

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Hon. Mr. Taylor: — Mr. Speaker, it gives me pleasure to introduce 21 grade 3 and 4 students, seated in your gallery today, from the Odessa School. They're accompanied by their teach, Mrs. Marjory Holingshead; chaperons, Shirley Muhr, Marie Lockert, Brenda Schneider, and Sally Schneider.

I hope the students enjoy their trip to Regina today, and I hope you enjoy a portion of the question period that you'll be able to stay and see here in the House. And I'll be glad to meet with you later to have pictures and refreshments.

Welcome to the legislature.

Hon. Members: Hear, hear!

Mr. Martens: — Thank you, Mr. Speaker. It gives me a good deal of pleasure to welcome from my constituency the chairman of the board of the Herbert School Division. He's Mr. Wayne Watson of Hodgeville and he's seated in your gallery here. And I'd like all the members of the Assembly to join me in welcoming you here today. Thank you.

Hon. Members: Hear, hear!

Mr. Martin: — Mr. Speaker, it's my pleasure to introduce, on behalf of the Premier, students from Scotsburn School in Estevan, grade 4 students. There are 19 of them. They are accompanied by their teach, Marilyn Mamczasz; also chaperons, Jan Blue and Charlotte Johner.

I will be meeting with you at 2:30 for photographs. Meanwhile, I hope you enjoy the next half hour or so in the House. And on behalf of all the members, please join me in welcoming these students from Estevan.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Division of SPC into Four Units

Mr. Romanow: — Thank you, Mr. Speaker. My question was to be directed to the minister in charge of the power corporation. In his absence and the absence of the Premier, I suppose it should go to the minister in charge of privatization, and it has to do with the announcement yesterday by the SPC president, Mr. George Hill, that in effect SPC, Mr. Speaker, is now going to be split effectively into four separate units: one dealing with SaskPower, one dealing with Prov Gas . . .

An Hon. Member: — Worse than you expected.

Mr. Romanow: — Yes, as the Minister of Education says, worse than we expected, that's for sure . . . one for Trans

Gas, and one for Saskatchewan Energy Corporation. I notice that the Deputy Premier has just arrived. Perhaps I'll, without repeating the preamble to the question, put the question in this way.

Mr. Deputy Premier, dealing with Trans Gas and the announcement by Mr. Hill that we now have a truncated four-part Saskatchewan Power Corporation where there used to be one integrated unit, will you not admit to the legislature that Trans Gas has been set up in this fashion specifically and purposefully, given the fact that its function is designed to export natural gas to the export markets, bypassing contact with local customers in Saskatchewan, that it's been set up this way purposefully in order to achieve the objectives of privatization of you and your government.

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, the short answer is no. The longer answer is Trans Gas has been set up to accommodate the conducting the business of the gas side of the existing utility in a changing world as it relates to the natural gas sector.

Today, Mr. Speaker, there are about a hundred . . . I think about a hundred billion cubic feet of natural gas transported in the total system approximately with direct sales, a policy that was brought in by this government, that would provide for larger customers to source gas directly with the producer, with SaskPower maintaining the monopoly on transportation, Mr. Speaker. With that policy change and with . . .

An Hon. Member: — Are you losing your train of thought?

Hon. Mr. Berntson: — No, no I'm not.

And with, Mr. Speaker, the additional and anticipated exports of natural gas as a result of policy changes by this government and the federal government, Mr. Speaker, it's expected that Trans Gas will have to be in a position to carry about twice that; about, I think, 180 billion cubic feet of natural gas in the very near future, Mr. Speaker. So you can see that the gas business . . .

Mr. Speaker: — Order.

Mr. Romanow: — Mr. Speaker, I have a new question to the Deputy Premier. I must say as a short preface to the question that I find it very difficult to understand how breaking up an integrated, efficient utility into four separate units is somehow going to be more efficient or somehow will achieve an objective that couldn't be otherwise achieved under the current structure. But my question is this.

Some Hon. Members: Hear, hear!

Mr. Romanow: — My question is this to you — a new question: will you confirm, Mr. Deputy Premier, that your government is about ready to announce shortly an approximate \$100 million project of 216 miles from Beacon Hill to Kyle with respect to the natural gas

distribution system? And if so, does this fall under the ownership and control of the new subsidiary, Trans Gas, and if so, isn't it correct that that's being done specifically to make Trans Gas a very viable candidate for privatization?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, I don't think that we're planning to make that announcement soon. In fact, I was of the impression that we made it some time ago, Mr. Speaker. If that's not the case, I'll ask them why.

But it's true that there's about \$90 million, I think it's \$90 million worth of additional pipeline needed in the province to handle anticipated volumes, and it's true that Ipsco is very happy about, and it's true that gas producers are very happy about that. And, Mr. Speaker, it's not true that this is a design to . . . in some exercise of privatization. Mr. Speaker, that's simply not the case.

It's not the case no more than it was the case for him to break up the potash corporation. What he broke up the potash corporation for was to have efficient management in the mining company, in the transportation company, and in the international company. We are looking for efficiency, Mr. Speaker, in a utility and in a transportation company and in an electrical company.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, a new question to the Deputy Premier. And as a preface, we must get this Potash Corporation of Saskatchewan break-up into perspective. That was done because of the United States taxation laws. And if you tell me that that's what's being done here, I'd like to hear that answer.

I want to ask you specifically, Mr. Deputy Premier, this: with respect to the \$100 million Beacon Hill to Kyle project, is it correct that this is going to be built? Is it correct that it's going to be fast-tracked to be built by November? Is it correct that Trans Gas will be owning it? Who's paying it? And why doesn't that make sense, according to your philosophy, to put Trans Gas up for sale? Tell us those answers.

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, if he's suggesting that we should put Trans Gas up for sale, I'm prepared to take a look at that. The plan, quite frankly, Mr. Speaker, is to separate the gas utility from the electrical utility for all of the reasons that I went through yesterday.

In addition, Mr. Speaker, it makes sense that the gas utility and the transportation network, which are different functions . . . IPL (Interprovincial Pipe Line) doesn't have a utility. IPL doesn't have a distribution system, they have a transportation system. We want a transportation system, Mr. Speaker, to get export gas into the export market, to get producer gas to sole-source consumers, and to get gas, Mr. Speaker, from the producer to the utility.

It seems to me that by focusing the management in each

one of these areas, that that is the right and proper way to go. And I've been persuaded of that, Mr. Speaker, and I support it 100 per cent.

Mr. Romanow: — Mr. Speaker, a further question — further new question to the Deputy Premier. This has to do with the overall theme of the Deputy Premier's questions about this being merely an act of efficiency; this, meaning the break-up of power corporation, the integrated cross-subsidization, efficient — up to this current administration in any event — corporation; the breaking that corporation up into four separate units — his argument essentially boils to efficiency.

Will the Deputy Premier please advise the House; you're going to now have four separate entities. You're going to have SaskPower, you're going to have Prov Gas, you're going to have Trans Gas, you're going to have something call Saskatchewan Energy Corporation. Which one of those will George Hill be the president of? Who will be the overall president in charge of the co-ordinated activities of those four units? Or, as my colleague suggests, is George Hill going to be the boss of everything — not only the power corporation buy your government as well? Who's going to run it?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, I want to draw a little comparison. The comparison is as follows. He's talking about . . . I'm talking about the changing world in the gas business and in the utility business; he's talking about the inefficiency, the inefficiency of breaking it up.

Well let me tell you, Mr. Speaker, what we have done is we have come to the belief that there is natural gas in Saskatchewan, and we have come to the belief that that resource ought to be developed, not as members opposite did.

And while we're talking about that, Mr. Speaker, they owned, they owned a thing called Many Islands Pipe Lines, which was an Alberta company, Mr. Speaker, owned by SPC — owned by SPC. They were the government. They owned a thing called North-Sask Electric, owned by SPC, separate company, owned by SPC, a wholly owned subsidiary of SaskPower.

You know what we did with that, Mr. Speaker? We brought it in as part of SaskPower. North-Sask Electric is now part of SaskPower, and we are developing the electrical distribution and transmission system in the North to the benefit of Northerners, and they like it, Mr. Speaker.

Now he can fracture the company to suit himself for his purposes at his time, but when we try to bring some efficiency to the modern times, he's agin 'er.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I'm not fracturing the company; this is not my announcement. It is my final new question to the minister, and I'm still waiting for an answer about what we're going to do for poor old George Hill, which he hasn't answered.

But anyway, my question to the Deputy Premier is very simple. Perhaps he could give us an answer on this. We don't know what George Hill is going to do. We don't know quite what Trans Gas is going to do. Will the Deputy Premier be able to tell this House with respect to this question: he claims that they're doing all of this for efficiency and for reduction of debt — the overall debt of the power corporation. If you want to reduce debt, Mr. Deputy Premier, why is it that your government has committed \$1.1 billion for the building of shafferty in your own riding and in the Premier's riding to save your own political skins? If you want to save debt, why didn't you start looking right there to begin with, saving debts?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, a couple of points. Number one, he makes a big issue out of SaskPower owning subsidiary companies. He had two; he had two; it's okay for him, but it's not okay for us.

Second point, he says \$1.2 billion for Rafferty and he's right out to lunch on that. It's been pointed out to him a thousand times, in here and in Crown corporations and other places, it's about six of one and half a dozen of the other as it relates to cost of the Shand project or the Coronach project. He wanted to build it in Coronach. Right? He wanted to build it in Coronach where it would have cost an additional \$80 million for a scrubber.

But their preferred option, Mr. Speaker, was to buy electricity from Manitoba. The Manitoba deal, Mr. Speaker, was so far out of whack that even those members wouldn't have opted for that deal. They offered us 85 per cent of the avoided cost of a Minnesota utility that bore no relevance at all to the Saskatchewan situation.

Some Hon. Members: Hear, hear!

Privatization of SaskCOMP

Ms. Atkinson: — Thank you. Mr. Speaker, my question is to the minister of privatization. I have here the latest annual report for the Saskatchewan computer utility corporation, and it shows that SaskCOMP in the year 1987 made \$3.4 million. It also shows that in the last 10 years this corporation has made \$21 million. Why then, Mr. Minister, is the sell-off of SaskCOMP such a good deal for the people of province?

Some Hon. Members: Hear, hear!

Hon. Mr. Taylor: — Mr. Speaker, as I indicated when I announced the formation of WESTBRIDGE computer company, that we were able, with this merger with SaskCOMP, SaskTel, and a couple of other companies, to put together a state of the art computer company that will have over 200 new jobs for Regina in this area. We'll be able to compete in the western market and is offering the, as I say, state of the art services to western Canada, headquartered right here in Regina. And I believe that kind of diversification and development is right on the money.

Ms. Atkinson: — Supplementary. We've heard this song and dance before, Mr. Minister. We heard this when you privatized Saskoil. Where are the jobs? Twenty-five per cent of the jobs were lost within the first year. We heard it with SED Systems. Where are the jobs? Seventy jobs were lost this past winter.

Mr. Minister, this annual report shows that this company had a net return on profit of 36 per cent — a return of 36 per cent, Mr. Minister. In the last five years there have been years where this company has returned over 100 per cent on equity.

My question is: why do you feel that this kind of profitability should not be available for all of us? Why do you suggest that this kind of profitability should only be available for the few?

Some Hon. Members: Hear, hear!

Hon. Mr. Taylor: — Mr. Speaker, I really don't understand what a net return on profit is, but I'll let their member explain that. But certainly she does not listen and these things had been explained in this legislature before.

She indicates that Saskoil there are no new jobs. I heard the Deputy Premier indicate that there will be about 6 to 800 wells drilled by Saskoil, gas wells in this province, and I can tell you that is going to be new jobs and new job creation right here in Saskatchewan. It'll be good for Saskatchewan people and certainly for employees.

I'd like to remind the member opposite of the quote from the union in SaskTel on the merger towards . . .

An Hon. Member: — SaskCOMP.

Hon. Mr. Taylor: — . . . with SaskCOMP coming in with WESTBRIDGE. They indicated they were in favour of it because it was new job creation — jobs for Saskatchewan people, jobs for graduates of our schools. And that, I believe, is good for employees and good for this city and good for the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — New question. In 1987 the return on investment was 37 per cent; in 1986 the return was 25 per cent; in 1985, 35 per cent; in 1984, 100 per cent; in 1983, 90 per cent; in 1982, 120 per cent return on investment. Mr. Minister, why can't those kinds of returns be the property of the people of this province to pay for important public programs like health and education, and why should those profits be the property only of a few of the PC Party friends?

Some Hon. Members: Hear, hear!

Hon. Mr. Taylor: — Well, Mr. Speaker, the member opposite fails to realize . . . and she's bound by her ideology of controlling and keeping things as they were, not building and not diversifying. Does she realize that 200 new employees will be people that will be adding to the consumption of this city and this province? Does she realize that that will be 200 new taxpayers paying taxes to

the revenues of the province?

Mr. Speaker, it is by creating new jobs by doing things different, by keeping in tune with the times and creating companies right here in Saskatchewan that can compete across Canada, bring that work and bring those jobs here. And that's what this side of the House stands for. That's what I believe in, diversification, and that's what public participation is doing time after time after time under the guidance of this government.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — Mr. Speaker, we know who the builders of this province are, and they aren't the members opposite. The people of this province . . .

Some Hon. Members: Hear, hear!

Ms. Atkinson: — The people of this province believe that those members opposite are trying to destroy this province.

I have a new question. Mr. Minister, in early March I wrote to you asking for the agreements which established WESTBRIDGE, as referred to in your orders in council, and all supporting documentation. So far, Mr. Minister, you haven't even had the courtesy of acknowledging my letter. Mr. Minister, if this is such a good deal for the people of this province, will you today table the documentation that has to do with the sale of SaskCOMP, SaskTel, and Secore? Will you do that today?

