are the cold, hard numbers, and I invite you to have your officials calculate them out. I'm sure they have them handy, as do I.

That's the reality of welfare reform, Mr. Minister. When you take it all and you shake it together and you see how it comes out, that in Saskatchewan families, particularly in the context of 40 months since the last reform, at best, one adult and two children will be better off by \$19.75 a month, and that's by far the best picture. Everybody else is worse than that, and some of them, as a matter of fact, actually have an income of less.

Mr. Minister, I would ask if you could just . . . first of all, are you aware of those numbers? And can you justify for me why it makes sense to be giving Saskatchewan people, Saskatchewan families, the poorest of the poor less to live on now than they had before your reform, in many cases, and clearly less in terms of real dollars from the last reform in 1984?

**Hon. Mr. Schmidt:** — Mr. Deputy Chairman, if I could have the page come over here, I will send over the documents you had asked for earlier on Saskatchewan Social Services aircraft charters, which I have available now. And they seem to be mostly trips in the two northern constituencies servicing the welfare clientele in that area. The total is \$35,784.34 for charters. I haven't gone through the entire list, but they seem to be mostly in Athabasca and Cumberland where these charter flights were taking place. There's no scheduled airlines in a lot of the locations or most of them. I'll ask the page to send those over.

The calculations you've just done don't take into account a lot of factors. As I indicated earlier, the social services system is complicated. We're trying to simplify it, for example, you didn't take into account the actual utilities and many other factors.

But what you should note here, and what the public should note, is that Saskatchewan is now, with this reform, going to an earnings exemption based on a percentage of earnings rather than the earnings exemption based on need. We will now be in phase with other parts of Canada, and this will be more incentive for people at most income levels to be able to go out and earn additional funds. So these exemptions that we're introducing now are conducive to people working part time or casually while they're on welfare, trying to do their best to work their way out of the cycle. So that should be taken into account.

But your calculations — because the system is very complicated, we could dispute statistics for days and days and never reach any kind of a logical conclusion.

**Mr. Hagel:** — Well, Mr. Minister, I gladly make my figures public, and I welcome your comment on them. I would take it that the lack of specific response to my question implies that you don't feel confident that your numbers wash, that as a matter of fact, people, the poorest of the poor, families depending on social assistance in

Saskatchewan today, are better off.

I suggest to you, Mr. Minister, particularly when we're realistic about inflation, there is not a single individual or a single family in Saskatchewan today that is better off as a result of your welfare reform – to a person. They are worse off as a result of your reform when we're being realistic and comparing apples to apples.

But, Mr. Minister, you talk about income exemptions, so let's deal with income exemption, because you changed the rules there. The rules there were before as an incentive to work, that families or an applicant who was receiving assistance was allowed to retain a quarter of their basic income and were able to keep that, that whole amount. And after that, the amounts earned were deducted dollar for dollar.

You've not brought in a new system where they're allowed to keep the first \$25. They then, after their 26th dollar, they retained 20 cents on the dollar earned and have the other 80 cents returned to your department, in effect, and they also have caps, their maximum amount that they're allowed to earn. And that varies.

Let me give you some figures, Mr. Minister, and ask you to confirm or deny them, because this is really the crux of the matter. We're talking about providing people the opportunity to work and the incentive to work to get off social assistance; and, Mr. Minister, we've taken a long stride back. I'm not sure what the intentions of your changes were, but they're not providing increased incentive to work.

Let me give you some examples. Before welfare reform, your version of August, a single adult employable was allowed – and I'm using a maximum amount here – an exemption of \$89.25. So that person could earn \$89.25 and keep every penny of it, Mr. Minister. Under your new rules, in order to retain \$75, in order to retain \$75, that person would have to go out and earn an income, a take-home income, of \$275 to keep 75.

Now using your new allowances, the net effect, Mr. Minister – and I'll just give you a summary here; and I'd be happy to provide my figures, but here they are. What that means is: at best, a single employable person, before reform and after, is worse off in terms of their ability to earn outside income by at least \$20. An adult unemployable is worse off by \$71.75 a month, what they can retain through earned income. A family with two adults is worse off by at least \$72.30. An adult and one child, that family make-up is worse off by at least \$77.30. Two adults and one child, at best their take-home exemptions allow them to be worse off, at best, by \$75.20. One adult and two children, worse off by at least \$69.70 in terms of their opportunity to keep that outside income, that part-time employment. Two adults and two children is worse off by at least \$72.90.

