

June 16, 1989

The Assembly met at 10 a.m.

Prayers

## ROUTINE PROCEEDINGS

### INTRODUCTION OF GUESTS

**Mr. Upshall:** — Thank you, Mr. Speaker. Mr. Speaker, it gives me indeed great pleasure today to introduce a group of school children from my home town of Young, Saskatchewan, from McClellan School. They're seated in your gallery. They are accompanied by their teacher, Mr. Bill Watson; bus driver, Lillian Sather; and chaperons, Cheryl Schaan, Diana Shout and Joyce Hryniuk.

Like I said, I am pleased to have the people from my home community come down here. I know all the people and all the kids. I see their shining faces. I hope they enjoy proceedings today, and I'd like all members to give them a warm welcome to the Assembly.

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

**Hon. Mr. Taylor:** — Mr. Speaker, it gives me pleasure to welcome 38 grade 6 students from Indian Head, seated in the west gallery. They are accompanied today by their teachers, Ellen Muir and Tony Colley, who were colleagues of mine when I was teaching in Wolseley. It's nice to see you here with chaperons, Bill Schroeder, Linda Taylor, Ed McCann and another ex-teacher, now a bus driver, Ron Rushbrooke. Welcome to the people from Indian Head. I look forward to seeing you later for pictures and refreshments. Welcome to the legislature.

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

### ORAL QUESTIONS

#### Meeting between Premier and Guy Montpetit

**Mr. Koskie:** — Thank you, Mr. Speaker. I'd like to direct a question, Mr. Speaker, to the Premier, and I want to return to the GigaText scandal. I want to ask you, Mr. Premier, your involvement in the negotiations in respect to what has cost the taxpayers a lot of money. On April 18 of this year, Mr. Montpetit testified that in the late winter of 1988, probably February, he met with you in Montreal, Mr. Premier, spent the better part of the afternoon discussing with you his semiconductor project and his automatic French translation project.

On April 27, Mr. Premier, he testified further that when you were in Montreal in February of 1988 to meet with Premier Bourassa, that he provided to you a chauffeur driven limousine and ferried you and your officials throughout Montreal.

I ask you, Mr. Premier, can you confirm that you had a major discussion with Montpetit regarding the investment of your government into these projects?

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

**Hon. Mr. Devine:** — Mr. Speaker, I can confirm that I met with Mr. Guy Montpetit in Montreal, and I had the

opportunity to discuss the whole industry related to microchips and, in fact, translation. And he briefly described to me where he thought the industry was going and some of the potential with respect to translation, Mr. Speaker.

**Mr. Koskie:** — A new question, Mr. Speaker. Mr. Premier, since all indications are that you were one of the first officials of this government to enter into discussions with Mr. Montpetit to discuss his grandiose schemes, I want to ask you further whether or not it was Mr. Ken Waschuk that also approached you initially in order to get your government involved in this project.

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

**Hon. Mr. Devine:** — Mr. Speaker, I wasn't among the first people to talk to Mr. Guy Montpetit; and the answer is no, to the latter question. I wasn't approached by Mr. Ken Waschuk to do anything with respect to Mr. Guy Montpetit.

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

**Mr. Koskie:** — New question to the Premier. I'd like to ask the Premier whether he has any conversations, any discussions with Ken Waschuk in respect to the project that your government invested in, and whether you have had further discussions with Mr. Terry Leier in respect to the advisability of proceeding with that project?

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

**Hon. Mr. Devine:** — Mr. Speaker, I've had very little to do with the project at all, as you know, and as the Deputy Premier has said here in the legislature that he has been spearheading the project with respect to technology. I looked at it and I talked with him about the process of trying to get the best technology possible to translate, because we were asked to translate, and I believe as a result of a court decision, make sure that in fact that we do.

So I'll only say, Mr. Speaker, that as a result of our attempt to get the very best technology, that I've relied on the Deputy Premier and his staff to provide that information. And in fact we hope, Mr. Speaker, in the next few days that in fact the technology will be proven to translate, and it will be a valuable asset in terms of our capacity to translate from French into English all the statutes that we have, Mr. Speaker.

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

**Mr. Koskie:** — Mr. Premier, what we're discussing here is the accountability of your government and the involvement in the deal that has cost the taxpayers literally millions of dollars.

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

#### Investment with Montpetit Companies

**Mr. Koskie:** — I want to ask you further a new question, Mr. Premier, Mr. Speaker. On Monday of this week I'm

advised that in Montreal a Dr. Alex Voschenkov, an American scientist and business associate of Mr. Montpetit, testified that he was invited to come to Saskatchewan in January or February of this year, without Mr. Montpetit, to discuss further the superconductor project. He further testified that he met with Dr. George Hare, Mr. Montpetit's associate, Dr. Fabian, the Toronto consultant hired by the government, and Mr. Terry Leier.

I want to ask whether as late, as indicated in the testimony, as January-February of this year, whether that meeting took place and further discussions and involvement of this government?

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

**Hon. Mr. Devine:** — Mr. Speaker, I have no idea, and I'll let the Deputy Premier respond.

**The Speaker:** — Order. Order. I'm afraid I can't allow the Deputy Premier to respond unless, you know . . . but you can't do it.

**Mr. Koskie:** — Mr. Speaker, I therefore address to the super investor for this province, the Deputy Premier, that same question in order that we can get a stimulating, stimulating, intellectual answer.

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

**Hon. Mr. Berntson:** — I'm flattered. I'm flattered, Mr. Speaker, and I'd like to talk about super investment for the province of Saskatchewan, Mr. Speaker.

And when I talk about it, I'd like to take you back, I'd like to take you back to 1981, Mr. Speaker, 1981 when the New Democratic Party government of that day, members of the board of CIC (Crown investments corporation of Saskatchewan) — Cowley, Cody, Smishek, Tchorzewski, and so on, Mr. Speaker — invested \$5 million — that's equivalent to about 8 million today, Mr. Speaker — in an outfit called Nabu.

Now what is Nabu? Nabu is a technology company, Mr. Speaker, from central Canada, from central Canada — not one job. They were the major minority shareholder — not one job, not one ounce of technology moved to Saskatchewan, Mr. Speaker. And do you know what the return was on that investment? Does anybody know? Zero, zip, nothing. And the whole investment was written off, Mr. Speaker.

These technological wizards over here, Mr. Speaker, blew five million 1981 dollars without one job or one ounce of technology.

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

**Mr. Koskie:** — That investment genius . . .

**The Speaker:** — Order, order. Order, order, order.

**Mr. Koskie:** — Thank you, Mr. Speaker. Obviously the Deputy Premier didn't listen to the question. I asked you whether in January and February, after the investigation was taking place in respect to the scandal that this

government is in, whether or not there was this important meeting for further investments with the Montpetit chain of companies.

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

**Hon. Mr. Berntson:** — And in addition, Mr. Speaker, in addition, that same minister — I believe he was the minister of Finance at the time — decided, Mr. Speaker, that Nabu should be offered as one of the pool that they were going to offer under their share program. But the comment was, relative to Nabu, a good possibility but will not yield early returns.

Now let me deal with the question of Dr. Voschenkov. Dr. Voschenkov happens to be one of the leading scientists in the world in micro/gigahertz, in high-speed silicon technology, Mr. Speaker, and if I can find a way that is reasonable to get Dr. Voschenkov and his technology into Saskatchewan, I would like to do it, Mr. Speaker, because this man has excellent credentials and excellent technology and offers an excellent opportunity for Saskatchewan, assuming that we can do it, Mr. Speaker.

Now the reason that we're dealing with Dr. Voschenkov is because the whole Giga empire is tied up in a civil action in Montreal. These people don't understand that the reason the civil action is going on is because there is a dispute as to fact. They say, Mr. Speaker, that simply because something is filed in evidence it is fact. I mean, that member is a lawyer; he should know better. I don't know how he got through law school, Mr. Speaker.

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

**Mr. Koskie:** — Mr. Deputy Premier, it was your Justice minister that stood in this House and indicated that he had sent the RCMP investigation into one of the business associates that you blew for \$5 million. I ask you, Mr. Minister . . . also Dr. Voschenkov testified the other day that at a meeting, at this meeting here, that he met with these officials that I indicated, that he indicated that the cost of the project and the involvement of this government was more than 125 million; that it was going to be \$200 million.

I want to ask this genius of investment of Saskatchewan, which has put this province in the most financial debt that any government in Canada has done, whether or not you are continuing your negotiations to enter into the further investment of \$200 million?

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

**Hon. Mr. Berntson:** — Mr. Speaker, once again the member is trying to indicate that . . .

**The Speaker:** — Order, order, order. Order, order. The hon. member has asked the question; he seems to be giving the answer at the same time. I believe the Deputy Premier has been asked to give the answer.

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

**Hon. Mr. Berntson:** — The member tries to suggest that

simply because it's filed in evidence, it's fact. Mr. Speaker, at no time, at no time has the Government of Saskatchewan indicated that it would invest anywhere near those kind of sums. What the government did indicate, Mr. Speaker, was that it was interested in the technology, interested in the technology, Mr. Speaker, subject to scientific verification, subject to commercial viability; that is, will it get into the market-place successfully? And those analyses are still being worked on, Mr. Speaker.

And finally, only when those two things are taken care of do you look at the financial package, Mr. Speaker. And we have in fact looked at possibilities of investment from offshore and from United States, and there is a lot of interest, Mr. Speaker. Now he raises the question of Rafferty, and he raises the question of SaskEnergy; he raises the question of Weyerhaeuser.

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

**The Speaker:** — Order.

### Results of RCMP Investigation

**Mr. Anguish:** — Thank you, Mr. Speaker. My question is to the Premier. Mr. Premier, your government has said time and again that we should wait until the police report on this case has been concluded, the police investigation. We're quite anxiously awaiting that report just as the people in the province of Saskatchewan are anxiously awaiting the report. On this very serious issue, will you tell us when you expect this report will be presented to the Justice department; and will you give us your undertaking today, sir, that you will present all the facts of the investigation to this legislature at the earliest possible date?

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

**Hon. Mr. Berntson:** — Mr. Speaker, I have said in the past, and the Minister of Justice has said in the past, that the indications from the RCMP are that they are in the final stages of preparing their report to be filed by the Department of Justice.

I find it a little strange that that member, Mr. Speaker, would be asking for the report or even be interested in the report. Because he's the guy, as I recall, that stood up in his House and said that the RCMP report is just another whitewash, Mr. Speaker. That's the member that said that, Mr. Speaker. And I think that's totally incredible and unworthy of any member to suggest that of the RCMP, Mr. Speaker.

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

**Mr. Anguish:** — Mr. Minister, new question. You have just uttered words that are misleading the House. The record of *Hansard* will show that you are totally inaccurate in what you say. In fact you have just laid down a case for a matter of privilege in this legislature, Mr. Minister.

I'll ask you very simply: we want to know, Mr. Premier, when the RCMP report is presented to the Justice

department, will you report to this legislature the facts of the RCMP investigation so that we in this House and the people of Saskatchewan know about the RCMP investigation. Will you do that, sir?

**Hon. Mr. Berntson:** — Mr. Speaker, I think if you want to make a case for privilege, that member knows better than to even ask for a confidential police report, or at least he should — at least he should.

The Minister of Justice, Mr. Speaker, has already indicated that when the report is filed with him, he will take all appropriate action, and that's the normal course in such situations, Mr. Speaker.

I want to point out, Mr. Speaker, that the reasons given for these technological wizards to invest in Nabu, Mr. Speaker, was, as they say here:

One of the most attractive features of Nabu is its management and its technical capabilities.

They managed it into bankruptcy, Mr. Speaker, and there wasn't 5 cents worth of economic benefit, not one job, not one ounce of technology moved to Saskatchewan, and they blew \$8 million in today's dollars, Mr. Speaker. They blew it. They knew nothing of what they were doing.

I will compare that with GigaText any day, Mr. Speaker, and I have a high degree of optimism in the capabilities of that technology.

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

**Mr. Anguish:** — New question to the Premier, Mr. Speaker. I'm sure that the Premier must have heard my question because obviously the Deputy Premier did not. Mr. Premier, a government which has acted above-board and in good faith and in a prudent manner in this case would have no qualms about telling this House and the people of Saskatchewan the facts about the RCMP investigation. We don't want to see the report. We trust you, Mr. Premier, to tell us the truth.

It has been indicated by your ministers of Justice and SEDCO that Waschuk and Leier are part of the RCMP investigation. In fact the Minister of Justice went so far as to state that Mr. Waschuk was being investigated for possible influence peddling, a very serious charge.

Mr. Premier, will you tell this House whether or not Mr. Waschuk is still conducting business with your government while the investigation is going on, since last fall, and according to the Deputy Premier, whether or not Mr. Leier continues to act as solicitor for Crown investments corporation while the investigation is going on? And could you maybe tell us who else is being investigated by the RCMP.

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

**Hon. Mr. Berntson:** — Well, Mr. Speaker, I don't know whether or not Ken Waschuk is doing business with the government or any branch of government at this particular time.

But let me say this, Mr. Speaker, let me say this, because I think what we're seeing develop here — and it's more than being developed, it has developed. These members, Mr. Speaker, these members, on the basis of what they allege to be fact filed in a civil action in a court in Montreal, they want to hang these people — they want to hang these people. There is no question yet, there's no decision yet as to innocence or guilt, Mr. Speaker, but they want to hang these people — prejudice.

They don't want to wait for the RCMP report. They don't want to wait for the outcome of the civil action in Montreal. They simply want to hang these people, Mr. Speaker, and they don't give a damn about how it impacts on them or their lives, Mr. Speaker.

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

**The Speaker:** — Order, order. I don't believe that that's language that we want to become accustomed to using in this House, and I'd like to ask the hon. member to withdraw.

**Hon. Mr. Berntson:** — Certainly I withdraw that remark and apologize to the House, Mr. Speaker.

**Mr. Anguish:** — New question, Mr. Speaker, to the Deputy Premier. Mr. Deputy Premier, it's your mismanagement, it's answers we want about blowing over \$4 million of our taxpayers' money in the province of Saskatchewan, and when you say that we're not dealing with facts, what I was asking for is the RCMP report on the investigation to this House — the facts. And you say we're not dealing with facts? How dare you call into question the integrity of the RCMP in this province.

