

August 22, 1989

AFTERNOON SITTING

ROUTINE PROCEDURES

ORAL QUESTIONS

Loan to Canapharm

Mr. Lautermilch: — Thank you, Mr. Speaker. Mr. Speaker, in the absence of the minister responsible for SEDCO, I'll address my question to the Minister of Justice. Mr. Minister, Canapharm, a firm in which your government is now a major shareholder, according to its last financial report for 1988, suffered a loss of \$1.4 million bringing its accumulated deficit to 4.56 million. The same annual report lists the firm's total assets as 4.52 million. If you liquidated the assets, you'd have still a debt of \$40,000. The company is clearly insolvent.

That being the case, Mr. Minister, can you tell us why SEDCO earlier this month approved two loans totalling \$950,000, and what these loans were secured against?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, the members were talking over there, I didn't hear the name of the company he was referring to.

Mr. Lautermilch: — Well, Mr. Speaker, I'll then repeat my question. Mr. Minister, Canapharm was just loaned another \$950,000. That bring to an accumulated deficit of 4.56 million. If you liquidated that company, it would still be in debt to the tune of \$40,000. Can you tell us why you're stilling pouring money into this insolvent company?

Hon. Mr. Andrew: — Well, Mr. Speaker, the Canapharm operation, Mr. Speaker, is . . . what it is doing is manufacturing IV (intravenous) bags and IV solutions, supplying many of the hospitals of Saskatchewan. It has now obtained contracts to supply hospitals in Alberta. It's looking for contracts or has some contracts in the province of British Columbia and is looking to expand into some of the neighbouring northern states of United States.

Now the members opposite would have us believe in their wisdom of economic diversification that we should continue to simply have Saskatchewan and Canadian hospitals' source of IV solutions out of the United States. And that simply means, Mr. Speaker, that Canadian dollars — and there's many, many dollars put into health care — simply flows into the United States, jobs into the United States, taxes into the United States, Mr. Speaker. Seems to make some sense to try to attract those jobs to Saskatchewan, that economic activity to Saskatchewan.

And getting into that particular business, dealing with two giant companies in that industry, it's going to take some time in order to make that happen. But it's certainly moving in the right direction, Mr. Speaker. We spend almost \$1.4 billion in health. Some of that expenditure for supplies should come to Saskatchewan, and that's the policy that we're pursuing on that and in that area.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — New question, Mr. Speaker. Mr. Minister, the order in councils that approve those two loans also called for a further 500,000 of Canapharm's indebtedness to be converted into shares in the company. Can you tell us today what the total amount of shares the government holds in Canapharm, what percentage of ownership that amounts to, and what the current value of a share in Canapharm is.

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, the hon. member might be interested in knowing that when Canapharm started operations in Saskatchewan, the result was approximately a 30 per cent drop in the cost of supplying IV bags and IV solutions to the hospitals of Saskatchewan — almost a 30 per cent drop in the cost, Mr. Speaker. IV solutions are supplied throughout North America and much of the world, Mr. Speaker, by two giant U.S. multinational corporations, Baxter Travenol and . . . (inaudible) . . . Mr. Speaker.

Now it seems somewhat strange that the members opposite, who have a habit, Mr. Speaker — and it's almost ingrained in their psyche — to criticize multinational corporations, if they are American multinational corporations that makes them 10 times worse. They're standing up in this House and in effect, Mr. Speaker, trying to advance the cause of U.S. multinational corporations. With respect to the specifics of the question that the hon. member asked, I will take notice of that and bring it back in due course.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — New question, Mr. Speaker. Mr. Minister, the company's current indebtedness to the Government of Saskatchewan is now \$6.1 million. And I'll tell you that this firm is a growing concern, it's a growing concern to the taxpayers whose money you're throwing at it. That's who it's concerning.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — Can you tell us how much of the government's funding to Canapharm has been repaid, and what percentage is supposedly covered off by shares in the company?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, the members opposite stand up and out of one side of their mouth say, why would you people have any truck or trade with companies the likes of Cargill, who are American U.S. multinational; how could you people have any truck or trade with companies like Weyerhaeuser, because those are multinationals? Then they turn around, Mr. Speaker, and say, you should not try to develop any product in Saskatchewan; leave it to Baxter Travenol who are a multinational American company.

The difference between those two scenarios, Mr.

Speaker, is Cargill is going to build a plant in Saskatchewan; Weyerhaeuser has built a plant in Saskatchewan. Baxter Travenol would like to see no competition so they could comfortably stay with their plants in the United States, supplying United States, supplying Canada, supplying much of the free world, out of production in the United States, Mr. Speaker.

That is not a proper direction to create economic activity; that is not a proper direction to build jobs in Saskatchewan; that is not a proper direction to build economic activity in Saskatchewan, create taxes here in Saskatchewan, Mr. Speaker, and to expand our economy.

The members opposite seem to speak out of two sides of their mouth. All one can conclude, Mr. Speaker, is their only interest is they want to be against everything. They're against this and this and this and this . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — They clap, Mr. Speaker; they clap and cheer, Mr. Speaker. How can they hold themselves out as a political party that stands for nothing, stands only . . .

The Deputy Speaker: — Order, order.

Mr. Lautermilch: — New question, Mr. Deputy Speaker. I'm not sure what that little speech was about, but the problem is, Mr. Minister, that you don't recognize a dog when you got one on your hands.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — You're running around trying to unload successful operations like SaskPower, like SGI (Saskatchewan Government Insurance), Sask Minerals, SaskCOMP, and the Potash Corporation of Saskatchewan, and you hang on to your GigaTexts and your Canapharms. Why don't you let the people of Saskatchewan hold on to the profitable Crowns, and unload these dogs that you keep throwing money at? Why don't you do that, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrews: — Mr. Speaker, in my last answer I should have went a step further. While they're against any new businesses coming and setting up in Saskatchewan, or you create economic activity, etc., they are still guided by their principles that the only successful business one can have is if government owns that business, Mr. Speaker. Only they own it, Mr. Speaker, is the only way that they can see as to be able to develop a successful company. Mr. Speaker, that is economics . . . socialist economics of the last generation.