Some Hon. Members: Hear, hear!

Hon. Mr. Taylor: — Mr. Speaker, I've indicated to the member opposite that yes, those documents would be forthcoming, and they will, I should also indicate to the member opposite, because she chooses to ignore this, that there will be a public share offering in that company. There will be a public share offering in which the ordinary people of Saskatchewan can invest in that company and can reap the benefits of the growth of that company as it grows and expands in the new computer industry across western Canada.

Some Hon. Members: Hear, hear!

Suspension of Water Study Employee

Mr. Calvert: — Mr. Speaker, in light of the absence of the minister responsible for the water corporation and the absence of the Premier, I will direct this question to the Deputy Premier who, I assume, can speak on behalf of this government.

Mr. Deputy Premier, I read in the Saskatoon *Star-Phoenix* this morning, an article that tells me the minister responsible for the water corporation has given a two-week suspension without pay to Stephen Kendall, director of the four-year study in the South Saskatchewan River Basin. I also understand that the basis of this suspension is because the minister responsible for the water corporation doesn't agree with some things stated by Mr. Kendall. Mr. Deputy Premier, is it the position of your government that you can suspend, without pay,

anybody associated with your government who doesn't happen to share your version of the facts?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — The hon. member, Mr. Speaker, says that — and these are his words — he says, I understand that he was suspended because the minister responsible for the Sask Water Corporation didn't like something that he said. Reading from the same article — I point out that this is from the *Star-Phoenix* — reading from the same article, Mr. Speaker, it says here, it says here, quoting the minister, — and I wish I could find it . . . (inaudible interjection) . . . yes, he said, "Swan said he was unaware of the suspension, although (he said) the letter . . . the person made some very foolish remarks," very foolish remarks and perhaps he would have . . . and he was surprised, quite frankly, that he wasn't notified by the water corporation, Mr. Speaker, that . . . the only reason I point that out is I would like the hon. member to be completely honest, completely honest; you were implying that this person was suspended because of some disenchantment of the minister. The minister had no knowledge of the suspension, Mr. Speaker. And so I just point that out in answer to the member's question.

Mr. Calvert: — Mr. Speaker, new question to the minister. I will quote the quote that the minister has today in the Saskatoon *Star-Phoenix*. Listen to this, Mr. Deputy Premier, again quoting the minister — "he", referring to Mr. Kendall.

He made some very foolish remarks last week where I would have felt like suspending him but I didn't do it. (He said.) I'm surprised that I wasn't notified.

Your Minister of the Environment publicly accuses a qualified individual of making foolish statements. Your minister responsible for the water corporation suspends this man without pay. He says he wasn't notified, Mr. Deputy Premier. Who is in charge of the water corporation, and why don't you just stand up and admit in this House that your government will not tolerate any opposition to the Shand-Rafferty project?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, again quoting from the same article. It says that:

Bob Halliday, the federal representative on the joint board . . .

Mr. Speaker: — Order, order, order. Order. We're having some difficulty hearing the minister, and would the House co-operate.

Hon. Mr. Berntson: —

Bob Halliday, the federal representative on the joint board overseeing the study, said that Kendall's suspension was prompted by comments in the article, but there was (much) more to it (that that).

Much more to it than that, Mr. Speaker. So it was a simple, I suppose, an unfortunate situation, Mr. Speaker, but clearly an administrative problem within the water corporation, and nothing that neither the minister nor I nor members of this House had anything to do with.

Mr. Calvert: — Mr. Speaker, new question, final question. Mr. Deputy Premier, I think this does have much more to do with this particular situation. I think it has more to do with the kind of government you operate.

Mr. Deputy Premier, isn't this just one more example of the kind of government that you're a part of and lead; a government that tyrannizes its civil servants; a government that cannot accept opposition; a government that will deny free speech in this province; and a government who will do absolutely anything to accomplish its political goals. Isn't that what's really going on here?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, no.

Administering of Medical Drugs in Provincial Jails

Mr. Shillington: — My question is to the Minister of Justice, and concerns your announced policy of having guards administer medical drugs in provincial jails.

Mr. Minister, the danger of having untrained people administer medical drugs is too obvious to need to be stated. Indeed, so concerned are the guards, who are the first to admit that they don't have the knowledge or qualifications, that they've commenced a court action trying to stop this policy.

Mr. Minister, will you admit that this idea deserves the same distinguished end as your one great phone book idea, and will you can it?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — I make two observations, Mr. Speaker. Number one, I was served today with a notice of motion on this, and as the hon. member is aware, when a matter like this is going before the Court of Queen's Bench, then it is no proper for myself or the member opposite to get into a detailed political debate about an issue that is going to be argued before the court. I would make that point number one, Mr. Speaker.

I would ask the hon. member as well, before he gets carried away in a flap, to look at the history of this province on this particular issue, and particular as how this is done in correction centres in the city of Saskatoon and the city of Prince Albert, before he gets carried away with his tantrum.

MOTIONS

Referral of Bills to Standing Committee on Non-Controversial Bills

Hon. Mr. Berntson: — I think we can do this a little more efficiently if we, by leave, before orders of the day, move:

That the order for second reading of Bill No. 7, An Act to amend The Reciprocal Enforcement of Judgments Act, be discharged and the Bill referred to the Standing Committee on Non-Controversial Bills.

I move, seconded by the Minister of Justice.

Leave granted.

Motion agreed to.

Hon. Mr. Berntson: — Mr. Speaker, by the leave of the Assembly, I move, seconded by the Minister of Justice:

That the order for second reading of Bill No. 8, An Act to amend The Public Libraries Act, be discharged and the Bill referred to the Standing Committee on Non-Controversial Bills.

Motion agreed to.

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

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

Item 1 (continued)

Ms. Smart: — Thank, you, Mr. Chairman. Mr. Minister, as the critic for seniors' issues I have some specific questions to ask you as the minister in charge of the Seniors' Directorate and the senior citizens' services.

But before I begin my specific questions I want to take a few minutes to express my concerns regarding your government's treatment of seniors. And I make these comments here because you are the minister who has been speaking with seniors as their representative in the PC government.

Now, Mr. Minister, I know very well from what I can expect in terms of your response after sitting here in the legislature listening to the comments that you've made in response to the serious issues that my colleagues have addressed to you. I know that anything that I choose to say will probably be either ignored or condemned, and that as soon as I sit down you will deliver yourself of another irrational speech.

I say, Mr. Minister, that you were quite rude to my colleague, the member from Regina Lakeview, in the House when she was questioning you about women's issues, and so I have no reason to expect much different from you today.

Mr. Minister, I want to tell you that it was a very sad day for Saskatchewan when you were named the minister in charge of your government's social policies.

Some Hon. Members: Hear, hear!

Ms. Smart: —Your PC government has been attempting to create a political atmosphere of hatred, an atmosphere which attempts to poison the social fabric of this beautiful province.

And on behalf of the constituents in Saskatoon Centre and of all the Saskatchewan seniors, I criticize you for your juvenile, unstatesmanlike behaviour. And I want to go on record in this Assembly as a member who finds your attacks on groups of people to be deeply offensive and completely unjustified. And I do know, Mr. Minister, that many older people are alarmed by your allegiance to these politics of hatred and fear and deceit.

Mr. Minister, it's been obvious from your actions and your remarks that you have little knowledge of the life situations or the life expectancies and the experiences of many people in this province today and that you and your PC government friends have no intention of becoming better informed about the realities of life for a good percentage of the people, both urban and rural, who are struggling to live under your PC government's incompetence and often crushing regime.

For one thing, the PC government which you so clearly represent has demonstrated a total lack of respect for the history of this province, a history which the seniors have worked so hard to create. You are destroying what they have built. You are condemning what they have valued and you are betraying what they have achieved.

Now, Mr. Minister, I know these are strong words and that you will probably call this just rhetoric, and you will try to portray yourself as Mr. Nice Guy, Mr. Moral Majority, and that you will even try to link yourself with wonderful leaders like Tommy Douglas, who means so much to the people in this province, particularly the older people.

If it suits you, you're going to tell us that you've been following the policies of the NDP, and then you're going to spin around and tell us exactly the opposite. Your performances are familiar now to the people of Saskatchewan even while you hurt them and while you make them heartsick.

For example, Mr. Minister, your PC government's attacks on our Crown corporations are destroying years of struggle to have some economic control in this province. It was the seniors who established and built the Saskatchewan Power Corporation is just one example. And it's the seniors who understand the need to be frugal with our non-renewable resources. Our natural gas reserves will not last for ever, but they could be managed so that the seniors could have a heritage for their grandchildren.

Your government doesn't respect this as building for the future. You want to squander it all away in one fell swoop for short-term gain. And you, Mr. Minister, represent the "me" generation gone berserk.

Some Hon. Members: Hear, hear!

Ms. Smart: — Your PC government tries to smear a

valuable institution like the United Church, an institution dear to the hearts of many senior citizens. And when I was canvassing door to door in Eastview, I met many seniors who were just appalled at the cheap political attack on the church. It was a senseless remark that you made, but it backfired badly on you. And I say, thank goodness it did, because we now have two members of this side of the House to join in speaking out for the many seniors who live in Saskatoon and Regina and all around this province.

Some Hon. Members: Hear, hear!

Ms. Smart: —And, Mr. Minister, I say the PC government betrays what the seniors have achieved when you practise the politics of deceit. For years and years the political climate of this province was one of respect for this legislature and for the political life. But this PC government, by its broken promises, its cynical manipulation of the political process, and its hateful treatment of people, has brought discredit to politicians and to political life.

And the seniors of this province are angry at you for doing this too. Over the years they have put a great deal of time and energy into political activity, and they value this legislature and they value the political process in this province. And they hope to leave a strong legacy for their grandchildren.

And, Mr. Minister, what they see instead right now is the cynicism and the powerlessness of the younger generation, which your government has done so much to encourage. You bought the young people off with your promises to remove the gas tax and then you turned around and implemented policies which forced young people into wretched unemployment, into leaving the farms and into leaving the province.

So, Mr. Minister, when we speak of seniors, we speak of all the changes which concern and upset older people, but we also speak of particular concerns which you as the minister responsible to seniors should be addressing. Mr. Minister, there is no protection left for seniors any more through the Rentalsman's office, and their rents are sky-rocketing. There are any number of increases in utility bills, sales tax, municipal taxes, car registration, the flat tax. And the list goes on.

The stupid destruction of the prescription drug plan has caused all sorts of hardships. Mr. Minister, if you really cared about the seniors, you would have worked hard against the changes to the prescription drug plan. No other issue has caused such pain.

But what does your PC government do? It accuses the seniors of being drug abusers, and that, Mr. Minister, has got to be the worst insult and the stupidest thing your government could say and do. It was grossly unjust.

That action alone, destroying the prescription drug plan, supposedly to catch drug abusers while leaving the sick and the elderly to pay the price, just shows so clearly where your government's priorities are when it comes to people. And it shows so clearly just why you lost so badly in both Elphinstone and Eastview.

Some Hon. Members: Hear, hear!

Ms. Smart: —Mr. Minister, when I was going door to door in Eastview I was wondering if you were out there knocking on doors on behalf of your party. But I'm willing to be that you never set foot in either one of those constituencies on a door-to-door basis because you wouldn't have the courage to go out and face the people, one to one, on the doorsteps.

If you'd gone out, you would have heard and seen what I've seen — older people reeling under the effects of your policies, older people dismayed beyond belief by your actions. And I don't exaggerate.

I admit there are seniors who are well off and not hurting. I admit there are senior who are fiercely independent, and they don't want to complain. I admit there are seniors who feel well cared for, if they are fortunate enough to live in the senior citizen residence. But there are many, many seniors who face fixed incomes, rising drug costs, inadequate housing, lack of transportation, concern about health care — and virtually all of them are deeply concerned about the future and about the quality of life that their grandchildren face.

(1445)

And, Mr. Minister, I have made these general statements because you are the minister who appears to have been assigned to represent seniors to the government and in the cabinet, and I want to raise those issues because I think there are many, many concerns that you should be addressing and speaking out on, on behalf of seniors.

I want to begin by pointing out to the heritage grant program, a program put in place — what, three years ago? — on a one-shot deal. And then the seniors didn't know if it was going to come back again the next year, and they had to wait until the budget came out. Then they found out that the heritage grant was back, and they would have a little bit of money to help pay these escalating costs that they're facing. And the same thing happened again this year. I got lots of phone calls: what about the heritage grant? Is it in; isn't it in?

Mr. Minister, I want to ask you if it's the intention of the government to keep this program on an ongoing basis. And can you assure the citizens, the senior citizens of this province, that the heritage grant will be in place next year and the year after that and the year after that?

It's cruelty to the seniors not to let them know whether they can count on that income when they're living on low incomes to start with and facing the rising costs of your government. Can you guarantee then that the heritage grant will be in place in the future?

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Mr. Chairman, I think I detected a question in that monologue, and I'm going to try to address some of the concerns that were raised there.

First of all, let me give to the committee here an indication

of what kind of a guarantee seniors can expect with respect to income in this province. The members opposite talk about a guaranteed income, and for senior citizens there is a guaranteed income.

And I'll give you the example of a senior couple over the age of 65 who have no savings in the bank, no interest income, no rental income, only living on government pensions and government benefits. And they would have an income, that couple, as we stand here today they would have \$15,392.96 of government pensions and supplements to live on in Saskatchewan as a guaranteed income for that senior citizens couple.

That works out to: the old age pension from the federal government, old age security of \$626.30 or \$313.15 each; guaranteed income supplement for that senior couple of \$484.78; and Saskatchewan income plan paid by the province of Saskatchewan of \$105 for that couple, and that will be increased by \$15 each. The maximum amount will go up to \$135 for that couple as of November of this year as announced in the budget. In addition, they would be entitled to the Saskatchewan heritage program of \$700, and a federal sales tax credit of \$100, for a total income of \$15,392.96 which is tax free — that's clear money.