And let me give you another example, Mr. Minister. Let's look at it a different way instead of looking at the maximums that they're allowed to retain through outside income. Let's say we're dealing with an individual who's a social assistance recipient. They've gone out and they've earned take-home pay of \$200 net, and so they're

working about 50 hours at minimum wage – and we're talking in that neck of the woods. They're able . . . they bring home \$200.

What's the difference when we apply the new rules? The single employable adult before would have kept all but \$110.75, under the new rules they lose 140. An adult unemployable would have kept all but 60; under the new rules they lose 140. Two adults in the family – they would have lost 102.50 before; now they lose 120 with that \$200. One adult, one child – before it would have lost only \$6.50; now they lose \$120. Two adults, one child – before they would have kept that whole amount; now under the new rules they lose \$100, returned directly to your department. One adult, two children – before, would have kept it all; now they have to return \$100 to your department.

(1615)

Mr. Minister, finally, two adults and two children, under the old rules before your welfare reform, would have kept that full \$200 take-home income; now they have to return \$80 to your department.

And, Mr. Minister, I ask you, where is the incentive to work? These are dollars and cents realities that affect real Saskatchewan families who more than anything else would like to get off of assistance. Your regulations have made it tougher. Your regulations have given them a disincentive to go out and work. And I ask you, Mr. Minister, will you not, as a matter of fact, admit that those are disincentives? Will you not, as a matter of fact then, make a commitment to this House to review them, to eliminate those policy changes that at least, at least, Mr. Minister, allow poor Saskatchewan families to retain the outside income that they were able to retain before your welfare reform? Will you do that, Mr. Minister?

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

**Hon. Mr. Schmidt:** — Mr. Deputy Chairman, the member from Moose Jaw North is playing statistical games with average figures. I will give you some specific examples. These reforms really cut to the basic philosophy of the NDP or the Conservatives. Somewhere I detected just a glimmer that the member from Moose Jaw North was suggesting that there should be incentive for people to get off welfare. And we believe that people, if they are able, will try to support themselves rather than try to figure out the easiest way of collecting welfare.

What we've done here is that we've given people an incentive to support themselves, and if they can, to the extent they can, they are rewarded. I'll give you two examples. A single mother with two children living in subsidized housing, on assistance for more than three months. Under the old formula, she has an income of \$500 to support herself and the two children, and then she comes to Social Services for her additional needs.

Now under the old formula, when you take that \$500 income into account, the basic allowance is 472, shelter allowance \$60 because of the subsidy, utility \$15, for a total of \$547. You take 25 per cent of that is \$136. Under

the old formula she would keep, of the \$500 that she earned, she would keep \$136. Under the new formula she will keep \$160. This single mother with two children, earning \$500 per month and relying on welfare to provide the balance of her needs, under our new system will have the difference between 160 and \$136.75, which is \$23.75 more take-home pay, more money to spend on her family under the reform than under the old formula.

Two adults with two children on assistance for more than three months, living in subsidized housing, they have an income of \$600 per month. Their needs are assessed at 620, their shelter allowance is \$65, their utility allowance is \$22, for a total of 707 on needs. That family now that has two adults, two children, partially employed – \$600 a month, either part-time work or a part-time job, under the old formula this family would keep 176.75 of their earned income. Under the new formula it would be \$200 per month. Again, that family is \$23.25 better off under the welfare reform than under the old formula.

So therefore, in the old system there was a disincentive. Once you made more than \$200 a month there was no incentive to make more than \$200 a month. If you worked for \$200 a month, you could keep some of it. If you made more than the \$200 a month in these situations, you would be deducted dollar for dollar. We are now putting some incentive into the system.

**Mr. Hagel:** — Well, Mr. Minister, that simply doesn't wash; it simply doesn't wash. You know that there are maximums allowed now to families. There are caps; you forget about the caps. There are caps as to what they can keep when they earn income outside the home.