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

**Mr. Anguish:** — Very simple, watch my lips, Mr. Deputy Premier. Will you tell this legislature, will you tell us the facts of the RCMP investigation in this legislature so we know the facts about this scandal in the province of Saskatchewan — the RCMP report.

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

**Hon. Mr. Berntson:** — This is the same group, Mr. Speaker, that has slammed Dr. Lloyd Barber . . .

**An Hon. Member:** — Yes, that he can't run a university.

**Hon. Mr. Berntson:** — He can't run a university, as alleged by them. He can't run a university. They think he's an incredible kind of a person to have on the Barber Commission. They're alleging that it would be a whitewash.

Mr. Speaker, Mr. Speaker, their only expert ability, Mr. Speaker, is to slander and defame people. I have already said, Mr. Speaker, that when the Minister of Justice, when the Minister of Justice gets the report from the RCMP, he will take all appropriate action.

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

## Population Loss in May

**Mr. Pringle:** — Thank you very much, Mr. Speaker. It's painfully obvious to the people of Saskatchewan that the waste and mismanagement and corruption by this PC government knows no bounds.

Mr. Speaker, my question is to the Premier: according to Wednesday's figures from your Bureau of Statistics, we lost a further 1,134 people through out-migration in the month of May — equivalent to the town of Carnduff. That takes our total net population loss through migration to almost 12,000 people for the first five months of this year.

Mr. Premier, when is the hollow rhetoric stopped, and the policies to build our province's economy begin? How many young people do we have to lose before people on your side of the House get the message that privatization and megaproject mania isn't working for the people of Saskatchewan.

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

**Hon. Mr. Devine:** — Mr. Speaker, as the hon. member knows, the forecast for the province of Saskatchewan, because of diversification, processing and manufacturing, and as a result of the average normal rainfall in this year, that our province will lead the nation in economic growth which could run anywhere from 7 to 9 per cent, maybe even double digit, Mr. Speaker. Now that will not only lead western Canada, but will lead the province of Ontario, the province of British Columbia — the whole nation, Mr. Speaker.

The combination of a strong agricultural sector, plus the diversification, will see the expansion of many new economic opportunities in towns and in villages and the city of Saskatoon. I mean, just this last 10 days, Mr. Speaker, we've had the opportunity to announce many new jobs and new projects and a great deal of expansion with respect to tourism as a result of the turnaround in the economy.

I am very happy to see that oil prices are coming up, grain prices are coming up, the productivity's improved and in fact, Mr. Speaker, if we lead the nation — and I believe we will — in economic growth, then, Mr. Speaker, the province of Saskatchewan will be as it can be, one of the most exciting places any place in Canada to live, invest, and build a home.

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

**Mr. Pringle:** — New question, Mr. Speaker. Well, Mr. Premier, those are old lines. The fact of the matter is people are leaving. Stop talking about what you will do for the province of Saskatchewan. You can't use those phoney lines any more. Your policies are failing. Why don't you admit it?

Mr. Premier, according to StatsCanada, Saskatchewan suffered the worst loss of population of all Canadian provinces last year — about 15,000 people, double the loss of Manitoba, which was the second worst province. And already this year we have almost surpassed last year's numbers.

Now a good government and a responsible government would be deeply concerned . . .

**The Speaker:** — Order, order. Order, order. I've given the hon. member quite some time to set the stage for his question. I'd like him to now get to the point.

**Mr. Pringle:** — Thank you, Mr. Speaker. Mr. Premier, if this present trend continues, we will lose close to 30,000 people this year, almost equivalent to the population of Moose Jaw or almost one-third of our total population of the province. How long does this have to go on before you start taking the problem seriously and doing something about it?

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

**Hon. Mr. Devine:** — Mr. Speaker, we have people visiting the legislature today from rural Saskatchewan, and certainly the hon. member knows that over 60 per cent of the population in this province is rural. They live in towns and villages and on farms across the province.

Now the hon. member knows that when net farm income goes to zero, that it can be extremely difficult in rural Saskatchewan. We have almost half the farm land in Canada; we have over 50 million acres of agricultural land. And, Mr. Speaker, when the net farm income goes to zero, then people's income generally, and the average of the province of Saskatchewan, must decline.

So when you're doing your statistical analysis and you find that you have no net farm income at all except that which comes from government, then as a result of that, Mr. Speaker, you see the possibility where . . .

**The Speaker:** — Order, order. Order. The Premier is attempting to answer the question. He's being interrupted. As hon. members know, that's out of order. He should have the right to answer without a constant stream of interruption.

**Hon. Mr. Devine:** — Thank you very much, Mr. Speaker. The facts are that when you have drought and severe drought in the province of Saskatchewan, and we've seen and statistically it shows up, net farm income almost collapsed to nothing, Mr. Speaker.

As a matter of fact, the government that comes out — our programs along with the federal government's . . . and I was happy to hear the announcement that they have allocated another billion dollars for rural Saskatchewan and western Canada in particular. We will receive about 450 to \$500 million to help farmers, which will help raise their income, which helps the averages.

Now when you look at the cities of Regina and Saskatoon, the populations have grown, Mr. Speaker. And we see that. The major cities are continuing to grow: Prince Albert, Saskatoon, Moose Jaw, Regina. The difficulty has been in rural Saskatchewan, and that's why we stuck up for rural Saskatchewan and will continue to do so.

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

## INTRODUCTION OF BILLS

### Bill No. 49 — An Act to amend The Stray Animals Act

**Hon. Mr. Hardy:** — I move first reading of a Bill to amend The Stray Animals Act.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

### Bill No. 50 — An Act respecting Certain Amendments to Certain Acts resulting from the enactment of The Homesteads Act, 1989

**Hon. Mr. Hodgins:** — Mr. Speaker, I move first reading of a Bill respecting Certain Amendments to Certain Acts resulting from the enactment of The Homesteads Act, 1989.

Motion agreed to and the Bill ordered to be read second time at the next sitting.

### Bill No. 51 — An Act to amend The Uniform Building and Accessibility Standards Act

**Hon. Mr. Hodgins:** — Mr. Speaker, I move first reading of a Bill to amend The Uniform Building and Accessibility Standards Act.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

## POINT OF PRIVILEGE

**Mr. Anguish:** — Mr. Speaker, before we go on to orders of the day, I want to rise on a question of privilege.

Today during question period, the Deputy Premier referred to me directly, and I'll quote as best I can. I haven't seen the record yet but I'll quote as best I can from his comments. The Deputy Premier, referring to me, said: "That member called the RCMP report nothing more than a whitewash."

Mr. Speaker, in Erskine May, on page 159, I'd just like to go to part of the section:

. . . (it's) resolved that to print or publish any libels reflecting upon any Member of the House for or relating to his service therein, was a high violation of the rights and privileges of the House.

I submit to you, Mr. Speaker, and I ask you to find a prima facie case of privilege on this point, that when *Hansard* is printed it will show in *Hansard* that the Deputy Premier has accused me of calling the RCMP report a whitewash.

Any person in the province of Saskatchewan that would read that, including the RCMP, including my constituents, would take from an hon. member that that would be a correct statement. That is an inaccurate statement, Mr. Speaker, and I would ask that you find a case of privilege, and further that you ask the Deputy Premier to please withdraw those remarks, and if necessary, apologize. I don't care if he apologizes or not, Mr. Speaker, but I want the Deputy Premier to withdraw

those remarks because they are totally and absolutely inaccurate, sir.

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

**The Speaker:** — I recognize the Deputy Premier. Order, order.

**Hon. Mr. Berntson:** — Mr. Speaker, in the absence of any specific evidence, I am more than delighted to withdraw those remarks.

**The Speaker:** — Order, order. There's a question of privilege, and I've heard the hon. member's response. And we know that question period, and throughout the House, members, of course, they make emotional statements. This is common on both sides of the House; however, the hon. member is claiming in the House that the Deputy Premier libelled him. That is not a prima facie case of privilege because we do have freedom of speech in the House. And secondly, a dispute arising between two members as to allegations of facts does not fulfil the conditions of parliamentary privilege.

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

#### COMMITTEE OF FINANCE

#### Consolidated Fund Budgetary Expenditure Consumer and Commercial Affairs Ordinary Expenditure — Vote 4

#### Item 1 (continued)

**Mr. Calvert:** — Thank you, Mr. Chairman. Mr. Minister, in the time we have before us this morning in your estimates, I want to spend a good portion of that time talking about your government's intentions regarding gambling in the province and the proposed charity tax of your government.

But just before we move into that subject, Mr. Minister, you made a number of commitments last night to my colleagues to provide some information to the House this morning. Do you have that information with you, and can you present it now?

**Hon. Mr. Meiklejohn:** — Yes, I have it here and I'll be glad to send it over. With regard to your question, we'll be going into the estimates on the gaming commission as soon as we complete Consumer Affairs. So if you'd like to keep your questions for that time, that would be fine.

**Mr. Calvert:** — Mr. Minister, if I can just refer to the letter that you've provided this morning, which you wrote to the Hon. Dick Johnston and the Government of Alberta regarding the Alberta government's failure in this most recent pay-out to the Principal Trust investors to provide for Saskatchewan residents, I note this letter was mailed June 1.

Mr. Minister, have you had a response from your colleague in Alberta to this letter?

**Hon. Mr. Meiklejohn:** — No, we have not.

**Mr. Calvert:** — When it comes, if it comes, Mr. Minister, will you share a copy of that letter with myself?

**Hon. Mr. Meiklejohn:** — Well whether or not the letter is given in confidence, that's what's going to determine whether we share the contents with you.

**Mr. Calvert:** — Mr. Minister, why in the world would your colleague in Alberta, regarding this matter of Principal Trust and Saskatchewan investors in Principal Trust who have lost life savings, why in the world would any of that correspondence be in confidence from your point of view? That is significant and valuable information to the people of Saskatchewan.

**An Hon. Member:** — It's the least you can do.

**Mr. Calvert:** — It is the very least you can do. You've done so little for the investors in this province, the least you could do is to provide them, through the opposition if not by yourself, the information that's coming to you from the Government of Alberta.

Mr. Minister, will you provide that letter publicly to the opposition when it arrives?

**An Hon. Member:** — Maybe we should read about it in the press . . .

**Hon. Mr. Meiklejohn:** — The member from Sutherland chirps from his seat again. And he made a lot of wild accusations last night and . . . some of which we know are misleading and not true, and I'll point that out here in a minute. I would simply say again that depending on the contents of the letter as to whether or not it's indicated they're confidential, that will be the determining factor whether we are going to release that information.

To this point we have not held back any information that has been forthcoming. We've been totally open and above-board with this particular situation.

And I would point out that some statements that were made by your colleague last night, which is just another example of some of the misleading statements that are made by members on that side of the House. He made a statement that some \$200,000 . . . (inaudible interjection) . . . The loose jaw from Moose Jaw, if he has questions, Mr. Chairman, he certainly can stand in his . . .

**Mr. Chairman:** — Order. Order. All members get an opportunity at any time to get into the debate. They can certainly rise in their place and ask their questions, then their questions will be recorded. I'd ask members not to enter into the debate unless they're willing to do that.

**Hon. Mr. Meiklejohn:** — The comment was made last night by the hon. member from Saskatoon Sutherland that the province of Nova Scotia had given some \$200,000 to the investors in that particular province, which is totally untrue. The fact of the matter is that in late 1987, the province of Nova Scotia, Department of Justice, paid \$35,000 to the association, Victims of Principal, to offset legal expenses. This sum was paid direct to the

association; it did not go to the investors.

In 1987 the Government of Nova Scotia also established a program where they would pay the interest only, to a maximum of \$1,000, to any Nova Scotia residents that obtained loans pending payment from Principal or the receiver.

This program was certainly not heavily utilized by the citizens of Nova Scotia. To date the province has paid out approximately \$400 on this program, and there are no indications that there will be any further expenditure. The above is the extent of Nova Scotia's assistance in this matter.

Now, Mr. Chairman, that's a far cry from what the member opposite would have had the House believe last night when he was talking about the fact that investors supposedly had received in the neighbourhood of \$200,000.

**Mr. Calvert:** — Mr. Minister, I have with me this morning an article from the Saskatoon *Star-Phoenix*, dated February 2, 1989. In that article it reads, and I quote:

The province plans to introduce legislation this spring which would allow it to operate slot-machines and a host of other electronic gambling games, Consumer and Commercial Affairs Minister Ray Meiklejohn said in an interview Tuesday.

Quote, to yourself, sir.

We are looking at legislation which would allow the government to get into such things as electronic games, including slot-machines. Meiklejohn said he believes the provincial government has to look at such things as electronic games, including bingo and keno, to finance such services as health care. A change in legislation would allow the province to operate various (quote) "lottery schemes" which would include Las Vegas type casinos.

Mr. Minister, we have not yet seen that legislation. Can we expect to see that legislation soon?

**Hon. Mr. Meiklejohn:** — Yes, you can. The legislation will be introduced, I would think, either next week or the following week. I would point out to the member that it was not my comment that we would be introducing Las Vegas style casinos or slot-machines in this province. You're quoting from an article; those are not my statements. As I indicated earlier . . . (inaudible interjection) . . . If you want me to answer questions now pertaining to the gaming commission I can do that, but as I indicated earlier we will be going into their estimates after, and I'd be happy to answer the questions then. If you want me to do it now, that's fine.

(1045)

**Mr. Chairman:** — Order. There is a separate vote on page 77 of the *Estimates*, for the Saskatchewan Gaming Commission, so I would ask members to keep their

questions and answers related to Consumer and Commercial Affairs, and after that is dealt with, certainly the gaming commission will be dealt with later . . . (inaudible interjection) . . .

Order, order, order. Does the member from The Battlefords have a point of order? I'd ask him to rise and make his point of order or not make any comments from his seat. The Chair has ruled that Consumer and Commercial Affairs are under estimates now. The Saskatchewan Gaming Commission will come up later, and for now I'd ask members to keep their questions and answers related to Consumer and Commercial Affairs.

**Mr. Calvert:** — Thank you, Mr. Chairman. We are going to be talking about gambling this morning whether it's under the Department of Consumer and Commercial or under the Gaming Commission. I am happy to discuss it under the vote for the Gaming Commission.