Now you'd have to earn quite a lot more than that in the work place to clear \$15,392.96. In addition, when our increase goes through in the Saskatchewan income plan in November, that income will go up to \$15,752.96.

Now when you look at a single senior, that income would be less for the single, but it would still be — after our increase comes through in fall — \$9,733.72, tax free and clear.

So this government has implemented a guaranteed minimum income for senior citizens, and we have to compare that with the so-called compassion of the members opposite when they were government. Under the Saskatchewan income plan — that's the pension that this government pays — that government paid \$25 per month for a single senior. Our government, as of this November of this year, will be paying \$80 per month. We have already had a 220 per cent increase in the Saskatchewan pension paid to senior citizens.

So the members opposite try to paint a picture of how they cared for senior citizens. What I'm saying is the cash is there, Mr. Chairman. This government has put the cash in the pockets of senior citizens, and we are proud of the record and the financial assistance we have given to senior citizens.

With respect to the heritage program implemented by this government, the former government had a plan based on taxes, on whether you paid taxes or not on your property taxes. If you didn't pay property taxes, you didn't receive that kind of money, nor did you receive \$700 for a family and \$500 single, nor was there any limit.

They talk about the rich. You could have an income of \$100,000 a year and you would get a property tax grant rebate from the NDP. The program that we have implemented pays as follows: \$500 for a single senior

with an income under \$25,000 a year; \$700 for a senior couple with an income under \$25,000 per year; and \$200 for seniors who are living in government-subsidized housing which is already subsidized by the taxpayers, and we feel that \$200 should be paid to assist with other costs, but they don't pay taxes there.

So that totals 107,000 senior citizens in Saskatchewan who received \$39,554,000 last year to assist them. Now that had an upper limit on it, and if your income was between 25,000 and 30,000, you received half payment on that; and over 30,000 we felt that senior citizens could retire on their own funds and did not need that government assistance.

But the NDP in their program, when they talk about giving money to the rich, paid everyone regardless of their income. So that shows some of the hypocrisy that that government displayed in their practices compared to the things that they now advocate in opposition.

I can go on and on, and I will later today, in explaining more and more of the seniors' programs that this government has.

Ms. Smart: — Mr. Chairman, I'm not sure I got an answer to my question as to whether the heritage grant program would continue next year and the year after that. Could you just answer that question, please?

Hon. Mr. Schmidt: — Well, Mr. Chairman, I think the concern out there is caused purposefully by the NDP who go around preaching negativism and saying — oh yes, I remember in the election, I remember what they said — oh you got it now, but you won't get it after the election. Well they did; they got it the year after the election and they got it two years after the election.

I say that if the NDP want to go out and say again that no, you're not going to get this any more, they can go ahead and tell the seniors that again. But the seniors are alert enough to know when the NDP have given them a false story. And if they're going to go out and say that again for the fourth time, that you're not going to get that next year, they can go ahead and do it, but the senior citizens have now had three cheques. They know — I say, they have had two; the third one is out; they're applying for it now — they know there is consistency with this government. As long as we can maintain that amount of money, \$39 million out of the treasury, we will do it.

But I also point out to the members opposite that this government spends in excess of \$650 million a year assisting senior citizens, of which health care alone is approximately \$500 million. We will maintain health care and we will maintain assistance to senior citizens.

Ms. Smart: — Will you continue the heritage grant program next year and the year after that? Will you answer that question please?

Hon. Mr. Schmidt: — Mr. Chairman, we will continue that program, and the details of next year's budget will be announced in next year's budget.

Ms. Smart: — Mr. Minister, this year's estimates for the

heritage grant are unchanged from last year and yet the cost that people have had to incur have gone up and up.

I mentioned already, that the Rentalsman's office is useless to seniors in terms of controlling the rents, and they're sky-rocketing. Their utility bills are going up, home heating bills are going up. I would like to see you and your wife live on \$15,000 a year and pay those kinds of costs.

I want to know if the heritage grant, since it's unchanged from last year, how you expect that amount of money to cover the increasing costs that people have to face?

Hon. Mr. Schmidt: — Mr. Chairman, we also have a federal government which happens to be a Conservative government. And the member opposite does not notice or chooses to ignore that every three months old age security goes up a little, supplement goes up a little. In addition, we are raising again the Saskatchewan income plan pension for senior citizens. There are 27,000 of those, out of 132,000 who are needy enough, to qualify for that pension.

I told you earlier that the NDP had a pension of \$25. We are increasing that now to \$80. I say that the Government of Canada and the Government of Saskatchewan has increased payments to senior citizens faster than their cost of living has gone up. And senior citizens have done relatively well in keeping up with society as a whole.

And when I went on tour speaking to senior citizens, visiting with approximately 800 senior citizens in the last three weeks, senior citizens on the whole were very, very happy with how they are being governed. They were very, very happy with the income that the government provides them. They were very satisfied with health care. And senior citizens said, for the most part, thank you, things have never been this good before.

Now there were a few at those meetings — I recall a few specific negative democrats who came there for the purpose of being negative. And when they spied off, giving us the same speech that the member opposite has read to us today — a negative variety of oh how terrible things are — the majority of the senior citizens when I went around after and had coffee and doughnuts with them — I don't drink coffee, they had coffee; I had water and doughnuts, Mr. Chairman — when I had water and cake with them, the majority said, don't listen to those negative ones; we are quite satisfied.

So if the NDP want to go out scaring senior citizens like they have for 40 years — it's a free country; they can do that. If they want to shout loud, negative slogans, they can do that. But I know what the senior citizens of Saskatchewan think. First of all, I have been out talking to them. And secondly, one-third of the voters in my constituency are senior citizens, and I know what they think.

And they are saying: yes, the economy is difficult, but we seniors are getting by; we're not doing too badly. And they do not at all listen to the NDP rhetoric, so the NDP might as well save their breath and carry one with their usual type of conduct because the senior citizens are not

listening to their radical ideas.

Ms. Smart: — Mr. Minister, the amount of money that the seniors get, the minimum amount that you've mentioned, the \$15,393, puts a couple below the poverty line. The \$9,000 for a single senior puts a single senior below the poverty line. The costs are going up and you haven't done anything to help with that. You also have not addressed the fact that when one of the couple is in a nursing home, that money is taken out of the \$15,000 and those people are facing a tremendous expense in maintaining one couple in a nursing home.

But I'm not surprised that you aren't aware of the many issues that are concerning seniors and I'm not surprised that you think it's only a few because you haven't had the courage to go out knocking on doors and talking to the people that I've talked to in Saskatoon Eastview and the people that I have in my constituency.

Now, Mr. Minister, I want to talk some more about the money that you say is available to people. My understanding, when you went to meet with the seniors in Unity, was that you told the seniors that they could also get subsidized rent up to \$200 a month. That is what a senior said to me when they phoned me up and asked me about this.

Can you explain how people get this \$200 subsidized for rent? Through what housing authority of through what program does that happen?

Hon. Mr. Schmidt: — I wasn't speaking to the senior citizens directly but, you see, if the member from Saskatoon Centre had any knowledge of business or rental accommodation or paying mortgages or taxes, if she really understood those parts of life that everybody else is involved in, she would understand that it costs at least . . . it costs \$38,000 to build, minimum, a senior citizens' housing unit which is subsidized by the federal government and the provincial government for 35 years, that the senior citizens who live in those units pay 25 per cent of their income as a maximum rent, 25 per cent of their income as maximum rent there for those senior citizens. And in the case of the lowest income senior citizens, that means they pay a rent of approximately \$187 per month — approximately, I haven't calculated it exactly; and it costs nearly \$400 per month to provide that unit — that the provincial and federal government are paying the balance of somewhere in the nature of \$200 per month depending on the circumstances of the senior citizen.

Now if the member from Saskatoon Centre could understand that basic arithmetic and could understand what makes this country and this province tick, and how these programs work, then she would know that that is in fact true — that most senior citizens are subsidized to the extent of \$200 per month in the 10,000 subsidized units that exist in Saskatchewan.

I wish to point out that one out of every 10 senior citizens in Saskatchewan, or one out of eight . . . or about eight per cent, or about one out of every 10, live in subsidized accommodation — subsidized by the taxpayer of Canada and the taxpayer of Saskatchewan.

Now I think the member opposite can take that all into account and she will understand how these subsidies work.

Ms. Smart: — I thought that that's what you were referring to, and I wanted you to explain it yourself, because what you . . . the impression you gave the seniors in Unity was that any senior could get \$200 to subsidize their rent.

But what you're talking about is the housing authority units, and there's a waiting list for those. They're not available to everybody who wants them across this province. So it's not \$200 that's available to every senior for subsidized rent; it's only to the ones that get into the subsidized housing.

Now, Mr. Minister, I want to turn to the Seniors' Directorate. And my first question is regarding the 20.5 person-years now put into the directorate. Before that you had four and a half person-years with the former seniors' bureau, and 11.3 per cent person-years were required for the administration of heritage program. That leaves four person-years to be accounted for, in terms of the Seniors' Directorate.

And would you enlighten us, please, as to the composition of the 20.5 years that are now found in the Seniors' Directorate. What are those people doing?

Hon. Mr. Schmidt: — Mr. Chairman, we have a Saskatchewan income plan that is now administered out of our branch that has required a few more people. So we have a few more employees and greater efficiency overall.

Ms. Smart: — Mr. Minister, the 1988-1989 *Estimates* indicate that the total funding for the subvote of the directorate has been reduced by \$13,600. I want to know what the reason for the decrease in the amount.

Hon. Mr. Schmidt: — Efficiency.

Ms. Smart: — What amount was transferred from the Department of Social Services for the Seniors' Directorate?

Hon. Mr. Schmidt: — Mr. Chairman, no money was transferred from Social Services. The grant that we are discussing here from this Assembly, the vote that we're talking about, is placed in the budget by the Department of Finance. They do a calculation as to what we think and what they think is the amount necessary to operate that branch of the department.

I've indicated earlier it's \$13,000 less than last year due to efficiency.

Ms. Smart: — Well I guess part of your efficiency was getting rid of the position of the provincial gerontologist. Your assistant deputy minister was quoted in the *Leader-Post* as saying that there are other government employees already working in this area who can fill the role of the provincial gerontologist. I'd like to know who they are and what qualifications they have to fill that role.

Hon. Mr. Schmidt: — Well, Mr. Chairman I'm glad the member opposite asked that question because the individual that she refers to, at one time under the NDP was the deputy minister of Health, and he was on my payroll at \$72,000 per year, and he retired. We didn't reduce the salary to what we felt the position warranted because they had been paying him \$72,000 at Health and your salary doesn't go down.

So when this man retired, we felt that it was not necessary to spend another \$72,000 per year to fill that position in the manner it had been occupied before. And so we are solving those problems and taking care of those solutions there within the department without having a new \$72,000 a year position, which I might say is more than the minister is paid, more than all of the cabinet ministers are paid. And so we weren't going to hire someone else at \$72,000 to replace that particular position.

Ms. Smart: — My question to you: who are the people in the Seniors' Directorate who are filling the role that the provincial gerontologist had, and what qualifications do they have for the work of a provincial gerontologist?

Hon. Mr. Schmidt: — Mr. Chairman, I apologize, I was in error on that \$72,000 salary. It was actually \$86,000 a year, and so I apologize for not getting the figures exactly right on that. I want to correct that as soon as possible.

And so for \$86,000 a year we thought that the taxpayers' money could be spent in other ways, and we are trying to get people in the department to do that function at a cheaper cost. And that \$86,000, by the way, is considerably more than the Premier is paid, as well.

Ms. Smart: — You still haven't answered my question, Mr. Minister. I want to know, on behalf of the seniors, who it is in the Seniors' Directorate that's filling the role, as your assistant deputy minister told the *Leader-Post* that you had government employees who would fill the role. Who are they and what qualifications do they have?

Hon. Mr. Schmidt: — Mr. Chairman, there are people within the Department of Health that assist us in filling that role, and I don't know the salaries of the people in Department of Health, but I would expect that they wouldn't be \$86,000 a year.

Ms. Smart: — Well, Mr. Minister, I think as your . . . as representing the seniors, as a person who's eliminated a position that was within your department, that you should know who is filling that role.

If your assistant deputy minister is saying to the public that someone is there doing it, then you should know what that person is, and you should be able to answer my question in this House so that I tell the seniors in my constituency and across this province who that person is and what qualifications they have for the work that you're assigning them to do.

Hon. Mr. Schmidt: — Well, Mr. Chairman, if the senior citizens of Saskatchewan knew all along that the NDP were paying when they were government, a deputy minister of Health at that time \$86,000 a year, and that

person was then put in charge of senior citizens . . . And we had the compassion to keep that position; we did not slash that person out, and we continued that salary of \$86,000 a year for another — what is it? — six years that we've been government. That person is now retired. I think the senior citizens of Saskatchewan would congratulate us for not spending another \$86,000 to fill the position.

I mean, the senior citizens of Saskatchewan, we're talking here about people with incomes in the range of \$15,000 for a couple and up. And here the member opposite is complaining that we haven't replaced an \$86,000 a year person. This is inconsistent.

I said we saved money due to efficiency, and that's why we are budgeted down \$13,000. We're not going to hire somebody for \$86,000 a year to fill that position that she insists has to be filled by somebody for \$86,000 a year. We have people in the Department of Health; we have people in my branch that can look at this problems; we have a seniors' advisory council that the taxpayers fund; we have facilities to senior citizens. And I am not — I refuse to hire anybody at \$86,000 a year to fill that position again.

Ms. Smart: — Mr. Minister, I accused you earlier of practising the politics of deceit, and this is a good example of just what I mean because I have not asked you any questions about restoring the provincial gerontologist.