I ask you, Mr. Minister, if I provide for you the numbers as I have in this House this afternoon, and they're on public record now, if I provide for you these numbers, and you can allow your officials to take these numbers and review them – I simply ask you for this commitment, Mr. Minister. In those where the new regulations provide a disincentive to work because the amount that people are able to retain is less under the new rules than the old, will you make a commitment to me, and more importantly, Mr. Minister, will you make a commitment to the people of Saskatchewan who are affected by these changes in regulations that you will revise those regulations so that in no case, when they're going out of the home to work, that they will be worse off in what they're able to retain under your new rules than they were under the old? Will you at least make that kind of a basic commitment?

I am prepared to work with you. I am prepared to work with your officials. I am prepared to accept that you may have arrived at some conclusions here that you didn't anticipate. You thought you were doing some good and you're not. And I ask you to simply make a commitment to review those. I'm prepared to work with you. Will you, Mr. Minister, give me that assurance?

**Hon. Mr. Schmidt:** — Mr. Chairman, we couldn't ever do enough good to satisfy the NDP. So how could I give a commitment to satisfy the NDP who would find evil in any good that anyone ever did, unless it was done by the

NDP?

So you should really look at . . . The member opposite now criticizes that there's a cap on how much you can earn before you are no longer on welfare. That is very, very logical. I submit that a certain stage, if you work and your income increases, at a certain stage you should drop off the welfare rolls, and that you are then self-sufficient. And surely you have to have a balance between those people working and not applying for welfare and those people who work and increase their income to a certain stage that they come off welfare. You can't have people out there working, making less money than people on welfare. And therefore there has to be incentive for those people who are working to keep working; and there has to be an incentive for those people on welfare to earn more income as they work more and as they obtain better positions in the work-force. But at a certain stage you have to drop off welfare and be self-sufficient, and therefore there's a cap.

**Mr. Hagel:** — Mr. Minister, there was a cap before. There's a cap now. The cap now is lower. You tell me, Mr. Minister, how it is evil, you tell me how it is evil to provide for people the opportunity, the opportunity to make more by retained income when they get out of their homes and work when they're on social assistance, rather than less. You tell me how that is evil. That simply does not wash.

Every one of your revisions to the earnings exemption means that poor people who go out and get a job to try and get themselves off welfare are harder done by. That's a disincentive to work. It's a disgrace to poor people in Saskatchewan. And, Mr. Minister, if you're looking for evil, I say that is where the evil is. That's where it is.

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

**Mr. Hagel:** — Well, Mr. Minister, let's take a look at another income security program of yours, and that's the family income plan that was introduced many years ago. It's an income plan, Mr. Minister, that provides for the working poor in Saskatchewan. It provides for the possibility of people who are not receiving assistance to receive income benefits related to the number of children in their family, Mr. Minister.

What it means is that if I have a family that lives in poverty, and whether I'm on assistance or not, or if I'm working, I'm among the working poor, that the province of Saskatchewan will make available for me and my family to help make our ends meet, to help put bread on the table and get the kids off to school and provide some clothes and the opportunity to take part in their community to my children, a maximum of up to \$100 for each of my first two children, perhaps three – I may be mistaken – and then \$90 thereafter, Mr. Minister. It's a good program, a program that provides some basic income security to Saskatchewan's working poor, those who may not qualify for assistance, but certainly don't live in splendour by any stretch of the imagination.

Mr. Minister, in Saskatchewan today . . . In Saskatchewan in 1986 and the last year that I have figures for there were 38,480 families in Saskatchewan eligible to receive family income plan assistance to meet the costs of raising

their children. As a matter of fact, there were only 8,000 — 8,000 in '84 in Saskatchewan who took advantage of that plan.

And my question to you, Mr. Minister, is: out of those 8,000 who took advantage of the family income plan, how many of those are receiving social assistance and having that benefit deducted dollar for dollar from their social assistance benefits? Thirty-eight thousand families in Saskatchewan eligible, only 8,000 who took advantage of it. How many of those are on social assistance and lost every dollar advantage that they should have received under family income, Mr. Minister?

**Hon. Mr. Schmidt:** — Well, Mr. Deputy Chairman, I don't accept the 38,000 family figure that the member opposite quotes. I would have to have better evidence of that figure. It may be based on family income levels.

But as you know, the NDP rules that existed — and we haven't changed them and I'll tell you why we haven't changed them — for the most part exclude farm families. And probably if we changed the rules so that they would be considered on a similar basis on income rather than assets, every farm family in Saskatchewan probably could qualify for FIP (family income plan). But we have seen no need to make any major changes there because, first of all, within the rules the price of land is not over valued as it once was, so some of the neediest farm families do now qualify. In addition, the rural farm families do not seek assistance from the government when it comes to receiving money from the Department of Social Services, but are very self-sufficient in that regard.