If you looked in the *Leader-Post* today, Mr. Speaker, there's Bob White saying the NDP are out of touch, wants to join with the Liberals, get back into the 1990s, Mr. Speaker. I would simply say to the hon. member, even read this and they would know the foolishness of the nature of their economic strategy that they've been pushing in this province for the last 45 years. Times are changing. I would suggest to the hon. members that they

change with the times, Mr. Speaker.

Some Hon. Members: Hear, hear!

Sale of GigaText

Mr. Anguish: — A new question to the same minister, Mr. Speaker. Well we've just seen evidence as to why your government should put more money into the Saskatchewan hearing aid program, because your answers had nothing to do with the question. I think we'll go from Canapharm to a company you're more familiar with, one GigaText.

Now you've announced the sale of GigaText with several interested companies that are going to buy this brain venture of artificial intelligence. Would the minister confirm today that although the shares are held in escrow, that Guy Montpetit and Dr. Douglas Young continue to own 75 per cent of the shares of GigaText, and as such they would be entitled to 75 per cent of the proceeds of any sale of GigaText. Can you confirm that, Mr. Minister, or tell us how you're getting around that little glitch?

Hon. Mr. Andrew: — Mr. Speaker, the hon. member raises again the question of GigaText. The extent of the hon. member from The Battlefords' knowledge in this House and the width and breadth of his diversity of questions, Mr. Speaker, is simply GigaText. Now he's asked the same question over and over again.

He prefaces his question today, Mr. Speaker, with saying you've announced the sale. Well, Mr. Speaker, that's simply a total distortion of even the wildest imagination of the member from The Battlefords, Mr. Speaker. With regard to the details that the hon. member advances, the opening statement was wrong and false, Mr. Speaker. I assume the second part was. But just so that I am perfectly sure and can give him the exact detail, I will take notice of that and bring that back at a later day.

Mr. Anguish: — New question, Mr. Speaker. If there's any distortions being held, it's you trying to lead the Saskatchewan people to believe that you could sell a worthless company, because it has no commercial value. That's where the distortion lies, Mr. Minister.

Some Hon. Members: Hear, hear!

Mr. Anguish: — Now if the government was to recover their money from the sale of GigaText, you would have to recoup \$5 million. That would mean that at 25 per cent ownership in SEDCO, you'd have to sell GigaText for \$20 million. Now can you tell us, in the dealings that you're having with WESTBRIDGE and with IBM and at least two other undisclosed companies, can you tell us, is \$20 million the purchase price that's being talked about?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Now, Mr. Speaker, I have not been personally involved in any dealings with the companies advanced. That is being done by some of my colleagues, Mr. Speaker. I am not familiar with the nature of those negotiations. I will simply take notice of that question and bring an answer back.

Mr. Anguish: — A new question to the same minister, Mr. Speaker. This isn't unusual for GigaText. You simply repeat the questions. We repeat several questions because none of you on the front bench have ever answered any questions about GigaText.

Some Hon. Members: Hear, hear!

Mr. Anguish: — And if it hadn't been for your friend, Guy Montpetit, ending up in a court case in Montreal, there'd still be a cloak of secrecy about GigaText.

Now, Mr. Minister, you didn't answer the first question. What happens to the 75 per cent of the shares that are held in escrow but still owned by Guy Montpetit . . .

The Deputy Speaker: — Order, order. The minister took notice of that question.

Mr. Anguish: — My new question to the minister is this: if 75 per cent of the proceeds do not go to Dr. Douglas Young and Guy Montpetit, that either means that their initial investment in the company was worthless; or secondly, that they misused the funds so badly that they have no right to claim on any capital gain by GigaText. Now which is it, Mr. Minister? Was their investment worthless? Will you admit that today, or in fact will you admit on the other hand, that they misused Saskatchewan's funds so badly they aren't entitled to any proceeds from the sale?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, the hon. member began his little tirade, his daily tirade on GigaText on a false premise. He has now repeated the question for a third time. I took notice. So in my response I will simply take notice again, Mr. Speaker, for the third time, of exactly the same question. So he asks the same question one more time, Mr. Speaker; I will take notice one more . . .

The Deputy Speaker: — Order. It's very difficult to hear the minister's response when the member from Moose Jaw North keeps trying to prompt the Chair.

Premier's Position re: General Sales Tax

Mr. Shillington: — My question, I guess, is to whomever wants to take it. I think, Mr. Speaker, the fact that the government has done so badly in question period this week is no reason for the ministers . . .

The Deputy Speaker: — Order, order. If the member has a question, I'd ask him to put his questions.

Mr. Shillington: — I leave it to the members opposite to decide who wants to try to explain the Premier's behaviour in Quebec City.

Some Hon. Members: Hear, hear!

Mr. Shillington: — I know there'll be a vicious fight to answer this thing. It might have been useful to have the Premier here but he's so busy turning in circles he

probably wouldn't be much use to us.

On a serious note, about the only prediction that can ever be made about this Premier's leadership, is that in the end result he will always follow the path of least resistance. The obvious question is how he could so consistently support the general sales tax, and then when he joined his buddies in Quebec City, do an abrupt 180. How does he expect to remain credible as a leader in the face of such inconsistency?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, the hon. member commences his question by talking about question period. In my 11 years in this Assembly, we tended always to judge the effectiveness of question period by the number of headlines you got in the *Leader-Post* or the number of lead stories you got in the evening 6 o'clock news, Mr. Speaker.

Now if we look over the last two to three weeks, I don't think I can recall one question period, Mr. Speaker, that got the front page of the *Leader-Post*. In fact I can't remember one that got the third page of the *Leader-Post*. Mr. Speaker, I can't remember one question period that got in the first section of the *Leader-Post*, Mr. Speaker.

The Deputy Speaker: — Order, order.

Hon. Mr. Andrew: — Mr. Speaker, I was . . .

The Deputy Speaker: — Order, order. I'd ask the member for Regina Elphinstone not to be hollering at the Chair.

Hon. Mr. Andrew: — Mr. Speaker, following that preamble, I would now like to deal with the question asked by the hon. member, the serious part, as he closed his question was a serious part. What the Premier has said, Mr. Speaker, has in fact been consistent. It's been consistent in this way, Mr. Speaker. The Premier has said and still stands by the fact that the thirteen and a half per cent manufacturers sales tax is not a fair or productive tax for this country. As we seek to increase our exports to other parts of the world we have to move away from that tax. Now that's the reality of it, Mr. Speaker, and the three national parties have all agreed that it is not the proper process to take.