I'm asking you to back up the statements made publicly by your assistant deputy minister in which she said that other people in your department — and you've just admitted in your branch — are filling the role of the provincial gerontologist. I want to know who they are and what their qualifications are so that I can know that for the seniors in this province.

Hon. Mr. Schmidt: — Mr. Chairman, my assistant deputy minister is sitting right beside me and she recalls telling the media that other people within government would fill this position and provide those services. And her recollection is more acceptable to me than the NDP's utterances of what was reported in the media, because we have seen in the past the accuracy of the NDP's interpretation of what was reported in the media.

And we've also seen the accuracy of what was reported in the media, which is not the fault of the media, but the fault of the people the NDP have running to the media giving them improper and sometimes false information. And I have had — the NDP and the Department of Social Services have their people talk to the media, and that person didn't exist. I've had them give information on welfare rates to the media, and those rates were totally erroneous. So I accept the recollection of the assistant deputy minister of Human Resources, Labour and Employment, because she is a woman of extreme integrity. And if she says other people in government are filling those positions, are providing that service, then I believe that's what she said, and I know that's what's happening. And I still refuse to pay anybody, especially friends of the NDP, \$86,000 a year to fill any positions in that department.

Ms. Smart: — Mr. Chairman, I'm referring to an article in the *Leader-Post*, April 6, '88. It was an article based on your announcement of Harold Danchilla as the new head director of the Seniors' Directorate. And there's a direct quote from Judy Moore, an assistant deputy minister with the Human Resources, Labour and Employment Department, and the direct quote says, "There are other government employees already working in this area who can fill the role," referring to the role of the provincial gerontologists.

My question to you is: who are those people and what are their qualifications? Now are you saying they don't exist, or are you saying that your deputy assistant was not correct, or what are you saying here?

Hon. Mr. Schmidt: — Mr. Chairman, I ask the member opposite to read her quote again, to read it slowly, to consider it carefully, and I believe she will see that it says there are other people in the government who can fulfil those, and they are in the Department of Health, the experts in health; they're in the Department of Health. I'm not going to go into the details of who's doing what in the Department of Health. But we find that that role is being filled by the professional people at the Department of Health.

Ms. Smart: — You seem to be saying the Department of Health. A little while ago you said people in your branch, in your department. And you're saying that you don't know who they are when you're the minister supposedly representing seniors and you're a person who's done away with the position.

And you have an assistant deputy minister who has said that there are other employees, other government employees already working in this area. Now this is the Seniors' Directorate. You should know who those people are and what their qualifications are.

Hon. Mr. Schmidt: — Mr. Chairman, I visited 10 seniors' centres with regional miniforums. On Saturday evening I attended the Legion seniors' conference at Fort San, and on Saturday afternoon I was at the senior citizens' tea in Melville. So all told, when you add up the 800 I saw at the miniforums and the other senior citizens I've seen, I've talked to, and visited with, not personally, but with them, at least a thousand senior citizens in the last three weeks — and these are the leaders of the senior citizens' organizations — and not one said, we don't have a provincial gerontologist. And we don't have to have that position.

Provincial gerontologist was a convenient way of continuing an individual from the Department of Health on the payroll at \$86,000 a year, rather than abolishing the position. When we abolish positions that the NDP created, they complain about us laying people off. When we allow people to work to their retirement, they complain that they won't replace them.

I said earlier, we're not going to spend \$86,000 a year for a provincial gerontologist. There are people in the Department of Health that understand this field and that are trained and qualified physicians. In addition, our

department will be hiring more people, and in future hiring we will have people with more expertise in this area.

But I have not got a request from senior citizens that I spoke to in the last three weeks that said, please go out and hire a provincial gerontologist for \$86,000 a year. And since I think it is not a wise expenditure of the taxpayers' money, or that senior citizens have not asked for an \$86,000-a-year provincial gerontologist, I am not going to spend \$86,000 a year to hire one. And I hope the member opposite understands that clear.

(1515)

Ms. Smart: — And I hope the minister understands clearly that the people of this province didn't ask for George Hill's salary to be \$250,000 a year either. If you want to talk about high salaries that are being paid to people, then we've got a great big list that we can deliver to you.

Now I attended that meeting at Fort San that you talk about attending. I was there all day Saturday attending the workshops. I've been out speaking to a lot of senior citizen group too. And what I am asking you for is honesty and openness with the seniors of this province. And if your assistant deputy minister says a statement publicly that there are people to fulfil a role and a position that you've eliminated, then I think we should know who those people are, and I think we should know what their qualifications are.

But you obviously don't know who they are, and you're not prepared to tell me who they are or tell the seniors of this province who they are. And that's just part of your government's failure to provide information to people in this province about what you're up to, who's doing what in your government, and whether or not it's of any value.

And on behalf of the seniors of this province, I think that that's really poor. It really makes me very uncertain about how I can go on talking to somebody like you about the value of seniors and about the need that they have to have good representation.

Now will you please not talk to me from your seat. I have the right to stand here and ask you questions. And one of the questions that I want to ask you, because you referred to the federal government which is also a Conservative government, with the old age security going up every three months, what has happened is that this same federal government has taken that amount of money off of . . . when the Canada Pension Plan goes up, they take it off the old age security. So I have a lot of seniors in my constituency, as everyone does, who are continuing to get less money from their old age security because their Canada Pension Plan goes up, the government takes it away from the other hand.

And I want to know what you have done to represent seniors to the federal government to stop this deducting money from one pocket that they put into another pocket. The seniors fought very hard to avoid de-indexing the pension plan. And I'm sure that when they were in that fight, you weren't there speaking on their behalf, that you were quite willing to go along with the federal

government's plan to de-index the Canada Pension Plan.

But now that they won that battle, it's being taken out of the old age security. And I want to know what you've done to represent them to the federal government; and I also want to know why your government is forcing people to go on the Canada Pension Plan early, to take early retirement, instead of continuing to pay them on social assistance until they can get their full pension when they turn 65.

Hon. Mr. Schmidt: — Well, Mr. Chairman, it's unfortunate that someone has to get elected to the legislature to come here and learn what makes Canada operate. Now the member opposite is getting an education here, but the taxpayers are paying her for it. People should really understand the country before they come here. But if they don't, I don't mind teaching the member opposite what really makes this country tick.

First of all, let us consider George Hill. Now there's a complaint about his salary. I don't know what it is, and the NDP don't know what it is, but they make up a figure and they inflate it every day. But let's look at George Hill as an example. George Hill turned around electrical utility last year and made \$36 million for the people of Saskatchewan. I would think that someone who made \$36 million for the people of Saskatchewan should be entitled to a pretty reasonable salary.

Now the NDP had people that they paid as much as George Hill and they lost money. I think George Hill would be prepared to work on commission. I think if he lost money he's be prepared to work for nothing, and if he made money he'd be prepared to take a commission. And I would think on the \$36 million that he made last year that he has the confidence to work on commission.

You find me an NDP who will manage anything on commission. You will not find such a person because that requires skill, competence and self-confidence, things that are not common in the negative democratic parties. Now that we've determined what a fair salary for George Hill should be, I will continue to explain to the member opposite how the world of senior citizens operates and how it works.

Now what we have here, as I explained earlier, we have federal old-age pension which everybody gets; you have federal supplements which those people get based on their need; you have Saskatchewan pensions which are based on need, and income outside of those pensions is considered when you're calculating the need. Rental income is considered income, interest is income, profit is income. However a senior citizen earns income, it's considered income, and Canada pension is considered income.

So if your Canada pension goes up, that is taken into account in the formula as to how much you need from the federal and provincial governments in supplements. And it would be unfair to calculate interest income as income for the basis of need and not calculate Canada pension income. Or where do you draw the line? Do you then not calculate registered retirement savings income? Do you not calculate government pensions from your

employment? Do you not calculate company pensions? The cut-off line, Mr. Chairman, is that everything except the supplement payments — old age, guaranteed income supplement from the federal government, Saskatchewan income plan, the Saskatchewan heritage plan — everything except those are calculated as income.

And what happens is that, for the benefit of the member opposite and anyone who might be listening . . . because I think they could . . . most senior citizens could explain this to the member opposite; they understand it better than she does. What happens is that at the end of each year, in January or February, the federal government sends you out a form that you fill in as to what your income was for the prior year, and that is sent to Ottawa and it goes into the computer and the computer in Ottawa calculates on the basis of the formula.

The formula, that I might point out, was set up in the days of the Liberal-NDP coalition in Ottawa. The formula hasn't changed. The formula sets up what your needs are. When that is calculated, you receive a guaranteed income supplement if you qualify on the formula. The information is then sent to Regina. In Regina our department gets the computer information and runs it through our computer, and it automatically calculates to what sum of Saskatchewan income plan assistance the senior citizen is entitled.

Twenty-seven thousand out of 132,000 senior citizens qualify for assistance from the Saskatchewan income plan and, as I pointed out earlier, that has been raised from the time we became government; it's been raised from \$25 to November of this year, \$80 for a single senior citizen. So that, in a nutshell, explains why Canada Pension Plan is taken into the calculation, because it's a matter of fairness; it's income, the same as other income.

With respect to people on welfare applying for their Canada Pension Plan early, I submit that that is not a factor. First of all, we do not require anyone to do it, but we encourage welfare recipients to apply for their Canada Pension Plan because we would rather have them receive their earned pension from the Government of Canada through the Canada Pension Plan than require additional assistance through the welfare system.

So they do not lose any money by applying. As a matter of fact, with the income exemption they can be better off today by applying early.

Now the argument would be made is that once they retire their Canada Pension Plan will be lower. Yes, it will. However, I explained at the very beginning that every senior citizen has a guaranteed income, so that the net saving to the Government of Saskatchewan by early application now will be paid by the Government of Saskatchewan later in Saskatchewan income plan payments, unless of course the NDP are saying that if they were government they would put them back down to \$25 a month. In that case, in that case, yes, that recipient would be worse off.

But under the PC governments of the future, those people are better off taking the money now from Canada Pension Plan, and will be better off in the future because we have

raised the Saskatchewan income plan — so they are not out any money. What it is really a question of whether their income comes from the Government of Canada at this stage, or whether it comes from the Government of Saskatchewan through welfare.

So at best, at best, Mr. Chairman, this is a red herring, but I doubt very much if the members opposite can understand this relatively complicated calculation, so I suppose they will be opposed to it.

Ms. Smart: — It's complicated because you've made it so, and it's no wonder that we have a deficit with people like you trying to work on the budget and figure out what to do in terms of the economy.

The purpose for this money is to help people to survive the high increases in costs that your government has put on them, and you're not doing anything to help them with that.

Mr. Minister, I want to turn to the Grants for Senior Citizens' Services which have decreased 32.5 per cent since 1984-85. This covers the operating grants for the 400-plus senior citizen centres throughout the province, providing grants equalling to 40 per cent of the previous year's operating budget. But since 1986 there's been a cap on the operating grants for these centres. Why have you decreased the money so much for operating the senior citizen centres?

Hon. Mr. Schmidt: — Mr. Chairman, we haven't decreased the money. The expenditure is less, yes. But I want to thank the senior citizens of Saskatchewan and the senior citizen centres of Saskatchewan. The reasons that we're paying out less is that some of them are not asking for the grant. They're saying — and they're proud of it — they're saying: we are self-sufficient; we don't want the grant; we don't need it; you give it to the ones that need it, but we don't need it. I can name you centres, and we could even give you a list of those that don't want to take that grant.

These senior citizens are so self-sufficient and so proud of it, and they are saving the taxpayers of Saskatchewan money. I certainly encourage them, and I discourage the NDP from trying to change these seniors' minds and having them becoming dependent on the government again. They are independent and they are proud of it. And we haven't reduced the money we pay. If they need it, we'll still pay it, but they haven't been asking for it.

Ms. Smart: — Mr. Minister, transportation grants are also provided under these grants for senior citizens' services, I understand. They've been virtually frozen for the past three years. They accounted for \$87,000 or 7.8 per cent of this year's subvote estimates.

I ask you why, especially following the provincial council's report in May of 1987, their survey of the transportation patterns and the needs of the urban elderly in Saskatchewan — which indicated that quite a number of people, some 14.5 per cent of urban seniors, reported serious problems with transportation, and money was provided through this budget for that — why have you frozen it for the last three years?

Hon. Mr. Schmidt: — There are several different things here, Mr. Chairman. First of all, the transportation grants are for those communities that are larger but do not have public transportation systems. And this government, at my recollection, through the Department of Urban Affairs . . . but my recollection is this government spends approximately \$2.2 million a year on the subsidization of bus transportation in those cities like Regina, Saskatoon, and possibly Moose Jaw and P.A. — I'm not that familiar with their sums, but I know the two largest cities receive subsidization for their urban transit systems.

The money that the member opposite is referring to here is money for cities like the size of Melville, and the smaller cities where there is no urban transportation system. That money has never been in rural Saskatchewan where 55 per cent of the senior citizens now live.

So it's not fair to say that we don't subsidize transportation. And she's quoting from a survey talking about urban transportation where we're already spending, in another government department, \$2.2 million, to the best of my recollection. And therefore there's a considerable sum being put into this.

In addition, as I pointed out earlier, the NDP didn't pay out \$700 per family in seniors' heritage grants. On the whole, in large parts of rural Saskatchewan where taxes were not \$1,400 per year for senior citizens, they weren't getting anywhere close to \$700 a year.

(1630)

And so not only did the NDP pay part of their taxes, in large parts of Saskatchewan we are paying more than their taxes in the heritage grants, and they have money to be used for transportation out of the \$700 that they weren't getting under the NDP.