The statistics we have is that there are 4,193 straight family income plan cases. There are 3,849 combined family income plan and Saskatchewan assistance plan cases. In those combined cases the families would have to have some earned income. So that all of the 8,042 cases would be what you would classify as the working poor families where they work to some extent. Either they earn enough income that they don't qualify for social services or they don't earn enough income so that they still qualify for social services and family income. But all of those 8,042 would be employed families in one way or another.

**Mr. Hagel:** — Well, Mr. Minister, 38,000 families in Saskatchewan are eligible for some amount of assistance under family income plan. Of the 8,000 who receive it, approximately half are receiving social assistance, and are having that benefit deducted dollar for dollar.

I ask you two questions, Mr. Minister. One is: will you consider changing the regulations to allow social assistance recipients to retain the family income plan benefit? It was a benefit that was introduced with the intention of providing some increase in income for the poorest in Saskatchewan, including the working poor. So will you consider policy change to allow social assistance families to maintain their family income benefit?

And secondly, Mr. Minister, will you consider, with the mail-out of the health cards next year, putting information that can be very abbreviated but information about the family income plan? As an enclosure it won't cost the

provincial government a single penny in postage because those health cards are going out anyhow. Would you make that commitment to advise Saskatchewan families of their opportunity to receive benefit from the family income plan by including some basic information about it with the health card mail-outs when they go out next time?

So both of those questions, Mr. Minister.

**Hon. Mr. Schmidt:** — Well, Mr. Deputy Chairman, if we followed the member from Moose Jaw North's suggestion, families on welfare would receive more money than families who are working. And that would seem to be that the welfare benefits would then exceed what the poorest families can earn. And you have to, as I indicated, have some division between earning income and welfare income. And that's how it works out, that if you are a low-income family and your income is so low that you qualify for welfare, you do get welfare and you get family income plan. But if you earn an income that does not qualify you for welfare, you still get some family income plan.

(1630)

So we could not simply add on the benefits on a welfare system to the extent that then those families on straight family income plan supporting themselves, except they get some assistance from the family income plan, but then receive less money than those families that are on welfare and are not supporting themselves in any way. So it's not fair and it's not practical.

**Mr. Hagel:** — Will you provide information to all Saskatchewan families about the family income plan? I suggest a very easy way of doing it is enclosing that in the mail-out of the health card that goes to all Saskatchewan families. Mr. Minister, would you undertake a commitment to provide that information to Saskatchewan families, that way or some other way, I make what I think is a very practical and reasonable suggestion.

**Hon. Mr. Schmidt:** — Mr. Deputy Chairman, we print over 11,000 application forms per year, and we don't get anywhere near that number of new applicants each year, so those application forms are out there. They don't necessarily come back. So people have either decided that they don't qualify, or that they don't wish to receive money from the government, will support their own families. And we make this as available as possible.

We're not going to go on a massive advertising campaign. It's common knowledge out there that you can get assistance from the government under the family income plan. And I'm not going to put out an advertisement that says, the government is looking for you to give you more money because you may not have noticed yet that you are poor. People know if they are poor; they know what their budgets are; they're living within their budgets.

And those people who qualify for family income plan and wish to receive family income plan can get one of those 11,000 application kits that we've got out there printed each year and can apply, and, if they qualify, will receive

benefits.

**Mr. Hagel:** — Mr. Minister, let me share with you: the fact of the matter is, many Saskatchewan families do not know the existence of the family income plan. And I simply ask, and you will ultimately make your decision — the means are there to make Saskatchewan families aware of the family income plan so that if they're eligible, they can apply and get some assistance from their government — from their government — to meet their needs in the raising of their children.

Mr. Minister, are you planning . . . Is your department planning to make any changes over the coming year with the family income plan, and if so, what?

**Hon. Mr. Schmidt:** — Mr. Deputy Chairman, we are looking at separating the Saskatchewan income plan benefits from the family income plan benefits. We haven't worked out the details yet, but we believe that the family income plan should deal with the working poor, and that the Saskatchewan assistance plan, as part of the Canada assistance plan, should deal with those people who are not what you might call fully employed.