Now, what our Premier has indicated and now what some of the other premiers are saying as well, it's not good enough any more for premiers simply to go down to their premier's conference and say, well the federal government is all bad. We don't like this, this, and this, and what we should do is have our hand out and they should stack dollar after dollar after dollar on top of it.

I heard Premier McKenna from New Brunswick on the news last night indicating, saying the same thing as our Premier. It's not good enough any more for premiers simply to go to those conferences and say, cut this tax, but give us more money, that there's an obligation on the premiers to come forward, if they don't like the precise nature of the proposed tax, with an alternative.

And that's exactly what they said, and that's what our

Premier's been saying for some time, Mr. Speaker, that the concept of moving away from the manufacturers sales tax is right. The concept of introducing a new consumption tax is right. While we can disagree with certain sections of it, Mr. Speaker, it is a move in the right direction.

Now what has to be done is let's sit down and refine that tax so that it's much more acceptable, certainly to us and to other Canadians, Mr. Speaker, to make us more productive to be able to pay for the various social programs that are paid for by the provincial government and by the federal government in this country.

Some Hon. Members: Hear, hear!

Mr. Shillington: — My question is to the Minister of Justice, who seems to have got the short straw on this issue. Mr. Minister, those comments are about what the Premier's been saying in this Assembly, but that's not what the communiqué said. The communiqué was unequivocal and an unequivocal condemnation of the general sales tax. It did not say, Mr. Minister, that the general sales tax was a preferable alternative to the 13 per cent manufacturers tax.

Mr. Minister, there's only two honest conclusions can be drawn from these facts. Either the Premier did not think out his position before he went to Quebec City or he lost the courage of his convictions. Which of those two conclusions is the correct one?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, what the Premier has indicated, as I will repeat it again for the hon. member, number one, that the 13 per cent manufacturing sales tax — and what does that do, Mr. Speaker? It puts a 13 per cent tax on all goods manufactured in Canada, including anything that we manufacture in Canada and export to United States or Europe, etc. Therefore our manufacturers face in effect a 13 per cent self-imposed tariff by Canada on their ability to sell into those other markets of the world. And that makes it very difficult.

And if that 13 per cent manufacturers tax has the effect of losing exports for us, well then what happens? That means that we don't have jobs in Canada. Those jobs are exported somewhere else. That means we don't have economic activity in Canada; that means that's exported somewhere else. And that means that there's no tax revenues from that manufacturing; that's exported somewhere else. And that's why, Mr. Speaker, it's important that we change away from that view, that tax view of the dinosaur.

Now the member opposite has said two things out of both sides of his mouth and he likes to criticize others. First of all, he said, if there's going to be a national sales tax, there should be one sales tax in the province and the federal government together. Now what I hear him saying, Mr. Speaker, is that the federal government should stay with the manufacturers sales tax, so that it costs us jobs, costs us economic activity, costs us revenue . . .

Some Hon. Members: Hear, hear!

The Deputy Speaker: — Order, order.

Mr. Shillington: — Mr. Minister, you have defended the general sales tax in this Assembly, as the Premier did. Mr. Minister, the obvious question is: why didn't the Premier do that in Quebec City? Why did he instead sign a communiqué which is an unequivocal condemnation of the general sales tax?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, that is precisely what the Premier did in Quebec City at the . . .

The Deputy Speaker: — Order, order. I can't hear the minister's response.

Hon. Mr. Andrew: — Mr. Speaker, that is precisely the argument advanced by our Premier in Quebec City. He has been advancing that consistently. And it makes a great deal of sense, Mr. Speaker, that we would have a tax regime in this country that benefits Canadian manufacturers, that creates additional Canadian jobs, Mr. Speaker, and additional Canadian activity.

Now obviously if you were to eliminate the 13 per cent manufacturers sales tax, you have to replace with something else. You know, the members opposite can take the easy political way out and say, oh no, you don't have to replace it with anything else. You do, Mr. Speaker. And it's incumbent upon those that criticize to offer an alternative. The members opposite have never done that and certainly the member from Regina South has never offered an alternative to anything, Mr. Speaker.

An Hon. Member: — Regina Centre, Regina Centre . . .

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Regina Centre . . . pardon me. Mr. Speaker, if I mistakenly referred to the member from Regina Centre as the member from Regina South, it is only because the length of their ties are exactly the same and sometimes they can be distinguished from that, Mr. Speaker.

The members opposite are, Mr. Speaker, are practising their radical approach once again. And I hope the people in TV-land watch that radical, noise-making, fanatic and . . .

Some Hon. Members: Hear, hear!

Mr. Shillington: — In what will probably be the final question of this question period, Mr. Minister, let me ask you with respect to the Premier, in opposition to the Saskatchewan people, the Premier of this province has also supported Meech Lake. I'm wondering, Mr. Minister, if the Premier has any confessions to make with respect to Meech Lake. Does he intend to renounce Meech Lake as he has renounced the general sales tax?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Well, Mr. Speaker, here's the Meech Lake wonder. The member from Regina Centre, when the motion was presented in this House, stood in his place and voted yes when he was called on to vote — and that's a hard thing for them to do — but when he was called on to vote, he stood in his place and said yes.

Now his position is no, Mr. Speaker. So who is flip-flopping, Mr. Speaker, on Meech lake? It's the members opposition, with the exception of the member from Cumberland, the member from the Battlefords, and there was one more over there. And they all put their hand up. See? They're all waving . . .

Some Hon. Members: Hear, hear!

The Deputy Speaker: — Order. Order. I'd ask the member from The Battlefords to be quiet when the Speaker is on his feet.

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure

Social Services

Ordinary Expenditure — Vote 36

Item 1

Mr. Chairman: — I'd ask the minister to introduce his officials.