**Mr. Chairman:** — Order. The minister does not have his Gaming Commission officials with him so I would ask the member to keep his questions to Consumer and Commercial Affairs.

**Mr. Calvert:** — Mr. Minister, I intend then to be discussing gambling under the Gaming Commission, even though you only moments ago suggested we could do it now.

Mr. Minister, one or two further questions then regarding specifically your role as the Minister of Consumer and Commercial Affairs. Mr. Minister, you have indicated publicly, you have indicated in correspondence to myself that we should see soon in this House, legislation regarding agricultural implement dealers. Mr. Minister, where is that legislation?

**Hon. Mr. Meiklejohn:** — That legislation is in legislative review, and I would hope that we will also be introducing it within the next couple of weeks.

**Mr. Calvert:** — Mr. Minister, in past you have talked about legislation regarding fair trade practice in the province. Do you have plans to introduce legislation in that regard?

**Hon. Mr. Meiklejohn:** — We're still working on it but it won't be ready for this session.

**Mr. Koskie:** — Yes, Mr. Chairman. I wonder if I could have leave of the House to introduce a special guest in the gallery.

Leave granted.

## INTRODUCTION OF GUESTS

**Mr. Koskie:** — I just draw to the members of the Assembly that we have in the gallery a very important person in the political field. We have the new leader recently elected to head up the Liberal Party of Saskatchewan, Ms. Linda Haverstock. Would other members join with me to give her a warm welcome to the gallery.

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

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure  
Consumer and Commercial Affairs  
Ordinary Expenditure — Vote 4

Item 1 (continued)

**Mr. Koenker:** — Mr. Minister, you will have received this spring a copy of the study I did of the new home warranty program of Saskatchewan with recommendations for the new home warranty people, individual home owners, and the Government of Saskatchewan. Have you acted on any of the recommendations I made with respect to the Government of Saskatchewan Department of Consumer Affairs?

**Hon. Mr. Meiklejohn:** — Well we haven't implemented the suggestions that you have made. We're in consultation with the new home warranties program people, and they have taken on the responsibility of that. We don't have any jurisdiction in there, other than to offer our services as a mediator, which we have done on several occasions.

And as I understand it, that the program where they're now using independent conciliators to resolve disputes has been very, very effective. They've reduced the number of concerns substantially — I believe something in the neighbourhood of 31 per cent over the last year — and that as far as we know the program right now, as it stands, is working fairly well.

**Mr. Koenker:** — So, Mr. Minister, have you done even so basic a thing as to mandate your department to deal with new home warranty complaints, which has not been the case to date?

**Hon. Mr. Meiklejohn:** — The new home warranties program is an insurance type of program that's been set up by the builders, and that of course gives the home owners the protection that they require. So the Department of Consumer Affairs, other than playing a conciliator's role, does not have any other involvement with it.

**Mr. Calvert:** — Mr. Minister, we will shortly be prepared to move through the vote on the department so that we can move over to the Gaming Commission. Mr. Minister, I have one very short question to you: why is it that you and your department do not provide to the consumers of Saskatchewan a toll-free number to your department, to your investigators, to your offices, that consumers in the province, when they run up against a consumer problem, might easily access your department and its resources? Why don't you provide a toll-free number?

**Hon. Mr. Meiklejohn:** — That's a very good question, Mr. Chairman, that the member puts forward, and we are doing a study on that right now. We have made some changes in the department in the last couple of years in that a lot of information was made available to consumers through the library system throughout the province. We also, of course, have . . . It's really difficult to understand . . .

**Mr. Chairman:** — Order, order. Order! It's very difficult to hear the minister when the member from Moose Jaw North and Regina Rosemont are hollering across the floor . . . Order, order, order. And the member for Regina South. Order.

**Hon. Mr. Meiklejohn:** — I would also point out to the member that consumers can receive information through the inquiry centre, so there are a lot of channels open to them right now, but as I said, we are reviewing the idea of the toll-free number.

Item 1 agreed to.

Items 2 to 6 inclusive agreed to.

Item 7

**Mr. Calvert:** — Mr. Minister, will you explain to the House this morning why payments in the current estimates to the Property Management Corporation have increased some \$50,000; why the payments to the Property Management Corporation have gone from 625,300 to 675,000; and a breakdown of those costs. Would you provide that this morning, Mr. Minister?

**Hon. Mr. Meiklejohn:** — The answer to that question, Mr. Chairman, is the fact that some money was spent on capital improvement, \$37,000, and we have also taken over additional space in the Revenue Building that was formerly used by the Rent Appeal Commission and the mediation board.

**Mr. Calvert:** — Mr. Minister, I noticed in the information that you provided to the House last night, there is a charge of \$93,597.57 to the property management corporation for advertising costs, I take it. Mr. Minister, is that figure included in this budgeted figure to property management of 675,000?

**Hon. Mr. Meiklejohn:** — That money was for the printing of new notices with regard to new businesses that have been incorporated in the corporations branch.

**Mr. Calvert:** — Mr. Minister, I asked if this figure which you're paying to property management, this almost \$100,000 to have those notices printed, is that figure included in the budgeted figure to property management, or does it come from some other portion of your budget?

**Hon. Mr. Meiklejohn:** — It's not shown in that figure. It's shown in the corporations branch, code 6.

**Mr. Calvert:** — So, Mr. Minister, are there other payments then made to property management corporation that come from other portions of your budget? We've discovered now that \$93,000, or almost a hundred, is taken from some other portion of your budget to property management, so now the payments over to property management from your department total almost \$770,000. Are there other payments to property management from other portions of your budget?

**Hon. Mr. Meiklejohn:** — No, it's only those two items.



**Mr. Calvert:** — So then, Mr. Minister, the mail delivery services that you use from property management are included therefore in the \$675,000 figure.

**Hon. Mr. Meiklejohn:** — That's correct.

**Mr. Calvert:** — Well then, Mr. Minister, I do want to ask because the auditor did raise this issue. Do you now have with property management a written agreement or an arrangement for these mail services for this more than a quarter of a million dollars in mail services?

**Hon. Mr. Meiklejohn:** — The information that I have that a committee has been struck from right across the government departments that is now looking at that issue to see if there's a better way of making sure that the information is detailed properly.

**Mr. Calvert:** — Well, Mr. Minister, the auditor says for sure there is a better way, and I'm surprised that you have not, by this point, addressed this issue in a more specific way. How soon do you expect, Mr. Minister, to have an arrangement, a written agreement in place, so that the Provincial Auditor can in fact verify the accuracy of charges to your department regarding mailing from property management? How soon will you have that in place?

**Hon. Mr. Meiklejohn:** — Well I would expect it will be before too long. But I would also point out to the member opposite that the departments are continuing the same practice that has always been in place, even when your party was in power.

**Mr. Calvert:** — Well, Mr. Minister, you have been in office in this government for some seven long, lean years and I do not recall the Provincial Auditor raising this as an issue when we were government. Apparently there's something wrong over here, and it wants to be fixed and it should be fixed very shortly.

Mr. Minister, as I thumb through the entire *Estimates* book, I notice in department after department after department, the one large increase in departmental spending is payments to property management. Mr. Minister, it leaves me to surmise that money is being taken from departments and placed into the property management corporation for some future political purposes.

Mr. Minister, will you assure the House that no money from the Department of Consumer and Commercial Affairs is going into property management as some kind of a political slush fund for the next election?

**Hon. Mr. Meiklejohn:** — Well, your allegations are totally incorrect. I've indicated to you in so far as Consumer Affairs is concerned where the increases have gone as far as property management were concerned, the fact that \$37,000 was for capital improvement on a space that we took over from the rent appeal board and also the mediation board.

(1100)

**Mr. Lyons:** — Yes, thank you, Mr. Chairman. I wonder if I

may be granted leave to introduce a guest please.

Leave granted.

## INTRODUCTION OF GUESTS

**Mr. Lyons:** — Thank you very much, Mr. Chairperson. Mr. Chairperson, through you and to the members of the Assembly, I'd like to introduce a noted Saskatchewan musician and someone that's been long involved in the Saskatoon Jazz Society and organizing the Saskatoon Jazz Festival.

He's seated in the east gallery here. His name is Mr. Skip Cutts, and he also happens to be related by marriage to the member from Saskatoon Nutana. And I'd like to ask all members to give Mr. Cutts a warm welcome here today.

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

## COMMITTEE OF FINANCE

### Consolidated Fund Budgetary Expenditure Consumer and Commercial Affairs Ordinary Expenditure — Vote 4

Item 7 agreed to.

#### Item 8

**Ms. Smart:** — Thank you, Mr. Chairman. I just would like to take this opportunity quickly, because this is an item of the grant to the consumers' association, to raise with the minister one question. The consumers' association is doing a lot of the educational work that is needed in the area of consumer affairs, and in their magazine for March of 1989 they were recommending that the provincial government . . . And also they announced to their membership that the provincial government is considering legislation to control deceptive and unscrupulous business practices in Saskatchewan.

The government is funding the consumers' association in order to do this lobbying as well as the educational work. They say in their newsletter that there are some persons in our society that are more vulnerable than others. They say they are particularly concerned about sales schemes that prey on elderly people or those who speak very little English.

We hear of many high-pressure and particularly shabby tactics, and the minister knows that even the RCMP and the local police are concerned about what's happening to the senior citizens in terms of shady practices and the kinds of schemes that they've been vulnerable to — Principal Trust being just one among many — and particularly in home repairs.

And so, Mr. Chairman, my question to the minister is regarding this proposal to bring in a trade practices Act or a fair business practices Act which the consumers association has been lobbying for. I see they don't get any increase in their grant, so they're not going to be able to

mount much more of a pressure than they have, but they have been raising that issue with you.

And as the critic for seniors' issues and on behalf of the consumers association, I would like to ask you where that trade practices legislation that's so urgently needed in the province, what stage is that at in terms of development? It seems to me you've been promising that would come forward. Are you going to bring it forward?

**Hon. Mr. Meiklejohn:** — Well as I indicated earlier, Mr. Chairman, we are going to be bringing trade practices legislation forward, but it will not be in this session. Discussions are still ongoing.

You make a good point about the consumers association and we certainly work very closely with them. We upped the grant that they were receiving by 25 per cent either last year or the year before, and we work very closely with them, as we do with the Better Business Bureau and other groups.

We had a very successful seminar last December where we had 90-some people in from various groups and professions around the province, and from business, to discuss this whole area of trade practices legislation. And the majority of the groups I would say are very strongly in favour of it. There are some of course that are not in favour of it. They do not want to see an increase in legislation.

Maybe what we have to do is look at some of the legislation that's already in place, and that is in fact what we are doing, so I would certainly want to be bringing that legislation forward for the next session.

But you mentioned about consumer education, and I would point out to you that we're very proud of the fact that Saskatchewan leads all of the Canadian provinces with regard to consumer education. That's a very proud tradition that we have had and have maintained.

And we put forward a lot of good information. We work through our facilitators program. We provide workshops and informational seminars around the province by groups of volunteers that we train. And we are reaching many, many hundreds of people throughout the province, giving them consumer education, the type of things that you're concerned about.

And there are lots of problems out there, whether it's to do with home repairs or whether it's to do with hearing aids. We are continually putting out information, and that's one of, I think, the strong points as far as our particular department is concerned.

We have put out, for example, we have the mandate as far as consumer education is concerned in the school system. And we've just released not too many weeks ago a piece of material known as *MoneyPenny*, which is very good consumer education. We've also put out information on life insurance basics and also on financial planning. And these are materials that have been very, very well received and are certainly out there meeting a need.

I think that for the most part the motto of the department

is, "Educate rather than legislate." And we certainly try to do that in every way that we can, and it's been very, very well received. It's unfortunate when we have situations such as the First Investors and the Associated Investors situation is concerned. And we know that from time to time that there are unscrupulous individuals out there that will take advantage of consumers.

We heard last night, and I certainly agree with that fact, that there were salesmen for these particular companies that were giving misleading information to the consumers as they visited them. And we know that today that that's something that we have to face. It is reality. And I know that the members opposite should be well aware of the fact too, because from time to time we see cases where they use misleading information, whether it's closing hospitals in Assiniboia

\_Gravelbourg or talking about SaskPower or whatever the case might be.

So this is a fact of life, I guess, we have to deal with. We have people out there, such as yourselves in some cases, that do give misleading information, but we are doing as much as we can to ensure that consumers are fully warned about some of the practices that are going on and getting information out to them.

The unfortunate part, Mr. Chairman, is that sometimes the most vulnerable people are the hardest ones that we can get to as far as putting this information out. We know that seniors in some cases are very vulnerable, and it's very difficult to get information to all of them, but we are working through seniors' organizations and trying to establish a good working relationship with them so that they know what information we have available for them to help them out in whatever way we can.

**Ms. Smart:** — Mr. Chairman, just to put this on the record, it was the New Democratic government that set up the Department of Consumer and Commercial Affairs because of the concern to protect the consumers. We have an ageing population in Saskatchewan; the seniors are vulnerable to the fly-by-night salesmen that go across this province, as you yourself have said in newsletters. They need the protection of good government. It's obvious that you are not providing that. You will not come forward with legislation. You do not support legislation and having legislation in place with the enforcement necessary to see that people don't get hurt.

You're passing the buck. You have not strengthened the Department of Consumer Affairs. You have not raised the money for the consumers' association, and you are not listening to their recommendations. You are failing the people of Saskatchewan in terms of consumer protection, Mr. Minister, and that's the point I want to make. Thank you.

**Hon. Mr. Meiklejohn:** — Well, Mr. Chairman, the member is totally off base when she says that we're not improving what was started by the members opposite. We certainly have. We have a very good working relationship with the consumers' association, not as you're suggesting at all. We have a very good working relationship with them.

And we certainly feel very strongly that no matter how

much legislation you bring out, you're never, ever — you're never, ever going to be able to protect everybody. You just think that it's possible to pass laws and that everybody's going to be protected; you know, let the government look after everybody. Well it doesn't work that way. And we're certainly going to bring trade practices legislation in as soon as we can, but it won't be during this session.

**Mr. Calvert:** — Mr. Minister, I'd like to say how I view how it does work when you have legislation. What you need is a government that will enforce it's own legislation and follow its own laws. We obviously wouldn't be into this Principal Trust discussion today if that had been the case.