I just want to point that out so that the member opposite understands the total picture of Saskatchewan, rather than taking one line from a report that refers to urban transportation which, yes, is a problem for those senior citizens who have a difficulty getting off and on buses, and things of that nature. And I understand that the transportation industry and the cities are looking at new kinds of steps that allow senior citizens to get onto buses without having to step up high to get on the bus, and those kind of things.

But certainly she is mixing one line from a report with a different line on the budget here, and the two do not go together at all.

Ms. Smart: — The transportation grants have been virtually frozen for the past three years. I accept your description that the transportation grants are for the smaller centres and not for the cities of Saskatoon and Regina. But the survey covered smaller cities; it covered Weyburn, which has no bus service at all.

I want to know why, when transportation is a major concern for seniors, have you frozen this amount of money for the last three years?

Hon. Mr. Schmidt: — Well, Mr. Chairman, where has the member opposite been for the last three years? Does she now know that farm income has gone down? It wasn't frozen; people would have been happy to have it frozen.

Does she not know — no, she probably doesn't know — that for the first time in the history of income tax, starting in 1985, the amount of money that the provincial government received went down. For the first time in the history of the temporary income tax, a it once was called, the revenue to the province went down.

Does she not know that the price of oil fell about \$10 per barrel? I bet she doesn't know that the price of oil falling \$10 per barrel costs the treasury of Saskatchewan approximately \$350 million, which would just about wipe out this year's deficit.

She doesn't know all these things, and then she says, why did we not increase it? We will when that money is there. Right now senior citizens are getting increases every three months on their old age pension; they're getting increases from this government under their Saskatchewan income plan for those that are in the greatest need. They are getting regular raises that other parts of Saskatchewan cannot afford.

So senior citizens as a whole — I told you earlier — are satisfied. They are understanding and they are not complaining. It's only the NDP that are complaining. The senior citizens understand and are satisfied, and I am very proud of the senior citizens of Saskatchewan. I am very pleased that they have more wisdom than the NDP.

Ms. Smart: — Mr. Minister, I want to point out that your grants to provincial organizations have dropped dramatically from the 1985-86 level. In '88-89 they amount to only \$48,950 as opposed to almost \$140,000 in 1985-86. That's a decrease of 65 per cent to senior citizens' provincial organizations. It must indicate that you don't value very much the kind of work that they've been doing.

The only two groups that I can see that are receiving money from you right now are Senior Citizens' Action Now and the Saskatchewan Seniors' Association Inc., for a total of \$48,950. Is this correct?

Hon. Mr. Schmidt: — That is correct, Mr. Chairman, and I would like to know who else she thinks should receive money from our department.

Ms. Smart: — Well if you don't know the list of seniors' organizations in this province, I'd be quite happy to provide you with one. I hope on May 21 you will take the opportunity to go to a discussion in Regina regarding the senior citizens' services organization right here in Regina. You won't have to go very far, and you can go and spend the afternoon and learn from the seniors there what their concern is about their organization. The amount of money that you've been paying to those two organizations is a 7.6 per cent decrease over the three-year period.

But I'll leave that because I just want to ask you a few

questions about the Senior Citizens' Provincial Council. I want to ask you how this council is funded, where the money is in the budget that funds the provincial council.

Hon. Mr. Schmidt: — Mr. Chairman, formerly this council received money directly from our government and there was staff retained. Last year, in last year's budget, the advisory council's role was changed a little bit and they are now funded through our department budget, and the staff are within our department and our department provides services to them.

I have indicated to them and they understand that that council is not designed to be a seniors' research council, where a large amount of that money was spent on researchers, but that council is designed to be a seniors' advisory council, and that's what it's called.

And so they will still be doing some research projects, but primarily what the government needs from the council is advice rather than research on one topic and no advice on the situation as a whole.

And so that council receives services from the department. It receives secretarial and research services from the new department. And that council does some research projects, but primarily its role is as an advisory council. I see their guidance and they give me advice.

Ms. Smart: — Mr. Minister, are you saying that the council, the provincial council, the seniors' provincial council, I now being funded under your administrative services, vote no. 1?

Hon. Mr. Schmidt: — I'm saying that they are being funded out of the vote under the directorate, the Seniors' Directorate. And there are departmental staff now. The people that were on the payroll of the provincial council are in the department and provide services from my department. We can find that we can give them a broader range of services. Rather than only having two employees there, we have the entire research unit of our department; we have all of the resources of our department available to the seniors' provincial council.

In addition, the department has been able to, and will be able to in the future, reduce their research time because we have access to information from the Department of Health and the Department of Social Services. And we can gather up this information that's already available in government rather than have someone else hired to go and do it all over again when it's already available.

In addition, the provincial seniors' council, with independent researchers, would not be able to receive access from the other departments the way we are from other departments. So we find that the research time is being cut down considerably due to this function being provided by the department.

Ms. Smart: — So none of the members of the provincial council . . . are any of them on staff now. Is Ted Azevedo being paid? And if not, are they getting honorariums out of the directorate for their work, or how much money is going to the council?

Hon. Mr. Schmidt: — No, they're not salaried people. The chairman is Ted Azevedo; he's paid \$100 per day plus his expenses. The members are paid \$50 per day plus their expenses. And that is the amount budgeted to the council for this honorarium and their expenses. They are not employees of the department; they're an advisory council like most other boards and commissions. Research staff, secretarial, is paid out of our department and that is in the budget of the directorate.

Ms. Smart: — Well, Mr. Minister, you have effectively gutted the seniors' provincial council and that is shocking. This seniors' provincial council did some wonderful research.

But it doesn't surprise me to hear that you've taken the rug right out from under them because you said in the House the other day — when the member from Regina Lakeview was questioning about women's issues, you were very disparaging about research. You didn't value it. You don't value statistics. And then you obviously don't value the very, very fine work that the provincial council researchers have done under the guidance of the people that were running the provincial council.

I've got copies of the reports they've done. I've referred to the one on urban transportation, there was one on rural transportation, there's been a study of what's happening to native elders in the province, a very important study that we're waiting to have come out soon. The work of the council has been just invaluable, but I'm not the least bit surprised that you've scrapped the whole thing and put it under your department along with all the other work they have to do.

You've completely devalued it, and you've lost that power for the seniors. You given them \$50 a day to travel to meet together to advise you, and I can't think of a less-listening person in terms of hearing advice that you. I feel very sorry for the people who are left in that position trying to tell you anything.

Some Hon. Members: Hear, hear!

Ms. Smart: — Now, Mr. Minister, in closing I want to say that I know the senior citizens will be very disappointed in the kind of performance that you've put on today and the kinds of remarks that you've made about the situations that they're in.

There are people across this province, older people, who face very grim situations, given the high costs that your government has incurred on them. And there are people who are paying flat tax out of an income of \$8,000 a year. They still have to pay this provincial government flat tax.

Finally, Mr. Minister, I want to tell you that when the election results came in from Eastview — and I'm going to send you a copy of the poll by poll — the polls that included the senior citizens' vote was practically nil for the Progressive Conservative government.

Some Hon. Members: Hear, hear!

Ms. Smart: — That's what you deserve right across this province for the treatment that you've given to senior

citizens, many of whom are older women, many of whom live in extreme poverty. You are not listening to them, and I am very disappointed with this budget for the seniors and with your responses.

Hon. Mr. Schmidt: — Well, Mr. Chairman, first of all, the seniors' provincial council by 1982-83 had a budget of \$359,640 per year which was primarily spent on research, and we believe that there should be application of the advice rather than the search for the problem.

The seniors' provincial council now understands that society as a whole knows what the problems are and that we seek their advice on the solutions. And I don't think that we need to spend \$359,640 a year to be advised as to what the problems are. What we need is people to come to this council as wise senior citizens and advise us as to what the solutions are. And they are not paid \$50 a day for travelling, they are paid \$50 a day plus their travel, plus their hotel bill, plus their food. So the member opposite was no listening closely.

I would not be surprised that the member opposite would not be happy with what we are doing. First of all, she doesn't understand it. Secondly, she philosophically doesn't agree with anything that a Conservative government could ever do.

She has not at any stage here said yes, raising the Saskatchewan income plan was a good idea. She has not, on behalf of the seniors that she claims to represent, said thank you for raising the Saskatchewan income plan to \$80 per month. She has never said anything nice. She has a hard hear, and I have thick skin, and so I accept this as part of the legislature, Mr. Speaker, and I do not hold any grievances or grudges against her.

I know that she means what she says, and that she has a hard heart. And the people will judge. I don't think the senior citizens accept as fact what she is trying to tell us. So it has been an interesting discussion on senior citizens.

We will continue to care for senior citizens. We will continue to go out and listen. She has not at all thanked us for going out and listening to senior citizens. As a matter of fact, she misrepresented what I might have said. I did not at any time ever say that this government was going to hand every senior citizen \$200 to pay their rent; I did not say anything near that.

And so either she wasn't listening or somebody has misrepresented again. But we're used to that coming from the NDP — either errors in fact, or misrepresentation. So this is nothing new. So I think nothing as been established today; nothing new has been shown. Everybody knows what the NDP did and how they operate. Everybody knows what we are doing, so I think we can agree to disagree.

Mr. Hagel: — Thank you, Mr. Chairman. I'll ask the minister, if he will, to try and settle himself down and reserve the rhetoric. And if we can deal with some, again some short and crisp answers and some factual responses, Mr. Minister.

First of all, I would ask that you would advise me of the

budget assigned to the workers' advocate office and the number of employees of that office for the years '87-88 and budgeted for '88-89.

(1545)

Hon. Mr. Schmidt: — Mr. Chairman, I'm so pleased that the member opposite asked that question because we have such an interesting story of management to tell here.

First of all, let me say that they are now part of the . . . the worker's advocate office is now part of the labour relations branch that the budget there, as far as we can calculate in separating it out, there's \$235,440 last year, and 6.5 people work in the . . . sorry, that's for this year. And that 6.5 people work in that division.

I want to also indicate that I am very, very pleased with the work that is being done at the worker's advocate office. I was not always pleased, Mr. Chairman, at the work that was being done there because, when I was appointed minister, there were concerns over the backlog and the number of open files. And I'll give you a bit of a track record of what happened at the worker's advocate office through the management changes that were made, and the good work of Mr. Argue from my department who has really taken over the management of that office.

And so, as of April 30, 1986, there were open files, 482, with a backlog of 225 files. In one year, by April 16, 1987, they had that down to 272 open files and a backlog of nine. They brought the backlog down from 225 to nine with the same number of workers — same number of workers — and it brought this down to nine at that point. Now it went up a little bit because there's some variation. But as we get to this April 1 to 30 of 1988, we have total open files 252, with a backlog of 10, as compared to two years ago of 482 open files and a backlog of 225.

So people are getting served a lot quicker. They are solving the problems. They are closing the files. The morale is much better. The same number of workers are there handling the files but they're doing it quicker, so that if they have smaller backlog and fewer open files, I've taken the view that we would not make them work harder.

The reward for efficiency should not be to work harder, the reward should be that they have less pressure on them. So I want to congratulate that branch and the management and the workers in that branch because there has been a marvellous turn-around, and there is an example of what good government and good management can do.

Mr. Hagel: — Mr. Minister, you declined to give me the figures for the budget and the number of employees for '87-88.

Hon. Mr. Schmidt: — Sorry, I'd overlooked that: \$209,300 in '87-88, 6.5 person-years. The year before that it was \$162,050, 5 person-years. The year before that it was \$198,550, and 6 person-years, so we've maintained approximately the same number of staff there and they're doing much better.

Mr. Hagel: — And the waiting period that workers have to wait prior to having their case dealt with by workers' advocate office, Mr. Minister, as of today.

Hon. Mr. Schmidt: — Well as I indicated earlier, we once had a large backlog there two years ago, and at that time it could have been a waiting period of up to 9 or 10 months. We've got that down now to three weeks to a month. And as I indicated earlier, the backlog now is down to 10 as compared to 225 when we started the management changes.

Mr. Hagel: — Mr. Minister, I'm advised that the Workers' Compensation Board is working under somewhat crowded conditions and that some thought is being given to locating new office space in the near future. I'd be referring to new office space different from the current 1840 Lorne and the 13th floor of City Hall. Are there any plans in that regard, Mr. Minister?

Hon. Mr. Schmidt: — Yes, space has become a problem and they are considering finding alternate space.

Mr. Hagel: — How long into the future, Mr. Minister, do you anticipate that taking before new space is located and a move is taken?

Hon. Mr. Schmidt: — Actually, Mr. Chairman, I thought it would have been done by today, but I understand they're still negotiating for space. I would hope that it's done fairly soon.

Mr. Hagel: — Mr. Minister, would you advise me as to whether there were renovations that took place to the Workers' Compensation Board space at 1840 Lorne and City Hall in 1985 and '86, and the nature of those renovations.

Hon. Mr. Schmidt: — Well, Mr. Chairman, I'm advised that, first of all, renovations were necessary in 1985 in order to move into City Hall as part of the arrangement in moving in. they also did some renovations at their regular head office in order to squeeze in more staff. So that was a temporary measure in order to tide us over until we can get larger quarters.

Mr. Hagel: — Were there also significant renovations made to the office of the chairman at that time, Mr. Minister, and what were the nature of those renovations?

Hon. Mr. Schmidt: — Mr. Chairman, the current chairman of the Workers' Compensation Board advises me his office has not been renovated in the two and a half years that he has been on the job. I was there and, while they weren't spartan, I found his office to be fairly humble.

I don't recall the specifics of it. I would think that if it would have been opulent I would have recalled it. So no, he hasn't made any renovations and it's just kind of there the way it's always been. Probably the money that has to be spent on renovations will have to be spent in the new location in order to get it suitable. But we haven't finalized the deal on a new location yet.

Mr. Hagel: — I would concur, Mr. Minister. It's been

reported to me that the renovations to the chairman's office were something less than spartan as well — or left at something different from spartan.