Hon. Mr. Schmidt: — Thank you, Mr. Deputy Chairman. I'd like to introduce to you and this Assembly seated beside me deputy minister of Social Services, Henry Kutarna; seated directly behind him, Allan Hansen, assistant deputy minister of Social Services; seated on my right, Ray Barnard, the assistant deputy minister; and seated directly behind me and to my right, Donald Morgan, chairman of the Legal Aid Commission.

We have other officials also available. At the back of the Assembly Lorne Koback, executive director of young offenders; Larry Moffatt, director of community programs, community living division; Richard Hazel, regional director, family services; Donna Young, director of child care; and Phil Walsh, director of operations for income security.

A very brief opening statement, Mr. Deputy Chairman, and I will be very brief today. It's been a long session and we don't want to belabour the session with any long speeches, because we've heard many of those in the last six months. The Department of Social Services is a very large department with many branches and divisions; is a very complex portfolio and certainly is not a boring portfolio because there are at least three or four new problems every day.

The staff that you have here, senior management, the middle management, and all of the staff at Social Services have been delivering efficient service over the last year. I am very pleased that year after year, this department is

improving in the way it can serve the public and efficiently deliver services to the citizens of Saskatchewan.

There is nothing that usually new and exciting at Social Services. It's dealing with the constant problems of society, day after day, month after month, year after year, and these people have done a lot to make that a less difficult task for myself.

I might also say that many of things at Social Services are quite controversial because many times there are matters of morality, the values of society, and deal in most cases with families which are a very essential unit in our society, the most essential unit of our society. And we are facing a current trend in the last 20 years, a situation where more and more stress has been placed on families. Our society has become more mobile and less stable. Our society has become more affluent, but it has not become more stable at the same time. So that I would say we are in a transition, and this transition has been difficult on families.

The department has dealt with the problems as they come up, but for the most part we don't have the jurisdiction, the people; nor is there enough money in this province to do the preventive work that could be done to assist families so that they don't get into the difficulties they're in.

However, I have also noticed, Mr. Deputy Speaker, that the key thing in families is not money as much as it love and some basic values. And these are things that the Department of Social Services cannot teach. And we as a society as a whole have to start following some basic values that will lead to stability, do away with a lot of the problems that we have, many of them a result of the instability.

We have drug problems. We have alcohol problems. We have problems based on old-fashioned greed, and yet with all the money we spend on health and education and social services, we are spending more per capita now than in the history of this province and in the history of the world, and yet the problems don't seem to get solved. So we're going to have to look for some new ways of solving these problems. We're going to have to put politics aside and get realistic on how we can solve some of the problems of our society.

With that in mind, Mr. Deputy Chairman, I'm prepared to answer the questions of my colleagues. I might say that Social Services estimates today should not be lengthy because we have had a debate of social issues in this province for the last six months in question period and through the media and through the opposition raising various issues, so I would be surprised if anything new can be covered today. But certainly we'll cover all the things as they have been related in the past. Thank you.

Mr. Prebble: — Thank you very much, Mr. Chairman. Mr. Minister, I want to welcome your officials to the Assembly, and I want to begin by asking you questions in two areas where we've not had very adequate answers from you. The first is with respect to the surveillance of social assistance recipients in the province, the second is

with respect to Bosco Homes and the action that you're planning to take with respect to the Ombudsman's report.

My first question to you, sir, is with respect to your acknowledgement in this Assembly some months ago that your department was in fact undertaking some limited surveillance, as you described it, of social assistance recipients in this province. I wrote you a letter regarding that, raising that issue with you first on May 9. Two months later you responded indicating that you wouldn't answer any of the questions that I posed to you in writing on this subject.

Mr. Minister, I want to ask you today to begin with if you can be specific about the nature of the surveillance activities that you have been undertaking; if you can be specific about how many people who are social assistance recipients or former recipients, have been under surveillance in the last 18 months; and if you can indicate, Mr. Minister, among other things, whether your department has given authority to post persons from your department or under contract outside of people's homes for lengthy periods of time as part of this surveillance activity.

Hon. Mr. Schmidt: — Mr. Chairman, our department follows the law of Canada in trying to determine whether people might be abusing the social service system. I know of no situations where any of our staff have gone beyond what the law allows, and we have followed the laws to the letter. I do not apologize for trying to stop abuse so that the money can be spent on the people who are truly deserving.

Mr. Prebble: — Well the minister again, Mr. Chairman, has not answered the question. My question to you is . . . I'm not asking you, Mr. Minister, at this point whether you've been breaking laws. We'll come to that in a minute. I'm asking you, Mr. Minister, what type of surveillance activities your special securities, your special investigation unit has been undertaking, and have you, among other things, posted people from your special investigations unit, or people under contract by that unit, outside of recipients' homes for lengthy periods of time? Have you done that? And if so, under what legal authority?

Hon. Mr. Schmidt: — Mr. Deputy Chairman, here is the report of my department. Surveillance techniques are rarely utilized. A total of three instances involving recipients have been employed since 1985. Only one was utilized during the fiscal year, '88-89. Two instances centred on unreported employment income and assets. The remaining involved a marital situation of a recipient and staff employee. The only surveillance techniques used in these instances were visual with no technical aids.

In addition, as a result of the work of the special investigation branch of my department, in the year April 1, '88 to 1989, March 31, 1989, 174 files were investigated; 142 were referred for criminal prosecution. Of those people prosecuted, 54 were convicted. Of the 54 who were convicted, the following results: 17 people were sent to jail for welfare fraud; 19 people received suspended sentences; 30 people were put on probation;

12 were ordered to community service work; seven received fines; and 30 received restitution orders. It adds up to more than 54 because of the overlap of some of the sentences where someone might receive probation and restitution all in the same sentence. That was the results of the work of our department. This unit must operate as a deterrent to prevent people from trying to defraud the government.

I would suggest that there may be some other government departments that will have to look at similar kinds of investigation units, considering the amount of fraud that becomes prevalent when people think that they can get government money and it doesn't belong to anyone. It's everybody's money. The struggling taxpayer cannot be asked to support people who do not need assistance, and therefore we will continue with our vigilance with respect to deterring abuse under the welfare system.

The surveillance you refer to is not your kind of thinking of the 1960s where everybody was going around paranoid that big brother was watching them. Honest people have nothing to fear in this province, and anyone who is cheating the government or their neighbour had better think twice because we will not tolerate, from a justice point of view or a social point of view, people stealing from the government or their neighbour.