Mr. Minister, talking about consumer education and the consumers' association, as you know, consumer ... the provincial consumers' association and the national body are now looking carefully, as many of us are, at environmental concerns, recycling and so on. That was the theme of this year's meeting, as you know.

In regard to education being prepared by your department, are you now preparing consumer information regarding environmentally friendly products? Do you have some information and education being prepared in that regard, and how soon might we expect it?

**Hon. Mr. Meiklejohn:** — We're in the process of producing that information and I'm informed that it should be out first thing this fall.

Item 8 agreed to.

Item 9 agreed to.

Item 10 — Statutory.

Vote 4 agreed to.

**Supplementary Estimates 1989  
Consolidated Fund Budgetary Expenditure  
Consumer and Commercial Affairs  
Ordinary Expenditure — Vote 4**

Items 1 and 2 agreed to.

Vote 4 agreed to.

**Hon. Mr. Meiklejohn:** — Well firstly, Mr. Chairman, I would like to thank my officials from Consumer Affairs. I certainly feel that they're doing a very, very good job, and we are making a lot of progress with regard to consumer education in this province, and we're certainly going to continue on with that tradition. And I certainly want to thank them for all their support, not only during the estimates but also during the year. So thank you very much.

**Mr. Calvert:** — Mr. Chairman, let me add my own thanks to the officials of the department. Unfortunately I could not be in the House last night. I congratulate the officials for their work, and also all of the employees of the department across the province.

**Mr. Chairman:** — I'm sorry for my error for not thanking the officials.

**Consolidated Fund Budgetary Expenditure  
Saskatchewan Gaming Commission  
Ordinary Expenditure — Vote 58**

**Mr. Chairman:** — And I would now ask the minister to introduce his officials for the Gaming Commission.

**Hon. Mr. Meiklejohn:** — Well, Mr. Chairman, I'm pleased to introduce the officials from the Gaming Commission. Beside me is Dr. Bill MacRae, who is the chairman of the Gaming Commission. Immediately behind him is Ron Robinson, who is executive director of the commission. And behind me is Al Dwyer, who is the director of administration and human resources with Consumer Affairs but also has been very closely involved with the Gaming Commission.

**Item 1**

**Mr. Calvert:** — Mr. Minister, I hope in our discussions today we can clear up a number of questions which people all over the province are asking regarding your government's intentions in the gambling field, and very specifically about your intentions regarding the new charity tax.

Mr. Minister, earlier today I quoted from an article from the Saskatoon *Star-Phoenix*. I'll quote now from an article that appeared in the *Leader-Post* on February 23, 1989. This article says, and I quote:

Meiklejohn told a news conference Tuesday in Saskatoon that legislation will be introduced this spring to allow slot-machines, electronic bingo, and a range of other computerized gambling devices, all of which are legal under the Criminal Code only if operated by government.

Mr. Minister, I want to also read from an editorial which appeared in a Moose Jaw newspaper on Friday, February 24 of this year. That editorial reads:

The Minister of Consumer and Commercial Affairs, whose job includes supervision of gambling in the province, said his government will now introduce legislation to allow electronic gambling — slot-machines. Just nine months ago, this man's boss, the Premier himself, pronounced quite vigorously that slots will not be allowed in the province. The word "never" crept into his language when the Premier said there would be no gambling changes (no gambling changes). The Premier either misled us or another cabinet minister is laying his job on the line by dealing from less than a full deck.

Mr. Minister, what are your intentions regarding the introduction and the expansion of gambling in the province of Saskatchewan?

**Hon. Mr. Meiklejohn:** — Well, Mr. Chairman, the member touched on several issues. And let me point out firstly that it was not a news conference in the city of

Saskatoon where any comments were made with regard to electronic gaming. I was asked by a reporter with regard to the new casino that was going to be set up in Winnipeg, and he asked me if Saskatchewan was planning a similar facility.

And I indicated to him that we were not, but we would be introducing legislation in the spring session of this legislature, which we will be, which will include electronic gaming. I also had pointed out that electronic gaming which would be specifically electronic bingo and possibly keno.

The fact of the matter is that under the Criminal Code, electronic gaming also includes slot-machines. But I can assure the member opposite we are not including slot-machines in the legislation that we are going to be introducing.

(1115)

And as I said earlier, but I'll repeat again at this time, that this legislation is nearing completion now, and I would hope to be introducing it in the House either next week or the first part of the following week. But we will be looking at new ways of gaming.

Gambling is legal in this province now. I'm sure the member is well aware of that. Whether you're playing bingo or buying a lottery ticket, that's gambling, and it is totally legal.

The fact of the matter is that when you want to make some changes, such as electronic bingo, that you require legislation to do that because the government has to be involved. And it's not that it's anything great, other than it's a new way of playing an old game. So that will be included in the legislation, but I can assure you that slot-machines will not.

**Mr. Calvert:** — Mr. Minister, then I take it that you are saying to the House this morning that in your term of government, which may not last too much longer, but you are saying categorically that slot-machines will not be introduced in the province of Saskatchewan, either at Queensbury Downs, or Marquis Downs, or the Centre of the Arts, or at any location in the province of Saskatchewan. You are saying this morning that slot-machines, categorically, will not be introduced in Saskatchewan. Is that correct?

**Hon. Mr. Meiklejohn:** — Yes, that is correct, and I would point out again that the Criminal Code makes it very, very clear that the only way that any type of gambling of this nature can be operated in a province is if the government operates it. And that is not going to be included in this legislation, so it will not be possible for that to be introduced at Queensbury Downs, or any other casino in the province.

At the present time, the only ones that operate casinos in the province are the exhibition boards. They have the sole authority to do that. So we have about eight boards around the province which do have casinos, varying in time from maybe three days during their local fair to maybe 100 or 120 days in the larger cities of Saskatoon

and Regina.

**Mr. Calvert:** — Mr. Minister, we're going to talk about those casinos. We're going to talk about this whole range of issues, and yes, we're going to talk about the government ownership and operation of electronic bingo outlets.

But, Mr. Minister, I want to go back to your comments in February. I would submit that in fact, at that point in time, you were thinking of slot-machines, because for some unexplained reason it took you two full weeks, two full weeks to respond to these comments. And if those comments were clearly wrong, explain to this House why it took you two full weeks to then respond again to the press saying that you'd been misquoted? Why the two-week delay?

**Hon. Mr. Meiklejohn:** — Well I don't have any difficulty doing that whatsoever, and I did it with the media when I met with them at that time. And I indicated to them that my involvement with other duties at the time, plus the fact of the matter that I was out of the country for five days, certainly did not make it possible for me to do anything further with it at that time. And that was made quite clear at the time as to why it took so long. But there was never any indication . . . in fact, in discussing this with reporters or journalists on different occasions, they had gone back through the text and found that there was in fact no case where I had indicated that we were going to be having slot-machines.

**Mr. Calvert:** — Mr. Minister, you've assured the House now that there will not be slot-machines introduced into the province, but you've also indicated this morning that it is your intention to introduce legislation, and soon, that will permit electronic gambling, including electronic bingo and keno.

Mr. Minister, you've also indicated to the House this morning that because of the Criminal Code provisions, these electronic gambling experiences must be operated by government. Is it then your intention through the legislation which is to come, is it your intention that your government will be going into the bingo and keno business? Is it your intention that the Government of Saskatchewan will now begin to operate bingo halls and keno halls and the like?

**Hon. Mr. Meiklejohn:** — Well I would point out to the member that the Act or the Bill is going to be introduced in the House before too long, and we'll have debate on it at that time.

It's certainly not the intention of the government to be involved in operating bingo halls and keno set-ups, but we may have to be involved with regard to supervision in some cases.

**Mr. Calvert:** — Well, Mr. Minister, did you not say but moments ago in this House that the Criminal Code requires that electronic gambling be operated by government? Have you not said to the people of Saskatchewan over and over again . . . And this is not a misquote, Mr. Minister, this is your own letter which was published in weeklies around the province. You said in

your letter to the people of Saskatchewan:

We would be introducing legislation during the spring session which would enable (and I quote — enable) the government to operate (to operate) electronic gaming, specifically electric bingo and keno.

You're saying, on one hand, the Criminal Code says it must be the government that owns and operates. You're saying in your letters to the people of Saskatchewan and in other comments, the government will operate. Now a moment ago you're saying the government's not going to operate. Why, then, the legislation? If we're changing the legislation, who will be operating the electronic game?

**Hon. Mr. Meiklejohn:** — What we're going to be looking at is probably doing something similar to what they have done in B.C. with regard to electronic bingo. The Government of B.C. does not directly operate the electronic bingo, and they're doing this on a pilot project.

And if in fact we are going to go that route, and that will have to be a decision of cabinet — it's not automatic that it's going to happen — so if you're thinking that we're going to have electronic bingo going on in all the bingo halls around the province, that's totally inaccurate. We are going to have to look at a pilot project situation to see whether or not it is readily accepted here.

But as far as the province of British Columbia is concerned, they supervise the operation, but the government doesn't operate the bingo operation itself. They are simply there to supervise.

And with regard to the equipment, they may in fact own some of the equipment at that point, but we're not — you're talking about owning bingo halls — we're not going to be getting into that, such as the province of Manitoba has done. They've taken over the total operation of the main bingo halls in that province.

**Mr. Calvert:** — Mr. Minister, you and I are both aware that there's a body of legal opinion in British Columbia that suggests that in fact what is happening in British Columbia is in violation of the Criminal Code.

Mr. Minister, if you're saying that you are as a government not going to get into the operations of bingo, then what about your statement that is reported — and maybe this was a misquote too — but what about your statement in the *Star-Phoenix* article of February 22 where you said you believe that the provincial government has to look at such things as electronic games, including bingo and keno, to finance such services as health care.

Were you only talking about your charity tax or were you not in fact talking about the government getting into the business of gambling?

**Hon. Mr. Meiklejohn:** — Well you're actually getting into debate on the Bill, and I'm not going to continue debate on that. When the Bill is introduced in the House, then we'll have the debate.

But I would point out to you that we are going to be

involved . . . if in fact this is the route that we're going to go, we will be involved with regard to the supervision of these types of bingo operations.

**Mr. Calvert:** — Mr. Minister, we are here talking about the policy of your government; the policy of your department; the policy of you as minister; the policy which is going to be worked out in practice by the Gaming Commission. These questions I think are entirely appropriate in this forum. And I know, Mr. Minister, for a fact, there are people across this province that want to know precisely what you intend to do, and precisely what your policy direction is.

Mr. Minister, we are looking at an estimate for the Gaming Commission. On March 22 of this year your government created of the Gaming Commission, a Crown corporation. Mr. Minister, why, why did you take the Gaming Commission out of your department and create of it a Crown corporation? What's the rationale and reason for that?

**Hon. Mr. Meiklejohn:** — Well I'm sure as you're well aware, gaming in this province has become a very, very major industry. Probably this year we'll see in excess of 250 millions of dollars spent on gaming in the province, and that's through bingo and the casinos and the different lottery tickets and raffles and so on, so it is a very, very big industry.

It's something that we have acted on. The bingo inquiry which was held a couple of years ago, which indicated certainly that the government should be taking greater responsibility with the overall operation of gaming that was going on in the province and getting control of it, and doing some regulating of it — so that's the fact as to why the Gaming Commission has been set up.

We're dealing with a very, very large industry and with many, many different groups that are involved in it. We've got something in the neighbourhood of 4,200 different charitable organizations that are involved out there in the province of Saskatchewan. We've got the exhibition societies that are involved with the operations of the casinos. We've also got many raffles that are held throughout the course of a year.

So it is big business, and it's something that was felt that the Gaming Commission is an organization, or a corporation in this particular case, that is necessary to solely look after the operation of this particular industry. And this is very much the same as all the other provinces across the country are doing because of the growth in this particular industry.

**Mr. Calvert:** — Mr. Minister, in what you've just said you haven't given me one good reason why we now have a Crown corporation called the Gaming Commission. Of course we had a Gaming Commission; of course there should be a Gaming Commission.

But the work of that Gaming Commission, Mr. Minister, ought to be available for the scrutiny of this House. And you know, and I know, that as a Crown corporation that scrutiny is lost. The only possible way now the Gaming Commission will be reviewed is in the committee of

Crown corporations, and we'll only be reviewing the activities of the Gaming Commission a year or two years after the fact. Mr. Minister, what you have done is to create a corporation that removes legislative scrutiny over the Gaming Commission.

Mr. Minister, I submit that what in fact is going on here is that we're creating an independent body, a Crown corporation, at least at arm's length from the legislature, that will in fact allow your government to move directly into the operations of gambling in the province. I submit to you that's what's going on. We've seen, Mr. Minister . . . Perhaps you can explain this: why have we seen in two years more than doubling of the money, the funding to the Gaming Commission?

**Hon. Mr. Meiklejohn:** — Your concern about why we have to have a separate corporation, I've already indicated because of the size of the industry. It's also, of course, a prelude to the legislation that's being introduced that will give the corporation the authority to register and control the commercial halls, commercial bingo halls.

We haven't had that authority in the past. The only way that we had any control over the commercial bingo halls, if anything was going wrong, was to cancel . . . the only thing that we could do was to cancel the licences of all the charities that were utilizing that hall for raising funds.

That, we feel, is totally unfair. If a bingo hall operator is doing things that he shouldn't be, then there should be some other way of controlling the situation. And of course the only way you can do that if you have a separation situation such as we're into right now with a separate corporation.

The other thing also has to do, Mr. Chairman, with the legitimacy of collecting fees. That's another matter that has to be dealt with. Without having this particular corporation, you can't do that.

And another reason, of course, as I indicated earlier, if we are going to look at electronic gaming, that that's the only way it can be done, if you have a separate corporation.

**Mr. Calvert:** — Mr. Minister, you have gone from a funding to the Gaming Commission of \$400,000 in '87-88, to your budgeted amount this year of \$933,000. Mr. Minister, explain to me, explain to this House, how the Gaming Commission is consuming this much of public money, unless, Mr. Minister, you predict a broad expansion of gambling in the province of Saskatchewan. It seems to me the only feasible answer.

**Hon. Mr. Meiklejohn:** — Well I would just be happy to give the member the reason for the increase in the expenditures in this particular area. Keep in mind that the Gaming Commission was only formed on September 1, 1987. The staff, up until this point in time, has been 15.