I would ask, Mr. Minister, the renovations — those major renovations that occurred — who was the firm that did the renovations and refurbishment, and what was the cost of those renovations?

Hon. Mr. Schmidt: — Well, Mr. Chairman, the renovations to the chairman of the Workers' Compensation Board's office were done before the current chairman was in that position and before I was the minister, and I don't really know what they cost or who did them. I mean, that was two or three years ago, and surely you would have got that information in estimates other years. I don't know what it cost to renovate that office because I wasn't responsible.

Mr. Hagel: — Perhaps I was unclear in my question, Mr. Minister, I meant the total cost of the renovations of 1840 Lorne and the City Hall in total. Who was the contractor, and the cost of the total renovations?

Hon. Mr. Schmidt: — Mr. Chairman, I'm advised that the renovations at Workers' Comp for added fireproofing, for rugs and for the necessary changes to move into the Regina City Hall — and including such things as moving the women's washroom because the orthopedic surgeon now has his office in the former women's washroom. We've been jammed and wedged into there. And I met him and he's taking it all with good humour, saying that he enjoys his new washroom. But the total of that cost was \$400,000 — approximately \$400,000. It was done by Omsack Construction — I don't know of this company . . . I think it's O-m-s-a-c-k. In any event, I don't know of the company.

And I want to caution the NDP, to make it quite clear that none of that \$400,000 was spent on the chairman's office. I don't want to see in their literature anywhere, \$400,000 was spent on the chairman's office, because if they . . . (inaudible interjection) . . . and they're repeating it already. I advise them that the chairman would most likely sue if they distorted that. None of the \$400,000 — I repeat for the NDP — was spent on the chairman's office.

Mr. Hagel: — Mr. Minister, was there a firm that operates under the name of Cite Design that was involved in those renovations that you're referring to here?

Hon. Mr. Schmidt: — Mr. Chairman, I don't recall the name of the company — I don't recall hearing it before — but I think it was Cite Design. Is that the word . . . company used?

The company you referred to, in any event, had a contract under tender, which was tendered for design of the computer wiring, the office flow and for space utilization, which meant that they could cram more computers and more people into less space. So the company you refer to, if it was Cite Design — the company that you did refer to, whatever their name is — that's the company that had the contract under tender for that.

Mr. Hagel: — Just so I can clarify this, then, the company

you referred to before as Omsack, that got a contract for \$400,000, you're now saying, as a matter of fact, was Cite Design and that was by tender? Am I understanding that correctly, Mr. Minister?

Hon. Mr. Schmidt: — Mr. Chairman, Omsack was a general contractor on the renovations. The contract to Cite Design was separate from the contract to Omsack, the general contractor. So there would be two separate contracts here.

Mr. Hagel: — Mr. Minister, can you clarify for me, then: was it \$400,000 to Omsack and some other figure that was paid to Cite Design, or was Cite Design a subcontractor of Omsack?

Hon. Mr. Schmidt: — Well the answer to the first part of your question was yes, but then you went on and asked another, so now I have to give you a longer answer.

They were separate — separate contracts. Omsack's was approximately \$400,000 and Cite Design had a separate contract.

Mr. Hagel: — For how much, Mr. Minister, and was it tendered?

Hon. Mr. Schmidt: — Okay. It was tendered and it was in the range of 50 to \$60,000. I don't have the exact figure because I'm not familiar with that particular contract.

(1600)

Mr. Hagel: — Mr. Minister, could you advise me as to, in the case of both Omsack and Cite, C-i-t-e, what other tenders were received, from whom and for what amounts?

Hon. Mr. Schmidt: — Mr. Chairman, first of all, I don't know. Secondly, the board is more or less autonomous and really are not part of these estimates, but it's been traditional that we answer some questions. So the board tendered it.

I don't know what the other tenders were and I don't intend to look what the other tenders were. The board made that decision and went with those contractors. I've never heard of the contractors before today. That may be insulting to the contractors because somebody always finds offence with what I say, but I mean — I may have read their name in the paper somewhere — I don't know of these contractors. They tendered; they got them; they did the work; we're satisfied with the work. And that's about all I know about it.

Mr. Hagel: — Well, Mr. Minister, you're not doing anyone a favour by responding to questions about Workers' Compensation Board. That is your responsibility; you're simply doing your job. You and I happen to find ourselves in this Assembly at this minute, both of us doing our job. And my job is to ask questions to hold your department accountable, and it's your responsibility to answer those questions. I appreciate that we're doing this in a fairly frank manner.

I would ask, Mr. Minister, given that you don't have that

information available to you today: will you advise me at a later time, perhaps in writing, as to what other tenders were received other than those from Omsack and Cite and what the amounts of the other tenders were, as well as a more accurate figure because you had a range — you weren't sure, and I understand that — as to what Cite actually received for the work that they did?

Hon. Mr. Schmidt: — No, I will not, Mr. Chairman.

Mr. Hagel: — Why not, Mr. Minister?

Hon. Mr. Schmidt: — Mr. Chairman, I will not because the questions that are being asked today are unprecedented in the legislature with respect to the internal operations of the Workers' Compensation Board, on which I do not sit and for which I am minister responsible but have no direct control over that board.

So unless you want to change the legislation to give me a hand in the management of the board, I'm not going to, in estimates of another department, bring in the internal operations of that board. I don't mind giving you some general information on the Workers' Compensation Board, but I am not going to go into their board and ask for what the other tenders were. No do I, strictly speaking, have the jurisdiction to do that. So I couldn't even order them to give me that information, and you know that the Act doesn't give me the power to order them to give me the information.

So I haven't asked them for the information and I'm not going to. They're doing a good job and these questions are, strictly speaking, out of order here, but I will try to answer questions relating to workers.

But as far as your fishing expedition into who tendered what and who might be unhappy with why they didn't get the tender . . . and I don't know . . . these renovations — as far as I know, I don't even recall them in my jurisdiction with the board. So either they weren't important enough for the board to tell me about these renovations or else they were done before I was the minister. So I won't be giving you any more information.

Mr. Hagel: — Well, Mr. Minister, we're not here to simply have an exchange of information based on your powers of recall. You have officials of the board sitting right beside you and it is, as a matter of fact, Mr. Minister, a matter of concern to employers in this province who pay the whole shot for the operations of the Workers' Compensation Board.

Now let me repeat my question again, Mr. Minister: what other tenders were received for the contracts that were given for the renovations provided by and the work provided by Omsack and by Cite? And also, Mr. Minister, if you refuse to answer those, would you please advise then, through me and through this Assembly, the employers of Saskatchewan as to what avenue they have available to them to be sure that the administration of the Workers' Compensation Board is accountable and that those funds are being used wisely?

This is not an insignificant question, Mr. Minister. You told me some 15 minutes ago that you are planning to . . .

or the Workers' Compensation Board is looking at moving to new facilities. You've just advised me as we've been talking here that some 450 to \$460,000 has been spent within the last three years to renovate facilities that you're planning to move from.

I'm simply asking: what evidence is there that those contracts were done with wisdom in the best interest of efficient management? Now you are the minister responsible for the administration of The Workers' Compensation Act, and I don't think I'm asking a terribly complicated question; you've already said that. I'm simply asking for some accountability.

Hon. Mr. Schmidt: — Mr. Chairman, the only questions that come to cabinet with respect to the board are decisions with respect to capital, capital expenditures. So if the board were to move to other accommodations, they would have to see permission of cabinet and cabinet would have to grant permission for a capital expenditure of the purchase of a building, or something of that nature.

But with respect to the details of the operations of the boards being considered by this legislature, I refer you to Regina, Tuesday, February 20, 1973, at 2:30 p.m., when Mr. Speaker, who at that time was one of your colleagues and probably still is — and I don't see him in the House today, but my recollection . . .

Mr. Chairman: — Order. Please, we're not to use members' names in terms of whether they're absent or present here.

Hon. Mr. Schmidt: — Mr. Chairman, I didn't use any member's name. But I must have touched a nerve and it must have been one of their colleagues.

The ruling of Mr. Speaker at that time was:

In summary it seems clear that the Legislature can question or debate all matters which are directly related . . .

There seems to be a lot of noise. I'll repeat that, Mr. Chairman:

In summary it seems clear that the Legislature can question or debate all matters which are directly related to the Board members, but not to appointments made by the Board. Administrative actions of the staff (and administrative actions of the staff) since the staff is responsible to the Board and not to the Minister . . .

So, Mr. Speaker, as ruled in the past in this Assembly — and there was a similar ruling in February 1966 from a speaker that was a speaker in a Liberal government at the time — that the direct actions of the board members are not subject to scrutiny and that the minister need not answer directly for the board, that the staff are responsible to the board.

I've tried to give as much information as possible to give the members opposite some background. I have indicated to them who had contracts and approximately how much they were for and why they were done, but I

refuse to, and will not, go to the board and ask them to provide the details of everyone who contracted on that particular project. I will not, and that is final.

Mr. Hagel: — Mr. Minister, isn't this interesting! You are responsible for administering an Act that requires employers in this province, by law, to contribute to workers' compensation fund to administer a very important program. Now you fail to advise me and this Assembly as to what avenue the public and employers who are paying the shot have to be assured of the competent management of the Workers' Compensation Board.

You are sitting in this Assembly with officials connected to the Workers' Compensation Board sitting within arm's length of you. I am asking you some straightforward questions and you refuse to answer them.

So I ask you, Mr. Minister: what do you have to hide? Why do you refuse to answer these questions today?

Hon. Mr. Schmidt: — Mr. Chairman, employers meet annually with the board and discuss their concerns. The board gives them a report; the board puts out an annual report. And thirdly, the Provincial Auditor audit the Workers' Compensation Board and makes that information available to the public and to the members of this Assembly.

So there is quite a lot of accountability, and we haven't changed any of the operations of the board since the board was started by the Liberals, continued by the CCF, continued by the Liberals, continued by the NDP, and continued by the Progressive Conservatives. And we have made no changes in the operations of the board with respect to administration and who they report to and how they go about their functions. So there is nothing new here.

This board has been working for years and years — and it's done a good job — and has three ways of being accountable: meeting with employers . . . four: meeting with employers, meeting with employees, the auditor's report and the annual report. And I have nothing to hide; it's all in those reports.

Mr. Hagel: — Well, Mr. Minister, you certainly make it look suspicious by your refusal to provide very basic and simple information here today.

Mr. Minister, on another matter, would you please advise me as to whether a lottery ticket seller for Sask Sport would be covered by workers' compensation?

Hon. Mr. Schmidt: — Mr. Chairman, it would depend on the circumstances. But as long as they are an employee of an employer covered by the Act — for example, if they're working in a retail outlet, they would be covered. I can't say that they would be covered if they were a vendor that was out selling them on the street or in a kiosk in a mall, but as long as they're an employee, they're covered.

Mr. Hagel: — Mr. Minister, what I hear you saying is that that category of employment, someone who's working for Sask Sport as a lottery ticket seller, what you're saying

to this Assembly is that that category of employee is covered today. Has that category of employee always been covered within Saskatchewan, Mr. Minister?

Hon. Mr. Schmidt: — Well, Mr. Chairman, if they are an employee of Sask Sport, they would be covered. But under the Regulations chapter W-17.1, Regulation 2, section 3(w), "selling or similar canvassing on streets" is excluded under the coverage of workers' compensation. If they are an employee of a covered employer, which would include Sask Sport, then they would be covered.

Mr. Hagel: — Mr. Minister, would you please advise me then, if that has always been the case, or since what period of time, would that particular employee be covered by workers' compensation?

Hon. Mr. Schmidt: — Mr. Chairman, this regulation was implemented in 1985. Recollection by the officials of the board is that was a standing regulation prior to the consolidation of the regulation. Your question here is very hypothetical, and I've tried to give you the possibilities here, but if you have specifics and you want to take them up with my department, my assistants will try to get the information from the board and get it back to you on who is covered or who isn't covered.

Generally speaking, if you're an employee receiving a pay cheque, you're covered. If you're an agent, a commission sales person, then you would not be covered.

Mr. Hagel: — Well would you also advise me, Mr. Minister, what the policy of the board is regarding payment of benefits to a worker injured when there has been an SGI (Saskatchewan Government Insurance) insurance settlement which has also paid benefits to that injured worker?

Hon. Mr. Schmidt: — Mr. Chairman, the process hasn't changed in quite a long time. As a matter of fact, it hasn't changed since I last practised law. And the system is that Workers' Compensation pays for wage loss first. When legal action is taken and SGI might recover, then Workers' Comp has subrogation rights against the claim and gets back the money that they paid.

For example, if an employee is injured while at work but the employee is entitled to sue someone else because they caused the damage, and if that employee were paid 10,000 for wage loss and recovered 20,000, Workers' Comp would take their \$10,000 back because that was paid by SGI. We do not at any time apply subrogation to pain and suffering claims, strictly to wage loss portions.

(1615)

Mr. Hagel: — Thank you, Mr. Minister. Mr. Minister, two years ago you told an industrial safety seminar in Saskatoon that the government planned an oil rig safety training program, among other health and safety regulations for that industry. The '86 Workers' Compensation Board annual report, Mr. Minister, informs that in 1985 there were five oil field deaths, and in 1986 there were three oil field deaths.

I ask you, Mr. Minister, what has happened with the plan for industrial safety seminars?

Hon. Mr. Schmidt: — Mr. Chairman, that idea has not been forgotten. We were going to implement this special safety program in the oil business at the time, two years ago, but the price of oil went down so drastically and the drilling fell off so badly that there was no demand for the training of oil workers. They were laying off the less experienced workers, and they were retaining the experienced workers at that time.