Mr. Prebble: — Mr. Speaker, I wonder if you can tell us what the budget of your special investigations unit is.

Hon. Mr. Schmidt: — This year's budget is \$649,520. In addition to the prosecutions, this unit also tracks down overpayments where errors have been made or there is insufficient proof of criminal intent, and we'll get you the figures later, but it works out to over a million dollars in overpayments and errors.

Mr. Prebble: — Mr. Minister, I take it then that your position is that no one has been posted outside of people's homes to undertake surveillance activities and that there has been no use of surveillance technology operating from trucks or vans to monitor the activities of social assistance recipients. Is that what you're telling us?

Hon. Mr. Schmidt: — No, I ask the member to listen carefully. And I read the report of the department. The report said that no technical aids had been used in the past year. The report did not say that no one had done a personal surveillance. I believe if we have the report correctly, there was one case last year where . . . the report indicates there was one case last year where they used surveillance without any technical or electronic aids.

Mr. Prebble: — Now, Mr. Minister, you indicated that there had been 54 prosecutions and I think you'll acknowledge that . . . and I say this because of your comments with respect to your claims, for instance, that one out of every 10 people on social assistance are somehow cheating the system, which is an outrageous claim, I might say, by you, Mr. Minister. There is simply no evidence to back it up.

(1345)

I think it's demonstrated, Mr. Minister, by the . . . I'm referring here, in case you're wonder, Mr. Minister, I'm referring to April 30, 1988, *Star-Phoenix* in which you're cited, Mr. Minister, among other things, as saying that one out of 10 people who are on social services are abusing the system, or cheating the system in some way.

I think, Mr. Minister, the fact that you acknowledge yourself that there's only been 54 prosecutions indicates that those figures simply can't be substantiated. I remember earlier in this Assembly, sir, you said that there were some \$20 million of welfare fraud in this province a year. And again, I've seen absolutely no evidence to substantiate that allegation by you, Mr. Minister. That's simply a tactic on your part to attack those who are unfortunate enough to have to depend on social assistance in the province of Saskatchewan.

I wonder if you can table in the Assembly today the evidence that you have, Mr. Minister, that would demonstrate your claim that one in 10 people on assistance are guilty of somehow abusing the system and are part of a welfare fraud which I say does not exist.

Hon. Mr. Schmidt: — Mr. Chairman, I am pleased to hear that the member opposite is at least prepared to put on the record his mistaken belief that there is no welfare fraud in Saskatchewan. I need not table further evidence. The member opposite has already had the auditor's reports tabled for the last 10 years. If the member will go back about the time I was appointed Minister of Social Services, the auditor was indicating that the error rate was running at 15 per cent. That has now been reduced to 7 per cent. A 10 per cent error rate includes mistakes on the part of the department, which are very minimal the last year or two; mistakes on the part of the client, mistakes like forgetting to tell us about income.

Now there is a difference between forgetting to tell us about income and proving that someone was intentionally cheating. But I think everybody understands what we mean by error rate. And the error rate of 10 per cent on \$200 million is \$20 million; error rate of 15 per cent on \$200 million is \$30 million. The error rate we have now reduced to 7 per cent, which will be \$14 million. Those are the figures that the Ombudsman . . . or excuse me, the auditor gives me.

Mr. Deputy Chairman, clearly you cannot win as Minister of Social Services. It is a no-win portfolio. On the one hand you have the Provincial Auditor that says you're not tough enough on cracking down on the errors and the fraud at welfare; and then when you do crack down, you have the members of the opposition saying there is no welfare fraud in Saskatchewan./

Well, 54 people were actually convicted. Now I realize the member opposite is not a lawyer and would not understand the degree of proof required to get a criminal conviction. The degree of proof is that you must prove beyond a reasonable doubt; you must have complete evidence. And a necessary element of the offence of fraud is intent. You must prove that the person charged intended to defraud the Government of Saskatchewan and the taxpayers. In 54 cases, we've been able to do precisely that.

Mr. Deputy Chairman, we could charge many more people. But if there's any indication that there's any doubt of the intent, that if the client made a mistake they may have been . . . may not have been an innocent mistake, but we give them the benefit of the doubt unless it was blatantly an intended fraud.

And we had an example where just last week, a case came to my attention of a fraud situation of \$105,000 over 20 years, where a woman had failed to report that she was living common-law with a particular man, and they have children. They've lived together for 20 years — at least that's what the report indicates.

We will probably refer that case to the police and when the police have investigated, if they think there is sufficient evidence to get a conviction, they will charge the individual. Now we call that an error, but surely an individual knows if they're living with a man who may be working for 20 years and supporting his family, and then they are collecting welfare in addition. We cannot condone that kind of conduct. I won't mention any names. This individual will be brought to trail, and if acquitted, her name will never be mentioned in public. If convicted, the media will report the case as usual.

But certainly, those calculations, based on the auditor's report, are proof enough. If the member opposite expects anyone in Saskatchewan to believe that there is no welfare fraud, then he should talk to the thousands of people that phone my office and make allegations and complaints, every one of which we follow through and check up on to see that the taxpayers are using their money to help needy people rather than greedy people.

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

Hon. Mr. Klein: — Mr. Chairman, with leave I'd like to introduce some guests.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Klein: — Thank you, Mr. Chairman. We have a special little group with us this afternoon. They might be perhaps one of the few last visiting schools, so to speak, of our summer. They're from Regina South. They're from the Sandcastles Day Care. Being that they're all little people, maybe they'll stand up so we can see all the kids that are up there. There's about eight of them. They're aged four to ten, and they're from kindergarten to grade 3.

They're probably visiting the park and the Legislative Building, and all the rest of it. They're here with Annette Heslton and Debbie Lupanko. I'm going to visit with them in a few minutes. We'll have some pictures and then we're going to go outside and have drinks. So let's welcome these kinds in the usual manner.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure

**Social Services
Ordinary Expenditure — Vote 36**

Item 1 (continued)

Mr. Prebble: — Mr. Chairman, I want to on behalf of members on this side of the Assembly, I'd like to add my welcome to that of the member for Regina South to our guests in the gallery.