Now to control an industry or regulate an industry of the nature that we've got in this province, it is impossible for that number of people to keep up with the daily work that is necessary, so the staff is being increased to 27 positions. These positions, largely, are going to be in the city of

Regina and in the city of Saskatoon, but with also satellites in Prince Albert and North Battleford. But it's just . . . if we're going to be able to regulate the industry, then we have to have more staff.

**An Hon. Member:** — And they'll be all Tories.

**Hon. Mr. Meiklejohn:** — And the member from Quill Lakes, he likes to get into his same old story about more Tories. You know, nobody had more jobs when the NDP were in power than the Koskie family. I don't think the member from Quill Lake has much room to talk about that because we aren't going to be probably hiring any Koskies in the Gaming Commission this time anyway. But that's the reason, Mr. Chairman, for the increase in the expenditures. But probably not hiring any Koskies.

**Mr. Calvert:** — Mr. Chairman, Mr. Minister, if you want to talk about patronage, we can be here a long, long time, I'll tell you that, Mr. Minister.

Mr. Minister, are you saying then this morning that the Gaming Commission will be the commission responsible to administer your charities tax? Is it going to be the job of the Gaming Commission to administer this 10 per cent charities tax that your Minister of Finance has levied.

**Hon. Mr. Meiklejohn:** — Yes, that is correct.

(1130)

**Mr. Calvert:** — So it will be the Gaming Commission who will be responsible for the collection of revenues. Is that accurate, Mr. Minister? You nod your head and indicate that's accurate.

Well then let us move into that whole area because there is a great deal of uncertainty in the province today about this charity tax that you've established, or proposed to establish, in just a matter of a couple of weeks now, come the first of July. And we've asked some of these questions of the Minister of Finance and can't seem to get a straight answer from him. He indicates that we should talk to you, so that's what we'll do today.

Mr. Minister, I just want to go through the list and ask individually regarding the various forms of gambling in the province. Mr. Minister, what is your proposal to apply the 10 per cent charity tax on the lottery tickets?

**Hon. Mr. Meiklejohn:** — Well, Mr. Chairman, I'm not going to be divulging those figures at this time. The Act that will legitimize the hospital tax will be introduced, I believe, next week, and the member certainly can ask his questions at that time and debate it at that time.

The only indication that I would give to him with regard to the hospital tax, and my involvement with it, is the fact that we did have several meetings around the province, meeting with charitable organizations. We met also with commercial hall operators and also with the exhibition association boards to discuss the implementation of this new tax, and this was met, I think, with very, very good favour.

No one argued with the concept. The concern that they

had was with the implementation of it, and that's why we were there was to seek their advice and the best way to implement it. And we had very, very good meetings and we had a lot of positive input from all of the different groups that we met with.

Once the Bill has been introduced in the House, which I think is going to be next week, then certainly, and only then, will all of this information be sent out.

I think all of the charitable organizations, certainly the ones we met with, are aware of somewhere of what's going to be happening. But once the Bill has been introduced, then every charitable organization will be contacted in the province. They will be given the indication as to how it's going to be working, and also there will be all kinds of information put out in the media.

**Mr. Calvert:** — Mr. Minister, there are groups in this province who are anxious this day to know what direction you're going to take in this tax. I can hardly believe that when we're this close to the date of effect, the date of effect intended to be July 1, that we're this close to the date of effect and that you have not got your act together yet to tell these people exactly how this tax is going to be administered. Mr. Minister, we're going to try and pursue this. This information is needed by groups and individuals in this province.

Then let us go at this way, Mr. Minister. Is it your intention then, in regard to the lottery ticket, to place a direct sales tax on the lottery tickets so that a dollar ticket would cost \$1.10 at the booth. Is that the plan?

**Hon. Mr. Meiklejohn:** — Well as I indicated to the member earlier, this information will be available once the Bill has been introduced. This is an Act that's put forward by the Department of Finance, not by the Gaming Commission. Our only involvement was the consultation meetings. So it is Finance that's in charge of this, so we're not going to be giving you any figures in that regard. We were involved at the consultation meetings and the best way to implement it.

Just one other point I would make is that I believe we met with in excess of 200 different groups around the province, and considering the fact that there are 4,200 charitable organizations out there, it certainly wasn't possible to meet with all of them. But this information will be going out in ample time for them to know. It certainly in most cases should not have any significant impact on the revenues that they're now getting.

**Mr. Calvert:** — Mr. Minister, there's a goodly number of charities in the province who do not share the view that you just expressed; that in fact this tax, this tax on charities, which is what it is, will in fact impact severely on some of them.

Mr. Minister, this is very difficult to deal with because the Minister of Finance says, when we asked these same questions, he says talk to the Minister of Consumer and Commercial Affairs. We get the Minister of Consumer and Commercial Affairs here, responsible to the Gaming Commission. You say, well we can't discuss that because it's the Department of Finance. Like, who over there

answers the questions? We're in essence two weeks from the implementation of this tax, and we can't seem to get any answers.

I want to ask a very specific question, Mr. Minister, in regard to casino operations in this province which, as you know, are operated legally by the exhibition boards. Mr. Minister, what is your intention, what is your intention regarding the casinos and the collection of the 10 per cent charity tax in the casinos?

**Hon. Mr. Meiklejohn:** — I would give the same response to the earlier question. Once the Bill has been introduced, I will be very happy to enter the debate with regard to how the different groups are going to be taxed. But I would point out that in many cases there is not going to be any significant difference on the charitable organizations, any impact at all, when the hospital tax has been introduced.

I just point out that the charitable organizations are getting much, much more money today as a result of the work that the Gaming Commission is doing than they were receiving even six months or a year ago. So there's been a very positive impact from that. And from the discussions that we had, and we pointed out with the charitable organizations and suggestions that they made, that in fact they could see that there was not going to be any impact the way this tax was going to be introduced. It's just maybe a change in adjusting the prize board or the prize package that's now being put out.

So there's not going to be a great concern. With that, Mr. Chairman, I know that the member from Quill Lake would like to ask leave to introduce some guests.

**Mr. Koskie:** — As the minister indicated, I would like to ask the indulgence of the House to introduce a group of students who are seated in the Speaker's gallery.

Leave granted.

## INTRODUCTION OF GUESTS

**Mr. Koskie:** — Thank you, Mr. Deputy Chairman. I want to take this opportunity to introduce through you, Mr. Chairman, and members of the House, to welcome, seated in the Speaker's gallery, some 70 students from grade 4 to 6 from Quill Lakes elementary school in Quill Lakes. Along with them their teacher Avis Parker, Ken Litzenburger, and Betty Lengyel; chaperons Liz Nahorniak, Paula Marshall, Mrs. McEwen, Gertrude Hoesgen; and bus drivers Glen and Mrs. Nordmarken, and Eugene Herback.

I just want to take this opportunity to welcome each and every one of you here. It's a real pleasure having so many of you come to the legislature and to have a visit. I hope you have a very enjoyable time during your trip here to Regina.

At the present time, what we're doing this morning, actually we sit from 10 o'clock until 1 o'clock so the members can get back to the constituency. And what we're doing now is examining estimates, what we call, and our critic is examining the minister who has his officials here in respect to the expenditures in his

department, and right now we're dealing with the Gaming Commission.

I welcome you here, and I ask members to join with me to welcome the students. I'll meet with you a little later for pictures and also for drinks. Thank you.

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

**Mr. Petersen:** — Mr. Chairman, I too would like to join the member who just spoke in welcoming the people in from the Quill Lake School. I don't think I could have done a better job of explaining to them what's going on here or of going through the list of people, so I shan't. I'd just like to welcome you here. Enjoy yourselves; have a good time, and I'm sure that the member will be able to answer all your questions. I'll come along.

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

**Hon. Mr. Meiklejohn:** — Mr. Chairman, it also gives me a great deal of pleasure to welcome the teachers and chaperons and students from Quill Lake, that being my home town. And some of the teachers up there I had the pleasure of working with for many years when I was with the Wadena School Division, and certainly I'm looking forward to going to Quill Lake tomorrow, as a matter of fact.

The Quill Lake Kinsmen Club will be celebrating their 40th anniversary this weekend, and I had the honour of being the president of that club when they had their 10th anniversary, so I'm looking forward to getting back to Quill Lake this weekend.

So I too, Mr. Chairman, would like to welcome the group that's here this morning. And I would point out with regard to the estimates that are going on now that you may have a little bit of difficulty understanding some of the questions that are being asked by the members opposite, but I can assure you that all of the answers are very clearly thought out and they're totally accurate.

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

## COMMITTEE OF FINANCE

### Consolidated Fund Budgetary Expenditure Saskatchewan Gaming Commission Ordinary Expenditure — Vote 58

#### Item 1 (continued)

**Mr. Calvert:** — Mr. Minister, we will let the students decide for themselves on the accuracy of your answers.

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

**Mr. Calvert:** — Mr. Minister, we're talking here about the operations of the casinos in this province, the operations which are conducted by the exhibition boards, and you and I both know how significant are those casino operations to the functioning of the exhibition boards on a year round basis, and to the financing of those exhibition boards and to all of the work that the exhibition boards are doing in many communities around the

province.

You have just said again, in this House, you refuse to discuss the detail of how the tax is to be collected in the casinos. Mr. Minister, have you in recent days been contacted by exhibition boards, or members thereof of boards concerned, concerned that what you in fact intend to do is to put a head tax on the casinos; in addition to the other tax levied, and perhaps an increase on that side, in addition to that, that it's your intention to put a head tax on the door at the casino? Have you been contacted with that concern, Mr. Minister, in recent days?

**Hon. Mr. Meiklejohn:** — Well, Mr. Chairman, in answer to the member's question, we had, I believe it was three meetings with the exhibition boards with regard to casinos. Whether or not I've had discussions with them in the last few days, yes, I discussed this matter in Saskatoon last Thursday with a couple of members of the Saskatoon exhibition board. And for the most part, I would agree with some of your earlier comments, that there were some organizations or groups that are opposed to the implementation of the hospital tax, but the majority of people are in favour of it.

The exhibition boards are certainly in some difficulty with regard to the charging of a head tax, or for people going in the door. But I think when we consider the fact that when people go to the horse races, that there is a charge when they go in the gate, I think it's \$2.50; people that go out — and some people look at the casinos as being a method of entertainment — it costs you, I think, in the neighbourhood of 7 or \$8 now to go to a show, so I don't think that when one considers the amount of money that is being spent in the casinos, that any type of head tax would not be readily accepted.

I would just point out to the member that for the month of May of this year, the month of May 1989, that nearly \$6 million was spent in casinos in this province — \$6 million. Now I don't think if you went out and asked the average citizen around the province whether or not any type of a head tax should be levied on people going into casinos to gamble would be out of line, I don't think that they would suggest that it is. That's a considerable amount of money.

Now the boards certainly are using those funds for very, very good projects. I know that here in the city of Regina, for example, that money that is earned from the casino is also used to help offset expenses from agribition and the farm progress show, and no one can argue that they're very involved with good projects.

But at the same, when a hospital tax or a tax of this nature is going to be introduced, I think the government has to consider it being implemented in the fairest way possible, and it has to be put right across the board covering all types of gaming.

**Mr. Calvert:** — Mr. Minister, I take it from your remarks what we're looking at is a head tax on casinos. Will that head tax be in addition to the fee that you now charge? And as I understand that fee being charged on the casinos, it currently stands at 7 per cent of the hold, minus the direct wages. That becomes the taxable amount of 7 per



cent.

Is it your intention, one, to raise that 7 per cent to a 10 per cent in addition to the head tax that clearly you've said to the House is on the way?

**Hon. Mr. Meiklejohn:** — Well I would suggest to the member that once the Bill is introduced next week by the Minister of Finance, then we can discuss the full details of it.

**Mr. Calvert:** — Well, Mr. Minister, you and I both know, at least I know and you should know, that in regard to the operations of the casinos — and, Mr. Minister, we're not simply talking about a Queensbury Downs operation, we're talking about casinos that exist with agricultural societies and exhibition boards in Swift Current, in Prince Albert, in the community of Yorkton, in the community of North Battleford, in the community of Estevan, and of course in my own community of Moose Jaw — you and I should both know that the upcoming season is the exhibition season. It's the fair days which are coming. These casinos are trying to plan for their fair days. These are very important days in the life of the exhibition board and particularly the casino funding. This is their — to compare with a retail outlet — this is their Christmas season.

Here we are, two weeks before the beginning of, essentially, their busiest season, they don't know what's going to happen. They don't know how to plan for this upcoming season. And, Mr. Minister, in talking to those people, they fear this head tax, and they fear the result that it's going to have on their operations, which therefore puts into question the viability of some of the exhibition boards in their overall work.

(1145)

Mr. Minister, two questions. Is it in fact true that your proposal for the charity tax, this 10 per cent tax on the casinos, is going to be used on a trial basis? Is that true? Is it true that it will be a trial basis for four months, and that at the end of that four months you may want to review and change what you've started? Is that true, Mr. Minister?

**Hon. Mr. Meiklejohn:** — There's been some indication given to the exhibition boards that this tax will be monitored very, very closely once it's been implemented, and if changes are necessary, if there is going to be a very severe impact on the revenues that they are taking in, that some changes may have to be made. But I would point out to you, and certainly we pointed this out to the groups that we've met with, that any suggestion that there is going to be a severe impact is pure speculation. Until it has been introduced and in operation for a while, no one knows whether or not there's going to be any impact.

**Mr. Calvert:** — Mr. Minister, then exactly my point, and I say this in all sincerity, you have just admitted to the House that no one knows — or you suggest that no one knows. The people most intimately involved with this business fear this tax; they fear the results of it on the casino operations and therefore on the viability of the exhibition boards.

You are introducing this proposal which you yourself admit may cause major problems. I ask you in all sincerity, Mr. Minister, will you consider a delay of the implementation of this tax until at least the fall season, when the summer fair season this year is past? Would you consider a delay of the implementation from July 1 until later this year?