Drilling is picking up again now and has been in the last while. And We've had discussions with occupational health and safety with the oil industry to revive this idea because now they'll be hiring new inexperienced people again. And the board discussed that this morning so that it's fresh on their mind. And they're trying to put together that program that we would have went with two years ago had the bottom not fallen out of the oil business at the time.

So now that the drilling is coming back ... (inaudible interjection) ... Sorry, I was interrupted by one of your members there. The drilling is now coming back, and we are working on putting this program together and getting it rolling again.

Mr. Hagel: — And do you have a time span in mind, Mr. Minister?

Hon. Mr. Schmidt: — Well, Mr. Chairman, we think we can get it rolling for this summer. It's looking pretty good. So for this drilling season that's coming up ... of course they drill in winter now as well, but for the summer season here we think we can get that safety program rolling.

I should point out that that employees and employers have been very good in safety in the last few years. Now there is still some improvement to be made. We would like to have a zero accident rate and a zero fatality rate.

In 1980-81, for example, there were 60 fatalities, and last year that was down to 27 fatalities. Now that was 27 too many, but certainly there were another 43 people who are alive out there because industry employers and employees have taken safety very seriously in the last few years. So we consider that 43 lives were saved in comparison to past practices and work. I want to congratulate the industry and the employees.

I've been at some plants. For example, I had the occasion of touring the Weyerhaeuser construction site, and they advised me that they warned an employee once on safety, and the second time an employee goes with slack on safety, they dismissed them. So if you're caught twice without your hard hat on, you would be dismissed from the project. And that corporation insisted that employees be protected, that accidents cost the employees and their families pain, suffering and grief, and financially, and also cost the company.

Companies are now saying that a safe work place is a more profitable work place. So there's some agreement there between employees and employers — that safety

pays for everybody. I'm very pleased with that statistic coming down, and we'll try to improve on that 27 and get it down even lower.

Mr. Hagel: — Mr. Minister, the University of Saskatchewan centre for agriculture medicine points out that farmers are five times more likely to be killed or disabled on the job than workers on average. Over the past five years, if I'm reading the statistics correctly, there have been an average of 26 fatalities per year on farms in Saskatchewan.

I ask you, Mr. Minister, whether your department has any plans to deal with this tragedy in rural Saskatchewan?

Hon. Mr. Schmidt: — Mr. Chairman, at occupational health and safety we have started a program there. And we've got two people full time on farm safety right now, even though we have a low number of farmers on workers' compensation from the point of view of being contributors to workers' compensation.

We also notice some improvement there. I'll give you the statistics on agricultural fatalities: 1983, 26; 1984, 28; 1985, 25; 1986, 26 and 1987, 15. So I don't know if our new program is working, if that is the reason that they've dropped from 26 to 15 in 1987. If that's the reason, then I'm sorry we didn't start with those two people on the road a lot sooner, because certainly there are some results.

Now I know this is cyclical and it may go up next year, but there's been these two people out there; they've been at farm fairs, agribition — everywhere. They've got a booth, they try to talk to every farmer that comes along, everybody that comes along explain safety. They have pamphlets. They give out information. They tour the province and it seems to me that the expenditure on those two people is worthwhile, since just going on the statistic, we've decreased the number of farm fatalities dramatically in the last year. So maybe it's working. I certainly hope it is. And we'll see how 1988 goes. I hope it's a safe year.

Mr. Hagel: — Well, Mr. Minister, I'm encouraged to hear that as well, and I would hope that the impact of two people could save some 11 lives a year. That would be a fabulous investment.

I would simply encourage your department to continue these initiatives. We all know in this province the risk of hazards on the farm, and you have my assurance, sir, that any initiatives that your department takes in that area will have my full support.

Can we move to labour standards, Mr. Minister. Last August, in estimates, you made a commitment, and I quote from *Hansard*. I don't have the date here, I'm sorry, but it was during estimates of last year:

The Labour Standards Act has not been reviewed in the last six years, and I'm now starting to review The Labour Standards Act. You have my commitment to review that situation.

Also, Mr. Minister, as I take a look at some of the statistics related to labour standards, and particularly the relationship between complaints and prosecutions, some

interesting things leap out and whack you between the eyes. In 1984, Mr. Minister, there were 2,407 formal complaints brought to the labour standards branch, with 55 prosecutions.

In 1985 the number of complaints were up by seven to 24 . . . sorry, went down by seven to 2,400, but the prosecutions dropped by 11, from 55 to 44. In 1986, complaints increased by 280, but again, the prosecutions dropped by two. There were 2,680 complaints and only 42 prosecutions. And then in 1987, Mr. Minister, the complaints were up substantially, 3,135 — an increase of 455 yet again from the previous year. And shockingly, it would seem to me, Mr. Minister, the prosecutions dropped substantially. In spite of the complaints going up 455, the prosecutions for '87 as compared to '86 dropped by 22, down to only 20.

Now. Mr. Minister, you will agree, I'm sure, that there seems to be a trend towards an increased in the complaints, and a significant trend in the reduction of prosecutions there were brought to fruition or to completion through the efforts of the labour standards branch.

Mr. Minister, would it be possible to tell me whether you have done a review of labour standards, and what you have discovered, if anything? I'm particularly interested in your explanation as to why we have a trend over the past four years of increased in complaints but very significant reductions in prosecutions.

Hon. Mr. Schmidt: — Mr. Chairman, I know the member opposite probably doesn't have access to all the statistics, or else he forgot one. Clearly, the mandate of the labour standards branch is to collect wages that are owing. That's the primary responsibility of that branch. And we have intentionally reduced the number of prosecutions. It's note that we won't prosecute, but prosecution is a quasi-criminal method of collecting wages in Saskatchewan.

That's a rather high legal terminology, and what I'll say is that what it means if that instead of getting a judge to order that the wages are owing, you have my department prosecute somebody for not paying the wages; then the judge finds them guilty and orders that they pay the wages. The usual method of collecting debt is to get a court order, ordering that it's owing, and then go out and have it seized or garnisheed or whatever. So this is an unusual way of collecting a debt due to someone, and we assist people in collecting these debts.

We have asked our department in the last two years, since I have become minister, to concentrate on settling these disputes rather than prosecuting these disputes. And the opposition has been critical — they were last year — that we weren't prosecuting as many people.

But the results have been very good. For example, in 1983-84 we prosecuted 55 people and we collected \$850,000 in wages. In 1987-88 we prosecuted only seven people and we collected double that in wages — \$1.656 million. So we prosecuted only seven as compared to 55, and we collected double the amount in wages.

So our department has been very good at mediating these disputes and getting them settled and getting the money to the people faster, rather than dragging people through the court process.

And in prosecutions, you may know — on the other hand, you may not — but you may know that in a prosecution there's a different onus of proof than there is in a civil matter. So it's more difficult to get a conviction on a prosecution that it is to get a civil order in debt.

And so what we have been able to do is to keep things out of court and collect double the amount of money for workers in Saskatchewan as compared to five years ago. We've done this intentionally, but we will prosecute where there can be no settlement. And then we have prosecuted last year in seven cases, and 1986-87 in 20 cases.

So it's an intentional, conscious thing to prosecute as a last resort, and that's what we've done. And we've doubled the amount of money that's been collected, over five years ago.

And I want to thank my branch there for showing a better attitude. They are no longer being dictatorial to employers. They're no longer antagonizing people. They are simply saying, well listen, this is owing; let's see if we can settle this. And they are getting settlements. Where the people agree, there is no need to go to court.

So we are proud of this record of mediation rather than prosecution.

Mr. Hagel: — Mr. Minister, there are two ways that problems having to do with labour standards can come to the attention of the branch. One is if there is a formal complaint, and the other is if there are problems that come to light through the course of random checks.

And I would ask you, Mr. Minister, if you would please advise the House as to what number of random checks for labour standards have been done over the last three fiscal years.

(1630)

Hon. Mr. Schmidt: — Mr. Chairman, we don't have the number of routine inspections available at this time, and I don't know if we'll be able to gather them up.

We've had at least 60 promotions to date where people go out and give information on what is required, and things of that nature. They try to combine these in some cases, and sometimes they do routine inspections. But we notice that the number of complaints is up, and when the number of complaints go up, we do fewer routine inspections because our staff is busy investigating the complaints rather than doing routine inspections.

It should also be noted that 40 per cent of all the complaints refer to holiday pay and disputes over pay for public holidays and holiday pay; that's 40 per cent of the work that they do in collection of wages and investigations.

So as I've indicated on other occasions — and I appreciate that you haven't gone into that today — that we will be brining in amendments dealing with part-time workers and the rules for part-time workers, because 40 per cent of all the complaints deal with part-time workers and holiday pay and things of that nature.

We think that we can make improvements so that there's no need for so many complaints, and that it is clear exactly what people are entitled to, and it's clear whether they've received it or not received it. The current formula is quite complicated. I intend to make some changes there in the legislation coming this session.

Mr. Hagel: — Well, Mr. Minister, I look forward to the introduction of that legislation, and again you have my commitment that if, in my opinion, those changes in legislation to labour standards do provide improvements for part-time workers, that you will have my support in doing that.

However, before leaving this particular subject, Mr. Minister, I do want to make this point: that it is often the case in reality — now we can just dabble in reality for a moment here, Mr. Minister — that when employees have concerns about whether they are receiving the privileges — or not privileges, but the rights assigned to them by law through the labour standards of the province, that there is sometimes — let me be a little stronger — often a hesitancy to bring forth a complaint because it is often obvious as to who the complaint came from, and therefore employees are hesitant to jeopardize their employment even though that's not supposed to happen by law, but we all know that the reality always isn't consistent with the intention.

And therefore it would seem to me that it would be in the best interests of protecting the spirit of labour standards that there is a distinct initiative to do random checks of the adherence to labour standards. That is a way of the department honouring that legislative commitment to employees in the province of Saskatchewan.

Now I fully appreciate, Mr. Minister, that you've just finished saying that you don't have figures before you here today to describe the number of random checks being done over the last three fiscal years; you've given some explanation as to why that might be. I simply ask you this, Mr. Minister: would you provide for me in writing, at some future date, the number of random checks over the last three fiscal years from '85-86 to '87-88 that the department has undertaken?

Hon. Mr. Schmidt: — Well, Mr. Chairman, only if it's readily available. If it's going to take a lot of effort for our department to compile these statistics for you, then simply for the matter of compiling the statistics I would not provide it, because they have to spend their time dealing with complaints and solving problems. So if it's readily available, I'll send it to you; but if it's not easily put together, then I won't.

Mr. Hagel: — Well, Mr. Minister, we've been doing fairly well here over the last few minutes and I'm not sure what not readily available means, other than I suspect it might

mean that I will never see those figures. And I would simply ask for your commitment that that information be provided.

I don't think . . . in the past that's not been difficult to provide, to the best of my information, and I would simply ask that you make that commitment to provide it. And if you don't, if you would please provide an explanation as to why the information wasn't forthcoming, so as to alleviate myself of any potential suspicion.

Hon. Mr. Schmidt: — Well, Mr. Chairman, I indicated earlier that it wasn't readily available now. If they can go back to the department and if they can look it up, then we'll let you know. But if they have to spend time calculating it, I have no intention of spending 5 or \$10,000 putting together information to satisfy your curiosity.

If it's there, we'll give it to you, but if it's not easily obtainable, we're not going to spend taxpayers' money compiling something that is of no particular benefit to us. So that's the bottom line — if we've got it, we'll give it, if we don't have it, we're not going to spend any money getting it.

Mr. Hagel: — Well, Mr. Minister, I don't think I'm asking a question that takes 5 or \$10,000 to answer, and I am a bit disturbed by your statement that you will not make any calculations to provide that information and you will not incur any expense to provide that information.

I can understand that there's a relationship between the importance of the information and the cost of providing that, and that's why I simply ask you: will you provide me with that information or an explanation as to why you did not, so that it's possible to determine whether it was too costly or whatever?

Hon. Mr. Schmidt: — The question's been answered, Mr. Chairman.

Mr. Hagel: — Well no, it hasn't, Mr. Minister. Do we have to get into a bit of a shoving match on this little item again? I'm simply asking you a straightforward question and request a straightforward answer. I will assume that somewhere along the line, motivated by interest in the public good and the department's responsibilities and yours, sir, to be willing to defend your actions, that you'll provide that information to me.

Mr. Minister, I'd like to move to the topic of minimum wage. And quite frankly, Mr. Minister, your track record of your government in this areas is a best semi-deplorable.

In 1982, Mr. Minister, when your party was given the task and the privilege of governing the province of Saskatchewan, you inherited the highest minimum wage. And, in fact, I recall reading PC literature for some time where you were bragging to the public about how you had the highest minimum wage in Canada, at \$4.25 at that time.

Since that time, Mr. Minister, inflation has taken the toll from Saskatchewan people in excess of 30 per cent, and since that time, three years later in 1985, the minimum

wage was moved from \$4.25 to \$4.50 an hour, an increase of 5.9 per cent, and it's been locked there ever since.

In the last two years, Mr. Minister, the majority of the provinces and territories in this nation have had increases in minimum wage — seven in total — and as of July of this year B.C. will make that eight who have had increases within the last two years.

Now we all know, Mr. Minister, that minimum wage earners are not people who are inclined to sock their money away into a savings account. They are people who will spend that money and they'll spend it in the communities in which they made it. And we also know, Mr. Minister, it'll be obvious to everyone that minimum wage tends to affect employees in the service industry more and tends to affect women much more than it affects men.

Now, Mr. Minister, when I take a review of the realities of minimum wage, I find some interesting information. Number one, that as of this day, Saskatchewan has now got the sixth highest minimum wage of Canada, the sixth highest minimum wage in Canada. And we can go through the provinces one by one, if you like, and the dates that they changed and so on, but I think that's a big of a shame that you inherited the highest minimum wage in Canada and you've now reduced it to the sixth highest in the nation. In July, B.C. will make that tied for the sixth highest in the nation.