And I want to say to the Minister of Social Services before I leave this particular item, Mr. Minister, that we're not alleging that there is no welfare fraud in the province of Saskatchewan. Of course there is in every province. What we are alleging, Mr. Minister, is that the problem is not nearly as serious as you claim. And I think it's borne out, Mr. Minister, by the fact that there've only been 54 convictions in the province after you've greatly beefed up the budget of your special investigations unit, and that you claim, Mr. Minister, that there were — and these are your words, Mr. Minister — \$20 million of fraud is an outrageous claim.

Yes, Mr. Minister, there are errors, and a significant portion of the errors in the system lie with your department, Mr. Minister. And they lie in your policy of frequently making mistakes that result in overpayments for individual recipients, Mr. Minister, which you then seek obviously to re-collect. But to suggest in some way, Mr. Minister, that those are the fault of the recipients is ridiculous. And I tell you, Mr. Minister, that if your government and the Government of Canada would pay a little more attention to the problem of tax evasion and perhaps spend a little less worrying about welfare fraud in this province, we'd be a lot further ahead.

And I think that's borne out, Mr. Minister, by the work of many national researchers that has shown that in the area of, for instance, income tax evasion, we're talking about roughly \$3 billion nation-wide. And as you've pointed out yourself, Mr. Minister, when it comes to the cases of fraud that you have been able to ascertain in this province, we're only talking about some 54 people.

Now, Mr. Minister, I want to move on to a new topic, and that is with respect to the question of Bosco Homes. And I want to say, Mr. Minister, that we on this side of the House are very concerned about one particular aspect of the Ombudsman's report that I would like to spend a moment focusing on, and this is with respect, Mr. Minister, to ministerial responsibility as it relates to Bosco. Mr. Minister, I want to ask you this question because I want to ask you specifically a question about your tenure in office as it relates to Bosco.

Mr. Minister, the Ombudsman's report is very clear with respect to three points. First of all, Mr. Minister, the report is clear about the fact that as of mid-August the situation at Bosco with respect to the behaviour of the children began to break down seriously, in large part as a result of the resignation of the staff that were there and the replacement of those staff with a new group of people that were relatively unqualified and inexperienced. You knew about that, Mr. Minister. You knew that there were serious problems there, and you didn't intervene.

Subsequent to that, Mr. Minister, you will know that in late September of 1988, your senior departmental officials received a report documenting at least 15 incidents, Mr. Minister, of serious misbehaviour at Bosco, incidence of escape, of theft, of serious property damage, and of children basically fighting with one another. And, Mr. Minister, once again, you did nothing to grapple with that problem.

Finally, Mr. Minister, on October 17, there was a riot at Bosco school, and once again you did nothing, Mr. Minister. You didn't place any staff in the department until the month of November. You failed to undertake a detailed investigation of the alleged incidents of uncontrollable behaviour that were forwarded to our senior staff in late September. And, Mr. Minister, you didn't, not only did you not place any staff in the homes or undertake an investigation of the incidents of serious uncontrollable behaviour, but you also undertook no day-to-day monitoring of Bosco.

And my question to you very simply is this, sir: why is it that all through August, all through September, and all through October, leading up to the events of October 28 when three children escaped to Saskatoon from Bosco and there was an alleged assault on a small child by one of those children, why, Mr. Minister, up until that point did you not undertake to place any of your staff at Bosco, or to undertake day-to-day monitoring of Bosco, or to follow up in detail on the alleged incidents of uncontrollable behaviour at Bosco that were filed with you in September?

Hon. Mr. Schmidt: — Mr. Chairman, with respect to the issues at Bosco Homes, I have made all the public statements I'm going to make right now, and my department is following step one of the report of the Ombudsman, and I don't believe that politics should be dragged into Bosco. There are enough problems at Bosco without dragging politics and political debates into the question there. If the member opposite truly cared about the children or the staff or anyone else at Bosco he wouldn't keep dragging Bosco into the legislature.

It's very unfortunate, Mr. Chairman, that I hadn't received the final report for more than five minutes. I was sitting in the legislature reading the report. I hadn't even got to page 11 and the member opposite was already out in the hallways dragging politics into the Bosco issue and finger pointing at the members of this side when he didn't even know that his own cabinet members were the ministers responsible when the most serious allegations occurred.

Enough has been said about the politics of Bosco. I will not answer any more questions on Bosco during these estimates. There will be other information coming out on Bosco. It will come out at the appropriate time. The member opposite can then indulge in his petty politics at that time. I will not answer any further questions today. If the member opposite wishes to speak about Bosco, he does so at his own peril.

Mr. Prebble: — Well, Mr. Minister, I don't consider this a matter of petty politics. I consider this to be a very serious matter, very serious matter. And, Mr. Minister, as you well know, basically one of the major issues in the

Ombudsman's report is the failure of your department to intervene. Mr. Minister, when it comes to other policies of the department as they relate to Bosco Homes — I'm not singling you out — the NDP government of the day, Mr. Minister, did no better job of evaluating the programs at Bosco than your department did.

Mr. Minister, in terms of criticisms like evaluation of the programs, or provisions for individualized treatment plans, or those kinds of things, I'm not singling you out for that, Mr. Minister, but I am going to hold you responsible, Mr. Minister, for a situation in which for two and a half months you did nothing to intervene in what was clearly a situation where uncontrollable behaviour was taking place on a daily basis and was known by you, Mr. Minister, was known by you. You must have known about the riot at the school on October 17, Mr. Minister, and yet you took no action to intervene.

(1400)

And that is the only thing, Mr. Minister, that I'm holding you individually accountable for. I'm not holding you accountable for the other policies of Bosco; those are matters of departmental policy that can be debated in this legislature. If abuse went undetected, which it appears it may have done, that is something that has been done by both parties when in government, Mr. Minister. What I am holding you accountable for, sir, is something that you must have known about.

I wrote to you, Mr. Minister, in mid-July asking you to personally intervene to help resolve the crisis of Bosco Homes, and you did nothing, Mr. Minister, nothing whatsoever. And therefore, Mr. Minister, I argue that you failed to assume your responsibility as the legal guardian for the children at Bosco Homes, and I think that's very unfortunate.