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

**Hon. Mr. Meiklejohn:** — Well, in the first place, Mr. Chairman, it's not for me to delay the implementation of a tax; that's for the Minister of Finance. I have not said that there are not going to be severe repercussions in so far as the implementation of this tax — I have not said that at all. Maybe you have a crystal ball of some kind that you're looking into that's giving you this indication, but we don't know at this time if there is going to be a major problem as far as casinos are concerned. As I've indicated with other groups that we've met with, we certainly don't see any problem at all with the implementation of the tax.

**Mr. Calvert:** — Mr. Minister, I'm going to ask you once more. If it's not within your power to delay the implementation of this on the casinos, will you speak to the Minister of Finance, will you lobby on behalf of the casinos of this province to the exhibition boards, the agricultural societies — will you lobby on their behalf with your Minister of Finance for a delay?

And you might just want to talk to the member from Yorkton because there's an exhibition board in Yorkton and they're going to be affected. There's an exhibition board in Swift Current and they're going to be affected.

Mr. Minister, will you do that? Will you lobby for a change with your Minister of Finance, if that's who you need to talk to?

**Hon. Mr. Meiklejohn:** — Well are you suggesting that we should have two different standards then with regard to the exhibition boards and the operation of casinos in this province? Because it sounds like it to me. It sounds like it to me. Because you are forgetting the fact that some of the casinos in this province don't just operate in the summer, they operate in different seasons of the year. And how can you treat some of them any differently than you would others?

If you're going to suggest that we don't have the tax implemented for the summer but then put it on in the winter, is that going to be fair to those other casinos that operate in the winter season?

**Mr. Calvert:** — Mr. Minister, we haven't had an opportunity to talk about the tax that you're going to put on the bingo cards.

I understand that what's going to happen is it's going to be built into the price of the card. So we're going to have a dollar card — 91 cents of the card will be the purchase, and 9 cents will be the tax. That's 9 cents straight out of the charities' revenues — 9 cents straight out of the charities' revenues — unless, as you suggest, they lower the prize board. And many of the groups that I've been in contact with fear lowering the prize board, and you know

what that will mean.

There's concern with the lottery funding that goes to Sask Sport, that with your tax in fact there may be a reduction in lottery business.

Mr. Minister, there are charities at work in the province today, volunteers at work, simply because your government has so cut back on social programming in this province that there is no option. Mr. Minister, there are food banks in this province who necessarily must go to the bingo hall to raise funds for their operations. They don't want to be there. They don't want to be there.

There are hospitals in this province that are running lotteries — lotteries — to provide basic fundamental equipment in our hospitals. Now why is that, Mr. Minister? Because your government has cut back funding in health care.

Now these volunteers, these charities, are out there working. The exhibition boards are out there working to provide facilities for our communities, and I can testify to that from the city of Moose Jaw, and other members could as well. They're out there giving of their time and their lives, their volunteer hours. And you, Mr. Minister, want to tax that. You want to tax that. Now I fail to see how that can be described as fair to the charities of this province.

Mr. Minister, I have one further question in this area, and that regards your proposal to go to one distributor for bingo. Let me phrase three questions here, or two at least.

Mr. Minister, how many jobs do you expect will be lost in the province of Saskatchewan when you go from the small distributors to one large distributor? How many jobs do you expect will be lost? And two, what problems have existed up till now that would lead you to move in this direction?

**Hon. Mr. Meiklejohn:** — Well with regard to the bingo, again you're giving statements that are really not based on any fact whatsoever. You're talking about our government cut-backs in health spending. We have increased health spending substantially.

You've got many charitable organizations that have been around this province which you don't seem to be aware of, but I'm sure there are a few of them over in Moose Jaw, in the same way that there are in every other community in this province, that have been raising money for very worthwhile projects using very varied methods.

I would point out to you that during the last year that these charitable organizations have raised in the neighbourhood of \$40 million through the different types of gaming that we find in this province.

You're trying to suggest that those that are going to the bingo halls and raising money through that method, that the tax is cutting into their revenues. And that's totally inaccurate, totally inaccurate. I would point out to you that before the Gaming Commission came into being that the charities that were going into bingo halls were getting in the neighbourhood of 9 per cent — 9 per cent. Now they're getting about 18 per cent — 18 per cent because

of the work of the Gaming Commission.

We don't see that when the tax comes in that they're going to be receiving too much different from that. So for you to stand in your place and suggest that they're going to be receiving a lot less money than they're getting now is just totally accurate. It's because of the Gaming Commission and the regulations and the monitoring that they are doing that the operations are being operated in a much more efficient manner, and the charities are getting a lot more money than they were before.

With regard to your question about paper distribution, there's no decision that has been made on that. But one of the problems that we have out there is the fact that to get control of the major bingo halls we are going to have to look at having some control over the paper distribution.

No decision has been made yet as to how many companies are going to be involved. I think we have two companies in the province now that are involved with the production of bingo paper — only two. And we're not sure at this particular point in time whether or not those two companies will not still be providing it.

But we are going to be setting some specifications and guide-lines as to what that paper must meet — the specifications the paper must meet. Because we are concerned about the security of the bingo. We are concerned about everything being fair in so far as the player is concerned and also in so far as the charitable organization is concerned.

So no decision has been made in that particular area and we certainly would not see that there's going to be any loss of jobs. I don't know where you're getting that idea from.

**Mr. Calvert:** — Well the idea simply is this, Mr. Minister. If you shut down a number of small distributors in order to go to one distributor who may or may not be in the province, we are going to see some job loss in this province. That's where I get the idea, and that's what's going to happen if you persist.

Mr. Minister, in our discussion this morning I have heard nothing that allays my fear that it is your intention as minister, as Gaming Commission, and as a government, to move into the operations of electronic gambling in this province. And if you move into those operations, if you move into those operations, you're going to be in direct competition to the charities.

Charities across this province are indicating that they fear this tax that you're going to put on them. They fear what's going to happen to their fund-raising potential. The casinos across this province are desperately afraid of this tax.

I've asked you this morning, Mr. Minister, if you would consider delay in implementation, delay in implementation of the entire tax until you get your proposals out there on how indeed you intend to collect it, delay it until people have had a chance to look at the specific proposals, then come back and we can debate it some more.

Mr. Minister, will you do that? Will you delay the entire package, in consultation with your cabinet and the Minister of Finance, delay the entire package until those affected know the specifics and have a chance to respond?

**Hon. Mr. Meiklejohn:** — Well, Mr. Chairman, in so far as a delay is concerned, the only delay would be as a result of the 17-day strike that the members opposite had in this House, because the plan all along has been that this tax would be implemented on July 1.

Now the Act is going to be introduced probably next week, and considering the fact as to when this is passed, that's going to determine when this is going to in fact go into effect. At the present time we're still planning on implementing this new tax on July 1; we do not see any change with that. And we're going to continue with that unless there is some delay in getting the Bill passed. Other than that, everything is going to go ahead.

You talk about the small distributors of bingo paper. I would point out to you that right now, those bingos where they . . . or charities where they only have one or two bingos a month and the total prize board is less than a thousand dollars, they're not going to be affected. They're not affected now by the 2 per cent fee that the Gaming Commission charges.

So we're only talking about those ones that are distributing the paper to the large commercial halls. And I think right now in the province of Saskatchewan we've only got three companies that are doing that.

Item 1 agreed to.

Vote 58 agreed to.

**Mr. Chairman:** — I would like to thank the minister and his officials for their promptness in responding to the questions.

**Hon. Mr. Meiklejohn:** — Mr. Chairman, I too would like to thank my officials for their support. They've done a tremendous amount of work during the last year in bringing forward new policy and getting these regulations in place. It is a major challenge; there's no doubt about that.

And I appreciate the member opposite raising the questions that he has, because we're certainly wanting to ensure that the Gaming Commission is going to operate effectively and efficiently. We are controlling a very major industry in this province where there have been a lot of concerns, and I certainly commend my officials for the work that they're doing.

**Mr. Calvert:** — Mr. Chairman, I want to also thank the officials of the Gaming Commission for their work on behalf of the province, and I would encourage them to remain a conduit from those groups that they're meeting, to the minister. Please keep that communication happening.

So thank you, Mr. Minister, and your officials.

The committee reported progress.

(1200)

## ADJOURNED DEBATES

### SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Hodgins that **Bill No. 2 — An Act respecting Railways in Saskatchewan** be now read a second time.

**Mr. Upshall:** — Thank you, Mr. Speaker. Mr. Speaker, today I would like to outline to the House, from my perspective, some of the problems with this Bill. We have seen the government leaning towards their privatization agenda in the past and continuing to do so. This Bill continues that process to a large degree.

What this Bill does basically is makes possible the operation of a railroad in Saskatchewan, a private railroad. That was possible before, but the difference is that now the responsibility is transferred from the legislature to the executive branch of government. What we have is a loss of the accountability to the public, and disclosure to the public of exactly what's taking place.

In the past, the legislation, in order to have a private Bill put forward, which was necessary in order to establish a private railroad, you'd have to give notice of the private Bill, file it with the Clerk in this Assembly. You would have to publish it in two consecutive issues of the **Gazette**. You'd have to have four consecutive issues of the newspaper published and having circulated in the local area of concern. Then the private Bill would be examined by a (Standing) Committee on Private Members' Bills and then examined again a second time after second reading.

So this process of accountability would be gone through. The people in those areas would know what was happening. Then the committee would report to the Assembly for the consideration in Committee of the Whole. Also, you would have to register the private Bill, which would be a registry kept in the Clerk's office with the names and the particulars of the persons applying for the Bill which is open to public scrutiny, which is very important.

These are very important provisions for public disclosure and accountability, because through this process in the old Act, people would have to come before this legislature and have the issue debated. They would have to publicly publish it in their local papers in the areas of concern.

Under this new provision in the new Act, that provision is totally removed. Therefore we can have a situation where a short-line railway could be established in an area without any input from those people in the local area, without any debate in this legislature, and without basically any scrutiny from anywhere. A transaction could take place before anybody knew about it. And with the history and record of this government regarding patronage, regarding giving sweetheart deals to their Tory

friends, I think that is a very dangerous step to make.

I believe any provision for setting up a short-line railroad in this province should be debated in this legislature, should be accountable to the people in that local area, so that they can have input as to whether that was a good project or not. But now the cabinet can make that decision, the minister.

I would like also to say, Mr. Speaker, that this Bill is a totally inadequate response to the problem of rail line abandonment. In Canada now we are seeing where the federal government is continually cutting back the number of dollars that they're putting into western Canada.

We see the railroads, who have been paid for a subsidy on every line of branch line, not use that subsidy to improve that branch line, let that branch line be run into the ground, run into the ground so far that the elevator companies then have to make a decision as to whether or not it is viable for them to put money into their elevator on that branch line. Is that the response? Is this the government's response to a failing branch-line system in Saskatchewan?

They should be up and down in Ottawa, hammering at the federal government to say, look, we need a national rail transportation system in Saskatchewan that is going to produce the movement of grain from the farm to the port, a high quality system that is there for the benefit of the farmer.

But this government, nor the government in Ottawa, has given the commitment to Saskatchewan farmers that they were going to make sure that the CNR (Canadian National Railway) and CPR (Canadian Pacific Railway) used the money that was given to them by the taxpayers of this province to maintain and upgrade lines — an agreement that is there, that they use this money to upgrade lines — given to them, and they haven't been doing it.

So how does this government respond? They think the answer is to allow short-line railways to be established in Saskatchewan. But what does that do? That simply transfers the burden from the federal government down through the provincial government onto the taxpayers of Saskatchewan — the taxpayers of Saskatchewan, the farmers in a land-locked province that so critically rely on a transportation system to move their product to market so that they can earn a living. But not just them alone.

This product is basically . . . this grain in this province is basically an export product and it benefits every living person in Canada. It's a resource. Whenever that grain goes outside the country, that's new money coming into this province and to this country. In fact, a few years back, grain exports constituted about two-thirds of the balance of trade. And this transportation company, CNCP (Canadian National and Canadian Pacific), were given taxpayers' money to make sure that that precious commodity could get through the elevator, along the railroad to export, to port.

But what has happened? Through a government who

turned a blind eye to the upgrading of many of these tracks, many of these branch lines, because the whole initiative was to call . . . so-called rationalize the system. We're going to rationalize this grain handling system. And normally that would mean improve it to such a degree that would be beneficial to all those people who were using it. A rational system, cost effective.

But what it has meant is that the farmers in this province have seen, slowly, little by little, the rail lines deteriorating, the rail lines being . . . the elevator companies not upgrading elevators, and eventually the rail line being abandoned. It's the same process that we've gone through time and time again in this country on this transportation issue.

And I say that this Bill is not a proper response to what we need in Saskatchewan, and that is a good transportation system, a national transportation plan to ensure that that resource of grain gets to market — benefits the taxpayers, benefits the farmers, and benefits all those people who have built towns around that elevator, communities, all the services.

But this Bill takes the burden off the federal government, as I said, and puts it on the taxpayers of Saskatchewan. Because the question that is being asked by many people is what is the viability of a short-line railroad? Will these railroads be profitable? Will they be profitable enough to make sure that there are elevators along those lines to move that grain to market? And that question . . . I think the answer to that question is no, simply because the amount of money that is needed to run that short-line operation will only be there if the farmers fork over a lot of money to move that grain.

And it all fits into the whole procedure that we have gone through of deregulating the system. First of all, changing of the Crow rate; secondly, implementing variable rates; and now with the variable rate structure process being gone through, we can have a short-line railway, and what will the rules be? Will the principle of equal rates for equal distance be maintained? I would say no.

And this is just the opening of the door to allow this. I know the Bill is intended to help move coal for Manalta — and I'll get into that issue in a moment — but what we have to be concerned about is the financial viability of short-line railroads.

Let's take it to an extreme for a minute. If someone, if a grain company — Cargill, Bunge, Continental, anyone — if they fronted or directly bought themselves a short-line railway, they could essentially control all the movement of grain from that location. They would have all their elevators on that track because no one knows what the rules are. And for any other company to put an elevator along that track would be a very major decision for them because the movement of that grain would be controlled by the person who owned the railroad. I mean, I'm taking this to an extreme, but we have to look down the road.

Unfortunately, this government doesn't appear to be looking down the road in the interests of farmers to making sure we have a national rail transportation system to benefit them. They seem to be looking down the road

for their big-business friends to ensure a profit, on the backs of the farmers, to those people.