So we would like to have the family income plan for those parents who are fully employed; Saskatchewan income plan for those parents who are not fully employed, maybe employable or maybe partially employed or maybe employable and are unemployed and their benefits have run out. So we're looking at a separation of those two plans so that the Saskatchewan assistance plan is based strictly on need and the qualification figure for qualifying for social services, and that the family income plan is a subsidy to assist the working poor families.

**Mr. Hagel:** — Mr. Minister, one final question and then I'll beg . . . or I will defer to one of my colleagues. I simply ask, Mr. Minister: then in your changes to the family income plan, will you be making changes that will make it less readily available to families, or reduce the benefit available to families, or increase the eligibility in the same way that it's increased according to inflation so far?

And let me also ask: you were using the term Saskatchewan income plan when I think you meant the Saskatchewan assistance plan. And the minister indicates Saskatchewan assistance plan is what you meant. But let me also ask you then at the same time, and you may respond to both at the same time if you wish, Mr. Minister: regarding the Saskatchewan income plan for seniors — same question — are you planning any changes in the coming year, and if so, will they affect eligibility benefits or access to seniors who are the lowest income in Saskatchewan?

**Hon. Mr. Schmidt:** — Well, Mr. Deputy Chairman, we are not planning any major revisions, either upwards or downwards, in any of those plans — merely a separation between the welfare plan and the family assistance plan.

**Mr. Shillington:** — Yes, thank you very much. Mr. Minister, I want to raise an issue with you, and it's the issue of the food banks. I wonder, Mr. Minister, if the presence of these institutions does not suggest to you that there is something radically wrong with the welfare

system.

Mr. Minister, the welfare reform which was brought in by this government, 1985 I think it may have been . . . 1984, I believe, produced, Mr. Minister, widespread hunger — no other way to describe it. Mr. Minister, it exists among young people, old people, males, females. It's one of the cruel ironies of Saskatchewan that within walking distance of the city limits you find granaries stuffed with grain that can't be sold, and a scant stone's throw from those granaries, you find people going hungry.

Mr. Minister, the food banks are unable to meet the need. They say as much. They turn people away; they all do. Mr. Minister, I wonder if the presence of these institutions doesn't suggest to you there's something drastically wrong with your welfare system. I find the institutions themselves appalling. The Regina food bank is in my riding. I have every respect and indeed every gratitude for those who operate the food banks. They are performing a vital service. But, Mr. Minister, their presence should make us ashamed, particularly so when we live in a land which has food we cannot sell, dispose of, or even dispose of.

I know the minister's response, and that is: if they'd give up cigarettes, they'd have a lot to eat. Well, Mr. Minister, your comment is as appalling as the food banks themselves. If you honestly believe that, Mr. Minister, then you should get to know some of the people who frequent the food banks. A goodly number of them, Mr. Minister, don't smoke, don't drink, don't drive new automobiles, or commit any of the other sins which I hear you accusing them of. They have no phone. One of my colleagues suggests they are simply unable to make ends meet.

Within a few months, Mr. Minister, of the time your predecessor brought in welfare reform, there was a dramatic increase in property crimes. City police tell me of thefts when there's nothing stolen but food — walk right by a stereo, television and microwave, things that are easily fenced, and take food.

Mr. Minister, I just leave the question at that. Does the presence of these institutions not suggest to you that there's something very wrong with your welfare system, and does it not make you ashamed to live in a society which has at the one and the same time surplus food it can't dispose of, and hungry children in the city centre?

**Hon. Mr. Schmidt:** — Well, Mr. Deputy Chairman, I don't believe that the member from Regina Centre, who represents the centre of Regina, understands his constituency very well or the social problems that exist in his constituency. And I believe that that member doesn't really know what the major problems are in his constituency in downtown Regina. Now I don't live there, and he probably doesn't live there, either. I don't know. He can correct me if I'm wrong, if he lives in downtown Regina, and I will accept that correction. But if he does live there, he should open his eyes and see what's going on around him — see the social problems that are there.

I have nothing against food banks. I think food banks are

useful in society. I have nothing against people helping each other, but anyone that raises food banks in a political discussion, and tries to make political mileage out of food banks, does a discredit to the people in our society who are helping each other.