Now enough about that, Mr. Minister. I want to ask you another question with respect to Bosco, and that is: when do you expect, sir, that the police investigation will be completed; and when do you expect that your own investigation by the Department of Social Services will be completed?

Hon. Mr. Schmidt: — Mr. Chairman, the member opposite has just shown to us that he's a politician and does not have the attributes of a statesman, so I have no further comment on that point.

Mr. Prebble: — Well, Mr. Minister, it's unfortunate that members of the Assembly have to be treated with such undignity from you, but I want to ask you some other questions about the Ombudsman's report, which I would hope you'd surely find it within your mandate to answer, sir.

I want to specifically ask you a question with respect to one of the problems that it has identified in the report, and that is the lack of regional resources for emotionally disturbed children in this province.

You will be well aware, sir, that there is a chronic shortage of resources for children in crisis in the province of Saskatchewan; and among other things, Mr. Minister, a

chronic shortage of resources for children who are emotionally disturbed. Now one of the points, Mr. Minister, that is made in the report is that there is an urgent need for such services; and, Mr. Minister, that there is need for such services to be fully funded.

And I wonder, Mr. Minister, if you are prepared to give a commitment today to the people of Saskatchewan that in the future, starting in the next fiscal year, your government will fully fund treatment programs for children in crisis, emotionally disturbed children such as those at Bosco Homes. In other words, Mr. Minister, I want your assurance that these kind of treatment programs will no longer have to depend on public charity, but will be fully funded by your government.

Hon. Mr. Schmidt: — Mr. Chairman, this government, under the initiatives we have taken, leads North America in the revision of foster care, and we are now in the process of implementing the third and fourth phases of the new foster care program which will lead to therapeutic foster homes. We have also taken young offenders who are not dangerous and placed 30 of them in special foster care homes and special care families to that they can be treated outside of institutions. In addition, we have the Yarrow Youth Farm at Saskatoon. We are planning other facilities.

I might say also that we have more difficult children in special foster homes right now than there are Bosco. I might also say that when Bosco was first started there was nowhere for these very difficult children to go. But we have now found facilities, and as a matter of fact, as we speak, there are only two wards of the Department of Social Services who are currently in Bosco Homes in Saskatchewan.

We fully fund all of the treatment facilities and costs and we pay Ranch Ehrlo and Bosco each \$132 per day per child. This compares with our recent contact with Ontario where they are paying between 50 and \$130 per child depending on the needs of the child. Our \$132 per child does cover the ordinary operating costs of these facilities, and we do not pay for specialized costs or extra costs. And so if an institution such as Bosco or Ranch Ehrlo wishes to raise money for services that they want to provide above and beyond the cost of \$132 per day, we certainly do not discourage them.

But we take the firm and clear position that at \$132 per day, we are funding the costs of all of the facilities and all of the operations in Saskatchewan. That works out to, I believe, roughly \$4,500 per month per child. You can see that works out to about \$50,000 per year. It's a substantial sum. And I believe that for \$50,000 a year they should be able to deal with most children.

There is the occasional child that needs specialized care that's not now available in Saskatchewan. There is a home in Calgary where we have contracted. Their fees run up to \$200 per day. We try not to use that facility because of the great cost, but certainly we are funding the facilities in Saskatchewan.

As I indicated there are currently only two children at Bosco Homes that are in the care of the Department of

Social Services.

Mr. Prebble: — Well, Mr. Minister, I don't dispute your figures with respect to your funding at Bosco Homes, but I ask you to bear in mind that we're talking here about 24-hour care. It's simply not true that you fully cover operating costs at Bosco. You know that. I think that's well documented in the Ombudsman's report, Mr. Minister. And I might add, Mr. Minister, that it is standard practice by your department not to fully cover the costs.

If you want to take a somewhat different example but with a clear parallel, I ask you to look at the crisis nursery in Saskatoon. The budget, as you will know, of that nursery is \$191,000. The costs covered by your department, I believe, are in the range of \$108,000 a year. It's been standard practice, Mr. Minister, that you don't fully fund these programs for your people in crisis and that you leave it to the local organizations to go out and do that additional fund raising that is required to run a viable program, Mr. Minister. And that's often where those organizations run into trouble.

And you know full well that the Ombudsman has recommended that such programs ought to be fully funded by your department, and that's what we're asking you to do. And clearly, Mr. Minister, I guess you have a contrary position which I think is unfortunate. But I don't think that that means, Mr. Minister, that you're adequately fulfilling your responsibilities to the children whose legal guardian you are, sir.

I want to ask you another question with respect to Bosco and that relates, Mr. Minister, to the question of the investigation of the financial affairs of Bosco, a matter that the Ombudsman acknowledged himself he was not able to adequately deal with. Mr. Minister, I think it's fair to say that the audited financial statements of Bosco over the last several years have always had some sort of a conditional provision that indicated that the auditor was not able to have full access to the financial information associated with Bosco.

I think it's also fair to say, sir, that the Ombudsman fully documents the fact that Bosco Homes did not comply with the agreement between Bosco and your department and the Department of Tourism that was signed when Bosco Society received the \$1.3 million loan guarantee that guaranteed that the operations of Bosco Homes and Bosco Society would be genuinely separated, that the assets of Bosco Homes would be transferred to the Bosco Homes board, and that it would operate as an independent community-based board. That did not happen, Mr. Minister.

I wonder if you can tell us, Mr. Minister, if you intend to ensure that should you decide to continue to fund Bosco Homes, that guarantee that was originally in the agreement with respect to a separate, independent, community-based board for Bosco Homes Incorporated, that your department will require that obligation to be fulfilled?

Hon. Mr. Schmidt: — Mr. Deputy Chairman, first of all with respect to Saskatoon Crisis Nursery, the Department of Social Services funds it to the extent of \$108,000 per

year. It should be pointed out that there was no Saskatoon Crisis Nursery when the members opposite were in government; that upon the request of the organization operating Saskatoon Crisis Nursery, this government commenced funding a crisis nursery in Saskatoon as a pilot project, and that now the members opposite somehow stand up high and mighty and say, well it's not enough — it's not enough.