Mr. Speaker, I think what's happening here is we're putting again the taxpayers' dollars at risk. It's not simply to do with farmers, it's not simply to do with the rural communities, but it's to do with the management of the funds of this province. This government is now going to be guaranteeing loans apparently in a process of setting up a short-line railroad — taxpayers' dollars. Why is it necessary for Saskatchewan to go through the process of guaranteeing loans in order for someone to buy a short-line railroad? That is totally ludicrous.

It is a national responsibility and this government should be down in Ottawa telling Brian Mulroney that it is your responsibility to provide a rail system in Canada that's suitable and accessible and equal rate for equal distance, to all those farmers in this province. But what are they doing? They're saying, well, can't do that; we'll just put it on the back of the Saskatchewan taxpayers — rolling over the taxpayers' dollar again as we have seen in so many cases, to big-business interests, the friends of the Tory government.

And this, Mr. Speaker, as I said earlier, falls in line totally with this government's blind-eyed initiative to privatization. Privatization, deregulation, let the chips fall where they may, and the only people that suffer are those poor taxpayers out there who have to fork over dollars year after year in order to have this Tory government go on their spending binges. And that's the problem.

Instead of standing up for a national system that is acknowledged by everyone that is needed, they succumb to the pressures of the federal government because the federal government are trying to get out of spending money. And then the provincial government will just transfer that right onto the backs of the farmers.

Privatization of railroads in this country — we've been there, Mr. Speaker. It didn't work. We've gone through that process. And this forward-looking government wants to go so far forward, they're back to where they started again.

The same way with everything else that they're doing in agriculture, whether it be the Canadian Wheat Board, the deregulation of trucking, grain freight rates. They want to go forward to history. And that's the problem.

We've been through the short-line railway; we found it didn't work in Saskatchewan . . . or in western Canada, because it's such a large area. We found that rail service, steel on steel, is the most cost efficient way of moving product. And what have they done? They're moving it into the trucking industry. They deregulated the trucking industry because the trucking industry was supposedly, they said, telling them that they could compete with these railroads. They can compete with these railroads. I don't think it was the total trucking industry, I think it was those few people who were trying to influence government, those big operators.

And now what's happened . . . (inaudible interjection) . . . the member says I'm trying to attack the trucking industry. In the trucking industry's own words, not a week ago, they were saying, deregulation is going to be the downfall of their industry because everything is thrown wide open. And what's happening is there was a number of small operators who got into trucking, but now they're finding that they cannot continue because the profit isn't there. And so what happens? Those small operators are falling off and the large trucking firms are taking over.

And what does that do for anyone in Saskatchewan? What does that do for anyone in Saskatchewan? It is a proven fact that moving grain by rail is the most cost efficient, as I said earlier. Everyone knows that. It is a proven fact, and history shows us that short-line railways did not work in here, so we went to a national system, with some foresight from the people who were elected in years gone by in this country. And they want to go back to that.

Mr. Speaker, this system . . . this government rather, cannot work in the normal system, it seems. Why do they want to tear things apart? Why do we not want to go and make our case saying, the best way to do things in Saskatchewan is to have a national rail network to move product to market. They're not doing that.

This Bill, Mr. Speaker, will also put elevator companies in a position where they have to decide whether or not they are going to put an elevator on that track. What's happening now, as I said, the branch lines are going downhill; they're not being upgraded. But when it comes to a short-line, if a private company has a short-line railroad, if viability is tenuous, then what decision will that elevator company make to establish an elevator or upgrade an elevator on that track? I would say there wouldn't be much incentive to do that.

And so what is the next step? What is the next step that will be if the elevator companies don't want to put their money into the elevators to maintain that facility to move the grain? The next step that was started a few years ago by the government . . . I hate to give them credit for having a master plan, but it almost appears that way. Unfortunately, the master plan doesn't work for farmers; it works for other people in the industry. They started to promote producer cars.

So what's going to happen is that if the elevator companies say that this, the life of this railway may not be more than 10 years or five or whatever it may be, so they don't put money in. Then they're going to be . . . the rail company, in order to maintain movement on that line, will be pushing harder and harder for more and more producer cars.

And what is that? It's forward to history again. Because we've been through that system, the deregulated system where there was no allocation of cars and no orderly movement of grain. And it didn't work. So what did our forefathers do? They developed the Canadian Wheat Board and they developed a process of allocating cars to different areas based on their volume over a period of time.

But here we go forward to history. It just doesn't work. So I ask: what is the motive? Why would a government not be going in the other direction, trying to improve a rail system? In other countries of the world, the rail systems are very, very adequate. They're moving grain and people and other things at high speeds for profit because it's a system in which the government has some ideas, the idea being that they can move people if the system is efficient, and a product very easily and quickly. But you have to have that vision in mind before you will do something like that. And the powers of this country that control this Tory party do not have that vision so, therefore, the parties do not have that vision. They think that big business is the way to go. The profit motive is all we have to worry about. And it's destroying this province.

What this Bill does also, it's another favour to Manalta Coal. I mean, it wasn't just good enough to give them all the coalfields down there and let them run the operation for their profit, where we could be keeping the profit, controlling our resource, no we had to give them a sweetheart deal and give it away to them. That wasn't good enough. Now we're going to have a system of guaranteed loans and everything — another deal for Manalta.

I guess that's the motive — big business. Just keep pumping money into Manalta Coal because they're going to do it for this province; they're going to create the jobs; they're going to maintain our resource and manage that resource for the best interests of the people of Saskatchewan. Joke.

Mr. Speaker, this Bill does one other thing. It improves the existing legislation in terms of safety and standards, and I agree with that, because it's always important that safety regulations and standards be improved. But fudged in with that little section are all the negatives that I have just pointed out, the negatives of being able to establish a rail system without any consultation, without anybody knowing about it — no debate in the legislature, no debate in the community, patronage to big business.

For the reason that we need a central national rail system to move product to market for our farmers, very cost efficiently, a system that if upgraded as it should have been with the money that was given to them, would today be a top-notch system.

For the reason that we do not want to go forward to history. We have been through, as I said, in three cases: deregulation, the allocation of cars, Canadian Wheat Board, short-line railway — we've been there before. We do not have to repeat. You should always learn by your history and not make the same mistakes, but this government and the government in Ottawa are headlong into privatization — which is another good reason to stay away from this — are headlong into the control of big business corporations for the profit motive and are turning a blind eye to the people of this province. And we've seen it in many, many other instances, from scandals to patronage to just total incompetency, waste, and mismanagement of our funds.

And they always talk about, oh the farm community this, the farm community that, we're going to be the saviours

of the farm community. Well, Mr. Speaker, if they're the saviours of the farm community, why do we have \$6.5 billion debt? Why do we have foreclosure actions taking place? And I had to smile to myself when I read the Premier's comments on a Bill that will be coming up, because people in this province are not being supported by this government; they're only being supported verbally. They are not being supported with long-term measures.

This government's not supporting stability. Oh rhetoric says yes, yes, we're going to stabilize, we're going to help you out. And this is just another example of them not providing that stability that's so necessary in this province — deregulated systems, different rules for different people, different costs for different areas. That is simply not acceptable, Mr. Speaker.

If this government wanted to fix the old Act with regards to safety requirements and standards, that's fine; they can do that. But by putting all these other components in, Mr. Speaker, I simply cannot accept that Bill, because it is not a Bill that looks forward to . . . that the farmers can look forward to to have a more stable system. It's just another little chip away from stability.

So, Mr. Speaker, for those reasons, I will not be able to support the Bill, and I would just hope that the government would rethink this. Improve the safety requirements and standards — that's fine — but please, for the sake of the people of this province, get rid of your privatization mode, get rid of your backward-looking policies and ideas; and for once, instead of rhetoric, do something that provides stability. Support a national rail system; support a national marketing system for grain to the Canadian Wheat Board; support equal rates for equal distances. And by doing that, you'd be supporting the farmers of Saskatchewan.

But by Bills like this, another little chink in the armour, less stability and more headaches for farm communities. Thank you, Mr. Speaker.

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

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

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Schmidt that **Bill No. 7 — An Act respecting the Protection of Children and the Provision of Support Services to Families** be now read a second time.

**Mr. Prebble:** — Well, Mr. Speaker, it's my pleasure to enter into the debate on this very important piece of legislation that has been a long time coming in the province of Saskatchewan. It's some 17 years now since there was a major revamping of The Family Services Act in this province. And, Mr. Speaker, in light of that, members on this side of the House certainly don't question the need for a new Bill.

We certainly have some very serious reservations about a few of the provisions in this Bill. But I think our most serious reservation of all is that the Government of

Saskatchewan, the PC government, simply don't have the resources in place in the Department of Social Services, nor have they given the resources to community based organizations to let this piece of legislation be effectively implemented even after it's passed.

What I'm saying in short, Mr. Speaker, is that this Bill won't work. It won't do the job that it's supposed to do in terms of protecting children and supporting families in the province of Saskatchewan, because the resources aren't in place either in the department or funded by the government in the community to let the Bill work. And that is perhaps its most serious shortfall of all.

Now, Mr. Speaker, we've seen a government that in the last three years since being re-elected in 1986 has chosen to severely cut back support to community based organizations that are providing family services. Those cuts have been particularly severe in the larger cities of the province and, in effect, organizations that are in the family support business have found their budgets effectively frozen in the smaller cities and rural centres of the province.

And, Mr. Speaker, I want to just comment briefly on what some of those cuts have been. For instance, the mobile crisis intervention services, which are one of the most central elements in any plan of protection of children who are at risk. They found that their budgets by this government were cut some 20 per cent in 1987, Mr. Speaker. Those organizations have simply found that they're no longer, in some cases, even able to offer the 24-hour service which they are mandated to do because the budget cuts have been so severe, and they've in many cases had to lay off staff.

And, Mr. Speaker, we see in this year's budget that in addition to the cuts that many family support agencies experienced in 1987, there is another cut in the category of the budget that is referred to as grants to family service organizations — a cut, Mr. Speaker, in excess of \$800,000 between the 1988 budget and the 1989 budget.

So once again, Mr. Speaker, we have a government that talks about supporting families on the one hand, and then turns around and implements a cut of almost a million dollars out of what was a \$7.5 million budget in 1988, a cut of another almost a million dollars to the organizations in this province that are providing support services to families in crisis in the province of Saskatchewan.

And, Mr. Speaker, I think that that demonstrates that this government is really not committed to supporting families in crisis and it's an example of why this family services Act simply is not going to work in practical terms. Because the provisions of this Bill, if they were to be implemented, would require more support services in the community, and more family services in the department. And in effect what you're doing in this budget is cutting back those services even further.

(1230)

Now, Mr. Speaker, I want to comment on what we

believe on this side of the House the priorities of the government should be in this family services Act. And I believe, Mr. Speaker, that the first priority should be on providing preventative services to families. By this, Mr. Speaker, I mean things like expanding the parent aid program in the province of Saskatchewan to parents and families who are believed to be at risk, who need help, counselling, practical advice with respect to home skills.

In the areas of Saskatchewan that have the opportunity to take advantage of that program, it's been a very important preventative program in terms of avoiding the sort of situations where families are at risk, where without support there may well be a breakdown of the family, where there may be the risk of a child having to be apprehended, where there may be some risk with respect to violence in the home.

The parent aid program serves many families that are not at risk like that, but it also serves some families that are at risk like that, Mr. Speaker, and there are many parts of Saskatchewan that don't have a parent aid program.

This government would do well to expand that program to all parts of Saskatchewan and to expand it in urban centres where there's a waiting list for service from parent aids. Mr. Speaker, the kind of human savings in terms of avoiding child apprehensions and in terms of avoiding violent situations in the home, that that kind of a program, if it was expanded, would prevent, would be well worth the investment, and in fact, Mr. Speaker, would save the taxpayers of this program a good deal of money. And yet, Mr. Speaker, it's the kind of program that this government has chosen not to make a priority in terms of expanding. So the first thing, Mr. Speaker, that we need is an expansion in preventative programs.

The second thing that we need, Mr. Speaker, is a beefing up of protection services, child protection services in this province, so that we can have early identification of cases where if there isn't early intervention there may be a need for child apprehension. But by having early intervention, child apprehension can be avoided and the problem within the family can be resolved without having to remove the child from the family.

But this government, Mr. Speaker, has chosen to cut back on child protection officer positions. Often when those positions become vacant it waits for months before it fills them, Mr. Speaker. And the result is that child protection officers are so overworked that they're not able to engage in early identification of problem situations and engage in a process of resolving those problem situations. Rather, they're constantly moving from dealing with one family crisis to another.

And third, Mr. Speaker, we obviously need more foster homes and more group homes in this province, so that children are not kept in dangerous situations because of a shortage of services in the province of Saskatchewan.

Mr. Speaker, I often hear of cases, as the critic for Social Services, where children are not apprehended even though in the judgement of the child protection officer, apprehension, at least on a very temporary basis, is warranted, because there's nowhere to place that child.

And that, Mr. Speaker, is a very unfortunate situation and a very dangerous situation for the children involved, that the people of Saskatchewan should not tolerate.

Now, Mr. Speaker, that brings me to one of my fundamental concerns with respect to this piece of legislation, and that is with respect to the provisions in sections 5 and 6 of the Bill, which I will not refer specifically to, Mr. Speaker, except to say that they make the provision of family services in this province optional.

Those sections of the Bill, Mr. Speaker, which I think are very fundamental, say that the Minister of Social Services may provide family services to people in need in the province of Saskatchewan. And, Mr. Speaker, given this government's decision to consistently cut back on grants to organizations that provide family services in this province . . .

**The Speaker:** — Order. Why is the member on his feet?

**Mr. Wolfe:** — I ask leave of the Assembly to introduce some guests.

Leave granted.

### INTRODUCTION OF GUESTS

**Mr. Wolfe:** — Mr. Speaker, on behalf of my seat mate and friend, the member from Shaunavon, I'd like to introduce to you, and through you to all members of the Legislative Assembly, some visitors from McCord School. They're grades 6, 7, and 8 students. Accompanying them are Hazel Blake, Leah Nogue, Verna Hiltz, and Jean Clermont. I ask all members of the Legislative Assembly to welcome my guests.