I also find it kind of interesting, Mr. Minister, when I try to understand why a government would take this particular approach to minimum wage. And I look at what happens in some — not only other provinces in this nation who are passing us by pretty rapidly, I take a look at what's happening south of the border, and particularly, initially, first of all here, Mr. Minister, those states which are closest to the province of Saskatchewan.

And we find some interesting trends, Mr. Minister — that in North Dakota, which has a complicated series of minimum wages, that in North Dakota the highest minimum wage is a category called experienced workers who are professional. Professional experienced workers' minimum wage in North Dakota — \$3.10 an hour; Montana, \$3.35 an hour as of 1986; South Dakota, \$3.35 an hour since January of 1986; Minnesota, they have a number of different minimum wages again, their highest is \$3.55 an hour.

If we take just a kind of a walk around our neighbours to the South, take a look at some of the states, we find that there is an amazing consistency. And I'm wondering . let you know what I'm wondering here, Mr. Minister, whether we are dealing in Saskatchewan today with an agenda which is to Americanize the minimum wage as part of a preparation for a compliance with the Mulroney-Reagan free trade deal and to make this province more American in more ways than one, Mr. Minister.

In Arkansas, \$3.10 minimum wage since January 1, 1989; Delaware, 3.35 effective May 20, 1987; Hawaii, 3.85 an hour, January 1, 1988. You'll be interested, Mr.

Minister, when you do the calculations from American to Canadian dollars, to note that these are not terribly far off the minimum wage in Saskatchewan today.

In Maine, 3.65 an hour effective January 1, 1987; Massachusetts, 3.75, July 1, 1988; Nebraska, 3.35, August 29, 1987. All these folks are for some reasons, they're moving their minimum wages. We're not. Nevada, 3.35, September 10, 1987; New Hampshire, 3.55 effective January 1, 1988; North Carolina, 3.60 an hour in 1987; Rhode Island, 3.65, 1987.

And the list goes on, Mr. Minister. I think there is a trend there that is pretty obvious, that when we compare ourselves to our American neighbours that there is a fairly consistent minimum wage throughout.

When one looks at minimum wage and the significance of minimum wage, one has to ask, what does this all mean? And I find some of the explanation becomes pretty obvious when we have in this nation a Prime Minister who is a hearty endorser of the Mulroney-Reagan free trade deal and his number one cheer-leader is the Premier of Saskatchewan trotting around just extolling all the virtues of free trade, of the Mulroney-Reagan free trade deal, and just what it will do for the people of Saskatchewan.

Well what will it do for the people of Saskatchewan? Laurent Thibault, president of the Canadian Manufacturers' Association, says this when reflecting on the free trade deal, and I quote:

It's simply a fact that as we ask our industries to compete toe to toe with American industries, we in Canada are obviously forced to create the same condition in Canada that exist in the U.S., whether it is the unemployment insurance scheme, workmen's compensation, the cost of government, the level of taxation, or whatever.

Interesting enough as well, in commenting upon the employment conditions, including in that, minimum wage, the Canada West Foundation says this, and I quote:

Free trade between our two countries will inevitably lead to wages being equalized between Canada and the United States. This will occur since the high cost producer will not be able to compete against the lower cost producer if goods are traded freely.

Well, Mr. Minister, we can go on and we can read other quotes if we had more time. But I think the pattern is clear.

What we have in Saskatchewan under your government was the inheritance of the highest minimum wage in the nation — as of this date, the sixth highest minimum wage in the nation. Only one increase in the past six years, that being three years after you took office, and then held at that for the past three years.

And it would seem that what's going on in this province, which is being led by a Premier who is the chief cheer-leader of the Mulroney-Reagan free trade deal, is that we have an Americanization of our minimum wage

in the province of Saskatchewan. And I say, Mr. Minister, that that is a shame, that is a betrayal of the people of Saskatchewan and the kinds of working conditions that they have come to expect, largely — not exclusively, but largely — through the leadership provided by the Government of Saskatchewan.

Mr. Minister, I note last year in *Hansard*, August 31, 1987, page 2174, you said, and I quote:

We would like to raise the minimum wage as soon as practical.

And so I have to wonder, Mr. Minister, what is practical? Are we in Saskatchewan today faced with a harmonization of minimum wage? And I ask you, Mr. Minister, what is your explanation for having dropped from the first minimum wage in Canada to the sixth; for the increased Americanization of our minimum wage in this province? And I ask you, sir: when is it going to be practical to increase the minimum wage in the province of Saskatchewan?

(1645)

Hon. Mr. Schmidt: — Mr. Chairman, I've been referring to the members opposite as the negative democratic party. I wish to amend that. I wish to amend that to the negative deception party because that is what they are always doing. That is what their party really stands for — the negative deception party.

The member opposite said that we are the sixth highest province — province, he said province — he didn't tell us that he was really counting the Northwest Territories and the Yukon as a province. I didn't know that they had become provinces. Among provinces we are the fourth highest. And I'm going to give you a list of what the minimum wages are in the balance of Canada so that we have an accurate picture because this deception must be denounced.

We have Manitoba at 4.70 per hour; Ontario at 4.55 per hour; Quebec at 4.55 per hour; Saskatchewan at 4.50 per hour; we have British Columbia — and the member opposite said that they were going to raise their minimum wage, but he failed to mention that they were going to raise it to 4.50 per hour, the same as Saskatchewan; and we have New Brunswick at \$4.00 per hour; and we have Newfoundland at 4.25 per hour; Nova Scotia at \$4.00 per hour; Prince Edward Island at \$4.00 per hour; and Alberta at 3.80 per hour. And he failed to mention that Alberta was going to raise theirs to 4.50, the same as Saskatchewan.

So then that puts us fourth highest, and considering the economic conditions and the cost of living in Saskatchewan, and the economic conditions here, that is a reasonable range. Now as I said last year, and I say again this year, we would like to have that higher as soon as practical, and we are now considering that, I am considering that. The minimum wage board has made a consideration in 1987 and indicated that it was unwise to raise it at this time, I am considering it from the point of view of citizens of Saskatchewan, and I would like to raise it in the near future.

But to say that we are sixth among the provinces, and count in the Northwest Territories and the Yukon as provinces, is a deception. By the way, their minimum wages are \$5 and 5.39 respectively, and under the conditions in the North, and the cost there, I would say that's a practical solution there. But certainly they are not provinces yet, and the member opposite practices . . . certainly unfair statistical calculations, because those two territories are not provinces now. And I remind the member opposite that they are not provinces, and I am sure he will acknowledge his error that they are not provinces, and I am sure he will acknowledge that we are fourth highest among the provinces. I am certain the member opposite now understands that these two territories are not provinces, and he will correct the misapprehension that he led us to believe here.

Then the member opposite compares the United States with Canada, and the minimum wage there. He does not compare the price of rent in the United States, or the price of eggs, or the price of anything else in the United States — he compares their minimum wage. He does not take into account the exchange rate. And then he says, well, if you do take it into account, it's about the same.

But I mean there is statistical deception again. You cannot simply go the United States, say the minimum wage is a certain sum, and say that reflects on their life-style as compared to our life-style. You cannot take into account the government services provided here as compared to there. And the member opposite might as well use as an example the minimum wage in Poland or East Germany. But he doesn't want to talk about those socialist countries; he wants to talk about the United States.

The leading capitalist country of the world, the most powerful country in the world, the most affluent country in the world, he denounces as there being something wrong with that country and its system. But the socialist countries of the world, which they used to allude to but now are ashamed of, he will never mention — he will never mention.

I ask the members opposite, I ask the members in the Assembly, I ask the public of Saskatchewan: the number of people that ever defect to East Germany or Poland or the U.S.S.R. — do they have a problem with refugees trying to get it? No, they do not. The United States does. People come by boat, they paddle, they swim. They try to get into the United States to work for whatever wage they can get, and they are satisfied with the minimum wage. But they do not rush off to the socialist countries of the world to try to live and work there.

I ask the member opposite to explain that, to explain that people are trying to get into the United States, people are trying to get into Canada, and people are trying to get out of the socialist countries of the world. If he could explain that, he could explain anything.

Now, Mr. Chairman, yes, we would like to raise the minimum wage, and yes, we will as soon as possible but you have to take into account the additional services that the Government of Saskatchewan provides to people that are no-cost services that they have to pay for out of their

after-tax dollars in other jurisdictions.

And we will consider the minimum wage; we will try to come out with a fair and practical solution. And I ask the member opposite to take into account all factors rather than deal with rhetoric and single issues and compare United States with Canada without even considering the cost of living differences.

Mr. Hagel: — Well I'll ask the minister to try to get a grip on his lip. And I note, Mr. Minister, that you confirmed exactly what I said, that we have the sixth highest minimum wage in the nation and you went on to prove that without me having to read that into the record.

Mr. Minister, I ask you simply this: at what date will it be practical and possible to increase the minimum wage in the province of Saskatchewan? When are you intending to do that? You waited three years after election before it moved. We've gone another three years now. When are you going to increase the minimum wage?

And I ask you this at the same time, sir: in light of your apparent commitment to improve the lot of handicapped persons in the province of Saskatchewan, will you be intending, as well, when you bring changes to the minimum wage, to introduce or to remove the exemption for minimum wage of handicapped employees in sheltered industries?

Hon. Mr. Schmidt: — Mr. Chairman, the member opposite did not rise to the challenge of the question I had asked him. I guess he has no explanation why people are trying to illegally get into the United States and Canada and illegally get out of the socialist countries of the world.

But let me deal with the topic of handicapped and handicapped employment, Mr. Chairman, I ask the members opposite to be patient. I advise them it won't be long from now that they will see a record number of handicapped people employed in Saskatchewan in real jobs. Our record with the handicapped in the near future — just what we're going to do in the near future — will surpass anything the NDP ever did, ever, in 11 years. It will surpass anything they ever did. And you know, it's all they will be able to say — about what we are going to do for the handicapped — is they will be able to say something negative and go spread deception among the public.

But, Mr. Chairman, I ask them to be patient because we will do something for the handicapped that will be a record-setting, precedent-setting initiative that the members opposite will be disappointed in only because they are negative.

Mr. Anguish: — Thank you, Mr. Chairman. Could the minister tell me whether or not his department or any agencies still have grant funding available for food banks such as was given to, I believe, Saskatoon and the food bank here in Regina?

Hon. Mr. Schmidt: — Mr. Chairman, this department does not fund food banks.

Mr. Anguish: — Does the Department of Social Services

give funding to food banks?

Hon. Mr. Schmidt: — Mr. Chairman, it is possible that food banks could qualify under welfare reform for money, to pay people to work in lieu of receiving welfare. And I believe in the past they have qualified on projects of that nature.

Mr. Anguish: — I was wondering if the minister could tell us . . . in terms of employment we quite often use statistics in this House — the media also use statistics — and quite often those statistics are StatsCanada statistics that are used. Can you tell us what agency in your department, or what department is responsible for compiling those statistics on unemployment; and is it done in-house or do you contract people to gather those statistics, Mr. Minister?

Hon. Mr. Schmidt: — Mr. Chairman, we get the data from StatsCanada, compliments of the taxpayers of Canada, and we then analyse them within the department and put together a review of the statistics that StatsCanada puts out.

Mr. Anguish: — Could you enlighten us today as to what the methodology is that Statistics Canada uses to determine the unemployment statistics for Saskatchewan and other places across the country?

Hon. Mr. Schmidt: — No, StatsCanada is not within my jurisdiction, Mr. Chairman.

Mr. Anguish: — Well would not someone in your department be interested in knowing the methodology that Statistics Canada uses to try and determine whether or not it offers a true reflection in the province of Saskatchewan as to what our unemployment picture is?

Hon. Mr. Schmidt: — Mr. Chairman, I suggest the member opposite get that information from StatsCanada.

Mr. Anguish: — Well I'd suggest to you, Mr. Arrogance, that the methodology that StatsCanada uses is one of a telephone survey. They do a telephone survey of places across the country.

In the case of Saskatchewan, they'll take so many names and there'll be a telephone survey done. And from that telephone survey they try and point out what the unemployment rates are for youth unemployment, for other age classifications of unemployment.

I would like to ask the minister if he feels that this is an accurate way to portray — if he doesn't think there's some better methodology for determining what the actual and real unemployment statistics are for this province in particular?

Hon. Mr. Schmidt: — Mr. Chairman, I believe that in a rural economy like Saskatchewan where we still do have some party lines — although our government is doing away with rural party lines not only at a record pace, but for once and for all, because the members opposite couldn't find the money to do it when the money was there — that because we have a rural base — we have a high percentage of native population — because we have

rural party lines, that the statistics are not necessarily as accurate as we would like them to be.

But I can't fault StatsCanada for their gathering of information. If you wanted to do it more accurately, it would probably be a lot more expensive. So you have to have some trade-offs between accuracy and the cost of gathering the information.

Mr. Anguish: — Well is there no topping up that the Employment Development Agency does in terms of looking beyond the reports you get from StatsCanada to determine what the real unemployment figures are in the province of Saskatchewan? I'm sure that the people that work within your department, in particular in the Employment Development Agency, must do some of that. And could you tell us what it is they do beyond accepting those reports from StatsCanada? And could you tell us what those rates are, what you deem them to be, through the Employment Development Agency?

Hon. Mr. Schmidt: — Mr. Chairman, we go on the basis of StatsCanada information. I don't see any reason why we should spend money doing surveys to duplicate what they are already doing.

We try to interpret their statistical information and, as I said, it comes to us compliments of the taxpayers of Canada. And while it could be a little more accurate, I can't fault them to the extent that I would spend the taxpayers' money to duplicate their work or try to do it better.

The committee reported progress.

The Assembly adjourned at 5 p.m.