I ask this question, Mr. Deputy Chairman, why is it that 85 per cent of the food banks in Canada, on the last statistics we have, are in the three western provinces, Alberta, British Columbia, and Saskatchewan, that have Conservative governments, and Saskatchewan and Alberta have traditionally paid the highest welfare rates? Why do the provinces with the highest welfare rates, Conservative governments, have the most food banks? And then the NDP raise them as a political issue. I think food banks are useful. I believe that food banks should continue, that people should help each other, but I don't believe that the NDP should raise up food banks as some kind of an example of politics. They are using food in their political discussions. And that member should go into his constituency and see why the food isn't getting to the children.

**Mr. Shillington:** — Well I thank the minister from the bottom of my heart for the advice that I need to get to know my riding a little better. He's undoubtedly right; no one can know one's riding well enough. I say to the minister though that I have lived there since I was . . . I have lived there for 17 years. Mr. Minister, I have been on every doorstep once in every election that I've run in, so I have some passing acquaintance with some of the people who live in my riding.

I tell you, Mr. Minister, if you don't think that hunger stalks the city of Regina, then I can easily prove to you otherwise. I challenged your predecessor, the hon. Gordon Dirks, to come on a walking tour of my riding with me. He had enough integrity not to take me up. I don't issue that challenge to you, Mr. Minister. It would just be a pointless exercise with this particular minister because you'd find some idiotic reason why they were hungry, other than the fact that we're not providing enough assistance for them.

I don't intend to waste my time, Mr. Minister, taking you on a tour of my riding, because you don't have either the brains or the integrity to benefit from it. But I say to you, Mr. Minister, that is not unparliamentary; that is not unparliamentary, and I think I'm quite entitled to describe the minister accurately, if I may say so.

**Mr. Chairman:** — I'd like to caution the member from Regina Centre that it is verging on the personal integrity of the minister, and I don't think that that is something that you would want to happen. I caution you on your language there.

**Mr. Shillington:** — Mr. Minister, I say to you that, as I say, I've some passing acquaintance with the riding which I represent. I say to you, Mr. Minister, that there is hunger in large parts of that riding.

I recall, Mr. Minister, debating in the spring of 1984 the welfare reforms. I remember debating with the member from Regina . . . the then member from Regina Rosemont, the former member from Regina Rosemont, Mr. Minister;

I remember debating him. And the debate came to an end, and the legislature adjourned — unlike this one which seems to be in permanent session — that legislature adjourned. Then a federal election was called, and I was appalled at what I saw, because it left the realm of an academic debate, and I began to see what was actually happening in the city of Regina, and it was devastating. I spent the summer in the federal election going door to door and actually meeting those people who were hungry, and them having . . . and them asking me what they should do, and I having no answer, except to hope that these people get defeated in two years. It didn't happen.

I'm not sure what you're saying, Mr. Minister. I'm not sure whether you're saying that there isn't any hunger in my riding, and or that it's all caused by cigarettes, or all caused by them buying new cars. I'm not sure what . . . I must say I don't follow what the minister is saying to me. But I tell you that there is hunger in the city of Regina, some of . . . in all cities in the province. I do not have . . .

I have got to know some of those people. I don't know what they would do differently. I know the minister is going to come up with some suggestions such as planting cabbages, but some of these people don't have access to a couple of acres of land to plant gardens in. Some of them have no way of planting gardens, and indeed the lack of proper nutrition has made them ill enough they probably don't have the strength to do it in any event.

(1645)

I heard the minister, a moment ago, suggest that people don't need transportation because they can walk around the city of Regina. I tell you, Mr. Minister, it's 10 miles across this city; that's a fair hike for a healthy adult. It's impossible . . . I ask you the last time you walked 10 miles. You at least have the benefit of proper nutrition. Many of these people don't, and the lack of nutrition makes them physically ill.

I say to you, Mr. Minister, that you ought to be ashamed — when you drive by that food bank, you ought to be ashamed, because that food bank is something you created and it's a symbol of your callousness and your insensitivity.

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

**Hon. Mr. Schmidt:** — Mr. Chairman, this is an example of the NDP with their heads in the sand. The hunger problems in the member from Regina Centre's constituency are connected to social problems. Now if we were to go out and start solving the social problems, what would he say? What would he say if we went out tomorrow and took 100 hungry children from his constituency who were probably being neglected, and took them and put them into foster homes instantly and fed them, what would he say to that?