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

**Mr. Wolfe:** — I will meet with them shortly for a picture and some drinks. Thank you, Mr. Speaker.

### ADJOURNED DEBATES

#### SECOND READINGS

##### Bill No. 7 (continued)

**Mr. Prebble:** — Thank you very much, Mr. Speaker. I'd like to, on behalf of the official opposition, add our words of welcome to the guests in the gallery. It's very nice to have you here this morning.

Mr. Speaker, as I was saying, one of our fundamental concerns about the family services Act that we're currently debating is that this Act makes it optional as to whether or not the Minister of Social Services will offer family services in the province of Saskatchewan. And, Mr. Speaker, given this government's record of cut-backs to family services in this province, it is very clear that making this provision of family services an optional matter is no longer acceptable.

Mr. Speaker, we will be bringing forward an amendment to sections 5 and 6 of the Bill when it goes to committee, stating that the Minister of Social Services shall offer

family services to people in need in the province of Saskatchewan, Mr. Speaker. It's time to make the provision of family services in this province an obligatory matter for the Minister of Social Services and not something that he does at his whim, Mr. Speaker. And members on this side of the House feel very strongly about that matter.

Mr. Speaker, there's a good reason why we cannot continue to make the provision of family services an optional matter for the minister, and that is, Mr. Speaker, because at every turn this minister has failed the people of Saskatchewan when it comes to the provision of family services.

You take, Mr. Speaker, the . . . if you look, for instance, at transition houses in this province, you look at centres like Saskatoon or La Ronge that are regularly having to turn away women and children who have been abused and who come to the transition house in a city like the one that I represent in Saskatoon, and find that the transition house is so badly underfunded that there is no space in the transition house for the women and children who have been abused.

And they have to be turned away; they're placed in a motel. In some cases they return to their family home where abuse has taken place. It's clearly an intolerable situation which the Minister of Social Services has now, ever since he's held the post, done nothing to correct, Mr. Speaker.

We have seen a situation in La Ronge that is very similar. We see, Mr. Speaker, that the family service bureaus in the province of Saskatchewan, which offer counselling services to families in crisis, they have a waiting list, Mr. Speaker, in excess of a month. You take Catholic Family Service (Society) bureau, or the Protestant Family Service Bureau in the city of Regina, it is not uncommon at all, Mr. Speaker, for a family in crisis to have to wait five or six weeks to get to see a counsellor at a family services bureau in the city of Regina, Mr. Speaker.

Now when you're in crisis you can't afford to wait five or six weeks to get in to see a counsellor. And, Mr. Speaker, that results directly from the Minister of Social Services' decision to underfund counselling services at the Family Service Bureau.

Now, Mr. Speaker, the transition houses and the family service bureaus of this province are central to the effective operation of this family services Act. If they can't do their job, then this legislation is not going to work, Mr. Speaker, and it is clear now that the Minister of Social Services, after three years at the job, is not willing to fund them accurately.

And therefore, Mr. Speaker, I say that one of the basic changes that is needed to this Bill is a provision that makes the provision of family services in the province of Saskatchewan to those in need, a mandatory provision, Mr. Speaker, and not one that depends on the whim and the good will of the Minister of Social Services.

Now, Mr. Speaker, I want to give some other examples of the kind of cuts in services that clearly need to be



corrected. And, Mr. Speaker, I mentioned earlier the shortage of child protection officers in the province of Saskatchewan. Mr. Speaker, I say that this matter has become so serious — so serious — that often child protection officers are unable to follow up on calls that they receive about a matter of family violence where an investigation is immediately required.

I have people telling me around the province, Mr. Speaker, that it is not uncommon for them to phone into the Department of Social Services to complain about a situation in which a child is being abused, and to not get a call back from a child protection officer for several hours. Can you imagine that, Mr. Speaker. That's outrageous that someone should call in reporting a matter of family violence, and find that they don't get a return call for several hours. That is an absolutely unacceptable situation, Mr. Speaker, and it reflects the fact that the Department of Social Services is chronically understaffed in this very, very important area.

Mr. Speaker, it is very unacceptable, when we have a situation where often child protection officers feel that they can't apprehend a child who is in danger and needs to be temporarily removed from the home, because there's a shortage of foster homes to place that child. And yet that's precisely the situation we have in some regions of this province right now, Mr. Speaker.

I wonder how the staff in the Department of Social Services in locations, for instance, like Fort Qu'Appelle in this province, where there are only two family service workers in that regional office, Mr. Speaker, how are they going to deal with the provisions in this Bill which require that in the event that a child is apprehended, that the case of that child and whether or not the apprehension should continue is to be placed before a family review panel within seven days, as this Bill requires, Mr. Speaker.

That provision in the Bill is a very good provision, Mr. Speaker, but it'll never be implemented by this government because they don't have the staff in the regional offices to get cases of child apprehension before a family review panel within seven days.

What this Bill does, Mr. Speaker, is it adds again and again to the work of the staff in the regional offices, but there aren't the staff in the regional offices to do the job. So the Bill simply won't be implemented, Mr. Speaker, unless there's a major change in the funding policies of this government when it comes to social services.

Now, Mr. Speaker, there is another provision of the Bill that would be very good if the family services were in place but that won't work, and I want to point to that. It's section 10 of the Bill, which allows the Minister of Social Services to at long last provide residential services to 16- and 17-year-olds in this province who are in need of care and supervision, if their parents are unwilling to assume responsibility for them or if the child can't be re-established with their family.

And, Mr. Speaker, we have waited a long time for a provision in legislation which would provide services to 16- and 17-year-olds in this province. Mr. Speaker, this age group for far too long has gone without services from

the Department of Social Services.

(1245)

Many young people, Mr. Speaker, in this province are out living on the street today because of the Minister of Social Services' failure to provide them with help when they're 16 and 17 years of age. It's one of the worst parts of this government's record in social services, is your complete failure, your abandonment of the 16- and 17-year-olds of the province of Saskatchewan.

So finally we have a proposal in this Bill that these teenagers are going to be eligible for some services at long last from your department. But, Mr. Speaker, I ask you to look at the record in terms of the provision of services right now to 16- and 17-year-olds in the province of Saskatchewan. There simply are no services in place to make this Bill work even when the amendments in this new Act go through.

I look at Moose Jaw, for instance, Mr. Speaker — the Gamin Abet group home, for instance, in Moose Jaw, which has to turn away any young person once they become 16 years of age; in effect, Mr. Speaker, often preventing these young people from pursuing their education past grade 10.

You know, in the city of Moose Jaw, a young person turns 16 years of age, they were in a group home funded by the PC government opposite, and they have to be turned out of the home because the funds . . . this government hasn't put the funds in place to allow them to stay in that group home, Mr. Speaker.

You look at Saskatoon where there used to be a group home operating for teenage girls in trouble, the Sunstar Home. What did this government do? It stopped making referrals to that home from the Department of Social Services. In effect, the PC government closed that group home for teenagers down, through refusing to provide referrals and refusing to provide funding, Mr. Speaker.

You look at the case of Bosco now, where the Bosco program is in disarray. There's very little help there for teenagers in crisis.

You look, Mr. Speaker, at group homes around the province and you consistently find that young people past their 16th birthday, who are in serious trouble but who have not committed an offence, Mr. Speaker — a criminal offence, or have gotten into trouble with the law — but their life for one reason or another is in serious trouble and they need urgent help, they can't get into a group home facility, Mr. Speaker, because this government has refused to provide the services to teenagers that they desperately require.

And so they end up getting into trouble, Mr. Speaker, and the taxpayer ends up paying a great deal more in the end, and the lives of these young people in their teens are often ruined, Mr. Speaker. And that responsibility rests squarely on the shoulders of the PC government and, particularly, the Minister of Social Services.

Now, Mr. Speaker, these are just some of the examples of

this government's refusal to provide essential family services to the families of Saskatchewan. And, Mr. Speaker, these are examples of why I say now that this family services legislation before us can no longer make the provision of family services to families in crisis an optional matter. It must be an obligatory matter, Mr. Speaker, by the Minister of Social Services.

Now, Mr. Speaker, I want, secondly, to comment on some of the provisions in the legislation that I believe require urgent change, Mr. Speaker. Mr. Speaker, one of the provisions in this Bill that concerns me most is the provision in section 57 of the Bill, and I will reserve my detailed comments on that section, Mr. Speaker, for Committee of the Whole.

But what this legislation does, I think one of the most disturbing things that it does, is that it allows the Minister of Social Services to appoint child protection officers in the province of Saskatchewan that are unqualified. And I believe, Mr. Speaker, that this is an extremely serious matter and an extremely serious shortcoming in this legislation.

Mr. Speaker, section 57 in effect does this. It gives the minister the right to either appoint a child protection officer that is qualified under the regulations that are to be attached to this Bill, or alternatively, Mr. Speaker, section 57 of the Bill allows the Minister of Social Services to appoint as a child protection officer anyone who is, in his opinion, is qualified.

And, Mr. Speaker, we've seen in the past some of the people that the Minister of Social Services thinks are qualified. I recall last year, for instance, the appointment of Mr. Ron Crandlemire as an assistant social worker in the Yorkton region of the Department of Social Services. I'm sure the member for Yorkton, as well as the member for Melville, will recall Mr. Crandlemire's appointment, a matter by the way that hasn't received any public discussion in this House to date, so I raise it now.

Mr. Speaker, do you know Mr. Crandlemire only had a grade 12 education, and yet the Minister of Social Services decided that Mr. Crandlemire was suited to be an assistant social worker, despite the fact that there are dozens and dozens of people in this province who have graduated with social work degrees from the University of Regina and who would be perfectly qualified social workers to have filled that position, Mr. Speaker?

But no, the Minister of Social Services, recalling that Mr. Crandlemire had been on his constituency executive and had helped his constituency association, decided that with his grade 12 education he would be fit to be an assistant social worker in the Yorkton region.

Mr. Speaker, the Minister of Social Services overruled the advice that he received from within the department not to appoint Mr. Crandlemire, and he appointed him as an assistant social worker, a patronage appointment — blatant patronage and nothing less, Mr. Speaker.

Now, Mr. Speaker, the Minister of Social Services wants to be able to appoint child protection officers in the same way that he appointed Mr. Crandlemire. Mr. Speaker, a

child protection officer is a very sensitive position. It requires people who fill those positions with a great deal of experience, with professional qualifications, and with a good deal of judgement.

They, Mr. Speaker, make some of the most difficult judgement calls of any people in the public service. The question of whether or not to apprehend a child, and the decision about whether to move in to protect a child from a violent situation, and the decision about what can be done to try to reunite the family as quickly as possible — those require people with a good deal of experience and with sound professional qualifications.

And the Minister of Social Services and the PC government opposite want to throw that process out the window, and they want to use section 57 of the legislation to appoint anybody that they think is qualified, Mr. Speaker, despite whatever the regulations say. That's what this section 57 does.

It's an intolerable provision in the Bill, and I call upon the Minister of Social Services to remove it immediately, because if he doesn't, Mr. Speaker, there's no doubt about what his agenda is, and that is an agenda that simply is designed to enhance his policy of blatant patronage in the Department of Social Services.

Mr. Speaker, there's another matter in this Bill that I want to raise before we run out of time this morning, and that is with respect to what we on this side of the House believe is one of the major things missing in this Bill, and that is the need, in our judgement, for a family ombudsman, or a child's representative in this legislation.

Mr. Speaker, we have a situation now where often child apprehension cases end up before the courts. Certainly under this Bill there will be a system, Mr. Speaker, in which child apprehension cases will be reviewed by the family review panels which are being put in place under this legislation. And, Mr. Speaker, in both those situations, both in the case of the family review panels and in the event that a child apprehension case goes before the courts, in both those situations, Mr. Speaker, I believe the time has come that we need in the province of Saskatchewan, someone who will be a voice for the child in those very difficult situations.

Mr. Speaker, Alberta has a child ombudsman, and the role of the child ombudsman in that province is that often when there are difficult and tense situations where evidence must be presented, and it's hard for either the child or the social worker to present that evidence, often the child ombudsman can come in, Mr. Speaker, and he can help to present that evidence on behalf of the child. He can, in effect, Mr. Speaker, give the child a voice in the proceedings that far too often children do not have.

And, Mr. Speaker, I believe that that would be a very useful provision under this legislation, and it's something that is clearly missing in the Bill.

Mr. Speaker, I believe that in addition to that, the family ombudsman, or the child's advocate, would have an additional role, and that is, Mr. Speaker, the children's advocate would have the ability to mobilize services on

behalf of families and on behalf of children in the province of Saskatchewan.

The child's representative would be checking to ensure that a child does not get moved around constantly from one foster home to another while they are waiting for court proceedings to be completed. And that sometimes happens, Mr. Speaker, unfortunately, and I think that a child's representative could play a very important role in ensuring that the child's welfare was protected during the very difficult wait before a matter goes to court.

Mr. Speaker, I think that a child's representative could play a very useful role in terms of mobilizing services for families: when they see that a family is in a crisis situation; when they see that a family has been unable to get the kind of help they need from the Department of Social Services or from a community agency that is bogged down with a long waiting list. The child's representative would have the ability to move in and to mobilize services on behalf of that child.

That's the kind of role that we envision for a child's representative or a children's ombudsman in the province of Saskatchewan. And I think, Mr. Speaker, that positions such as those — probably initially three or four of them in the province of Saskatchewan could perhaps very well be located in the Ombudsman's office, Mr. Speaker, and in effect making those people independent and allowing them to report directly to the legislature in the way that the Ombudsman does now.

Mr. Speaker, I think that would be a very useful addition to the Bill, and in committee I will be questioning the Minister of Social Services and urging him to add that to the Bill.

I see, Mr. Speaker, that the Deputy House Leader, I think, would like to adjourn for today. I am not done my remarks, Mr. Speaker, so I will be picking this Bill up again next day. For now I would like to adjourn. I would like to adjourn the debate, Mr. Speaker.

**The Speaker:** — Order. The hon. member has adjourned the debate once. The rules of the House do not allow a member to adjourn the same debate twice.

**Mr. Prebble:** — Well in that case, Mr. Speaker, I'll just call it 1 o'clock, if I could do that.

**The Speaker:** — If leave is granted I'll allow you to do that, but actually it isn't 1 o'clock.

Leave granted.

The Assembly adjourned at 1 p.m.