We should come up with some solutions to the social problems that are not related to the NDP's posturing on politics. If he wants to solve social problems, I will come with him into his constituency personally and we will find the hungry and we will find out why they're hungry. If

they are hungry because of social problems and because their parents don't feed them, then we will find them homes where they will be fed. Is he prepared to go and do that? That is the question.

**Mr. Shillington:** — Mr. Minister, if you're suggesting that the only reason there's hunger in the city of Regina is because of social problems, I'm not sure what you mean. If you mean that they drink and smoke their money away, that, Mr. Minister, does not describe anywhere near all of the cases. There are many cases where the cheque simply isn't enough to live on.

Mr. Minister, I remind you that single unemployed, who are really the tragic case — the single employables I think is the description — their cheque often doesn't cover their rent, much less anything which comes anywhere near being enough for food, much less the clothing, much less the other things which people need. I say to you, Mr. Minister, that the allowances which they get are simply not enough; it just simply isn't enough money. And there aren't any social problems and they aren't drinking and they aren't smoking and they aren't gambling, or whatever else you think they're doing. I wish you'd be a little more specific.

I say to you, Mr. Minister, I can show you examples of people, I'll show you examples of people who just simply don't have enough money. And that's true at virtually any election. I'm sure any one of my colleagues could stand up and could describe individuals who are trying valiantly to feed themselves and perhaps dependants and just simply can't do it. I'll venture to say you can pick any one of these people and they can describe such a person to you, Mr. Minister. They exist. They exist in every riding, and they exist in yours. And if you don't know that, Mr. Minister, you might try spending some more time in your riding if you want some advice as to where some time should be spent.

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

**Hon. Mr. Schmidt:** — I can tell you this, Mr. Chairman, that if I get a report of hungry children in my riding. I will take action and something will be done about it. Either those children will be given the assistance from the point of view of counselling to the parents, or else those children will be put in homes where they will be fed. And if it gets really bad, I will personally go down with food in my riding and make sure that they get some food but I wouldn't do it for a long-term period because I'm not going to feed other people's children on a long-term basis if the parents won't do anything to feed them themselves. So we have to look at the parents and what the situation is.

I can tell you this, that single employables the member opposite is talking about, do not have dependants. I can tell you this, that in my constituency right now if some of those single employables were to apply for jobs, they would have jobs instantly. I've got farmers who run large hog operations who can't get employees at \$8 an hour. And I'm sure that if we drove out to my constituency with one of the member for Regina Centre's constituents in our car, that we could have them hired before the sun goes down. There has to be a little effort put into finding a job.

And it seems to me that there is a large congregation of single employables in Regina and Saskatoon. I believe that that is related more to social problems than it is to the economy of Regina or Saskatoon. And I think there are a lot of people in this province who agree with me. And therefore, there are jobs out there if people want to work at them, and they're not all minimum wage jobs. They are not all desk jobs either, I can tell you, but people have to be prepared to do an honest day's work for their dollar. And that is not common in Regina Centre.

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

I wasn't going to get into this debate at this time, but having listened to this minister, I can't help but have to say a few words. I have never in all of my life, Mr. Chairman, heard any minister of Social Services in Saskatchewan who has sounded and has been as cruel and as insensitive as this one.

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

**Mr. Tchorzewski:** — Anyone who would try to use the kind of logic which we have heard here this afternoon, Mr. Chairman, is playing politics — cheap, sleazy politics — with the lives of thousands of people out there, who through no fault of their own, through no fault of their own are living under very serious and difficult circumstances.

As soon as you call them to order, Mr. Chairman, I'll . . .

**Mr. Chairman:** — Order, please. Let's have some order and let the member have his say.

**Mr. Tchorzewski:** — Thank you. It is interesting when one comments on what the minister has been saying, the kind of a reaction you get from the members opposite, Mr. Chairman, because they know, they know that what this minister is saying here today is wrong. And they know that because their constituents are telling them that.

And if only they would get off their ivory towers and the comfort of their \$90,000 homes and the comfort of their \$60,000 cabinet minister salaries, and consider the fact that there are people today not only for social reasons, but many of them, Mr. Chairman, for financial reasons are unable to provide adequately the necessities of life that they and their children ought to be able to have.

Now this minister says that all of the problems are social problems. But I say that he is the minister in charge of the setting of the minimum wage in Saskatchewan. These are not people who are on social assistance, or Saskatchewan assistance plan, Mr. Chairman. These people are people who are out there working very hard and trying to raise their families on a minimum wage of \$4.50 an hour.

And do you know, Mr. Chairman, that that minimum wage, in a total of five whole years, has increased by 25 cents an hour. And the minister opposite stands up and boasts about the great job that he and his government have done in providing people the financial opportunity to provide the needs of themselves and their children.

It is hard to understand, sir, it is hard to understand how



anyone in such a responsible position can be so blinkered – can be so blinkered when it comes to the needs of the people who are going hungry.

I ask the minister to tell this House, when he gets his opportunity, how does he expect people living on minimum wage, if they are working full time, and are earning therefore a grand total of about 700 or \$750 a month, how they are expected to feed their families if in some cases, some of them now, with this new prescription drug plan that the government announced, are having drug bills of 100 and 200 and \$300 a month?

Those are the priorities that are so wrong, Mr. Chairman, which have been established by this government. Those are the kind of examples which show that this government is so uncaring and unfair in the priorities that it is setting.

Now I know the minister will be getting a note and it'll be helping him to say, well you can't say that people on Saskatchewan assistance are having to pay the prescription drug increases. I didn't use the SAP (Saskatchewan assistance plan) rates and the example of SAP clients for that particular reason. I used people who are not on Saskatchewan assistance. I am using people who are on the minimum wage but are working. They don't have the kind of assistance that the minister might try to pretend they do. They have to pay that bill.

And although that Minister of Health who sits there and laughs in his chair, although he announces some fuzzy program that he says will assist people who are caught with excessive and large bills for their prescription drugs because of the new plan, although he announces it, the effect is that most of the people who have been applying are being refused any assistance at all. There was a political pressure generated by public opinion, and the government responded by a statement which was a ministerial statement in the House and then they left it at that.

Mr. Chairman, I say to you that the Minister of Social Services, he's the one who has his head in the sand. He's the one who refuses to understand what the problems out there are. I'm not sure and so I will not accuse him. I will let the public be the judge. I'm not sure whether, Mr. Chairman, he is the tool of the Premier, and the Minister of Finance, who are expecting him to go out and make these kinds of insane and ridiculous statements, so that when the session is over he can be dropped from the cabinet and the government can be saying to the people, our problem is gone.

I'm not sure whether that's the reason. I'm not sure whether that's the reason, or whether this minister, Mr. Chairman, really believes the things that he has been recorded as having said. Either one, Mr. Chairman, it's wrong. Whether the minister is dispensable, in the view of the government, or whether he sincerely believes what he says – either one is wrong.

Now members on my side of the House have given specific examples of children who are going hungry in Saskatchewan, who are having to use the food banks when they didn't have to use food banks before 1982.

And the minister gets up and he boasts about food banks, and saying what a great thing they are. Well I say to you, Mr. Chairman, food banks only exist, food banks only exist when there isn't enough provided to certain people in our society.

Food banks aren't a deliberate tool or a deliberate creation by people because they are an important thing to have. They are a symptom of a society in which people are going without. They are a symptom in a society in which people are going hungry, because financially they do not have enough to provide for themselves and their children the food that is necessary to feed them adequately.

And so as a result of those kind of conditions, there are people in our society, fortunately, who will dedicate time and food and financial resources to set up something like a food bank to help these people. That doesn't make them right. That doesn't make them an important vehicle or important mechanism of government to meet people's needs. That's the reality that the minister opposite, and the members opposite who giggle and laugh and chirp in their seats, fail to understand. They fail to understand, Mr. Chairman, that under the policies of this government, more and more people in this province are living in difficult situations. More and more children in this province are going to bed hungry at night. More and more people who insist that they're going to work, even if they have to hold down two part-time jobs on the minimum wage, are not able to make enough to feed their families because this government does not care about those kinds of priorities.

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

**Mr. Tchorzewski:** — Oh, it's an important priority to spend \$30 million on government advertising, which is strictly political. That's an important priority. But to look after the needs of people in need somehow is not important.

**Mr. Chairman:** — Order. It being 5 o'clock, I now leave the Chair until 7 p.m.

The Assembly recessed until 7 p.m.