We've heard the members opposite with that statement — not enough, underfunding, insufficient resources. They are like a stuck record. As a matter of fact, a stuck record is the politest way you could describe their conduct in these matters. And members opposite are constantly saying, money, money, money; more money, more money, more money. And then their explanation is: tax the rich, tax the rich, tax the rich.

If the members opposite would point out these rich, we would tax them. But unfortunately the rich don't stand up, and there aren't that many that are noticeable in Saskatchewan. We don't have enough rich people here. The members opposite would want to chase the ones that we do have here out, then who are you going to tax? You have to have some rich people to tax, and you can't deny rich people the fact that they have earned their money and that they produce jobs, they create wealth for the benefit of everyone.

Now I realize that the rich have not been popular since the days of the Bible. But I submit that they have been necessary to society. And therefore members opposite have to start becoming realistic. The Ombudsman recommends we spend more money. He does not recommend where we obtain the extra money. Everyone stands up with their little telescope here and looks down the tunnel, gets their tunnel vision, and what do they see? We should spend more money. Could someone at some time decide how we can earn more money so that we have more money to spend?

With respect to Bosco, Bosco operates somewhat different than Ranch Ehrlo and some of the other institutions. Bosco has some built-in operating costs from past obligations; example, the costs of their buildings, their vehicle leases, the ratio of their child care staff, and the fact that they run their own education program. Some of these costs may have been valid 10 years ago, but currently we cannot fund them beyond the \$132 per day that we fund other institutions. That's our maximum.

We are not prepared to write an open cheque to anyone or any organization anywhere so that they can operate in the manner they see fit. I mean, our citizens have limitations. They can't live a life-style in a manner they see fit. They are limited by their budgets. And if I am going to write an open cheque for every institution that contracts with the Department of Social Services, then many other citizens will have to alter their life-style, because what you are advocating is that a greater percentage of the income of this province be allocated to those institutions.

It's the responsibility of government to make some decisions. We have decided that \$132 per day is adequate. It seems to be adequate at Ranch Ehrlo. They

are doing a good job. It is adequate in other provinces, and if people are going to spend money on extra services, they'll have to raise that money themselves.

Mr. Prebble: — Mr. Minister, what we on this side of the House are asking you to do, Mr. Minister, is re-orient your priorities. We saw, Mr. Minister, that your government didn't hesitate to bring in legislation which reduced corporate tax in this province. You did that just last week. There was a tax break for the corporate sector, a 2 per cent drop. Your government certainly hasn't hesitated, Mr. Minister, to allocate funds for things like the much criticized birthday party in this province.

But, Mr. Minister, your government has been hesitant to invest money in preventative social programs or in treatment programs for children in need. Mr. Minister, that's one of the areas that you've neglected. You only have to turn to this budget, Mr. Minister, and look at the estimates and look at the grants for family services in this province. Cut again, from \$7,491,000 in 1988-89 — I'm looking at page 85 of the *Estimates* — cut from 7.5 million to 6,555,500, Mr. Minister, in the current fiscal year.

Now, Mr. Minister, not only are you cutting the budgets of these family-based organizations, but you're also foregoing federal funds because, as you well know, 50 per cent of this money comes from the Government of Canada. When you cut back on these kinds of programs, you lose those federal dollars coming into the province of Saskatchewan, Mr. Minister. There's simply no excuse for your government, Mr. Minister, choosing to continue to pursue such a policy. And I guess the question that I would like to ask you specifically now, coming back to the Ombudsman's report, is the proposal in the report for a children's guardian, sir.

(1415)

I wonder if you can tell the Assembly today whether you would be prepared to introduce an amendment in The Family Services Act, your new child and family services Act that we'll be debating in the Assembly later this week. Are you prepared to introduce an amendment that would make provision for the establishment of a children's guardian in the province of Saskatchewan? Would you make that commitment, sir, as recommended by the Ombudsman?

Hon. Mr. Schmidt: — Mr. Chairman, first of all, I shouldn't answer the question. It's on a Bill that's before the House now. Secondly, I will say that there'll be no such amendment during this session. The matter will be considered and there will be other times to make such amendments should they be necessary.

Mr. Prebble: — Well, Mr. Minister, that is very unfortunate. We've got a situation where Alberta has a children's guardian, Manitoba has a children's guardian, Ontario has a children's advocate. Clearly, Mr. Minister, if there is one thing that the Ombudsman's report has clearly documented, it is the fact that there is a need for, in effect, a watch-dog on the child care system in this province when the Department of Social Services, for one reason or another, fails children.

Now, Mr. Minister, this will inevitably happen. And I'm not in any way here suggesting, Mr. Minister, that departmental staff don't have the best of intentions. Nor am I suggesting for a moment that we don't have a large number of outstanding foster-parents doing an excellent job in the province of Saskatchewan. Those are not the things I'm suggesting.

What I am saying, Mr. Minister, is that your department is overloaded with work. Your child care workers are . . . first of all, the positions are often understaffed. It's not at all unusual that positions go vacant for long periods of time when it comes to child care workers, Mr. Minister. Children are simply falling between the cracks. And now we've had two consecutive ombudsmen recommending the establishment of a children's guardian in this province, Mr. Minister, someone who could be an advocate on behalf of children. Someone who could ensure that the voices of children are heard before the courts in child apprehension cases. Someone, Mr. Minister, who can ensure that when reports come to them with respect to child abuse, either by children directly or on behalf of children, that they will always be followed up, Mr. Minister. Somebody who can, in effect, assure, Mr. Minister, that the children who are in care and who are your legal responsibility are getting the best possible services that they can get from your government. Someone who when children are being constantly moved around from one foster home to another, will intervene on their behalf, when children in care are not getting educational or health services that they need, will intervene on their behalf.

Now, Mr. Minister, we've had two consecutive ombudsmen recommend this. You've got legislation in Alberta that you could basically borrow from and insert into this Bill. I plead with you, Mr. Minister, introduce an amendment to Bill 7 in the Assembly this week that will establish a children's guardian in this province.

Hon. Mr. Schmidt: — Mr. Chairman, we already have some guardians in this province; we have the official guardian for children. Some of the Bills that we are bringing in this session and will pass in this session will give a greater role to the extended family. Band councils will be brought in, have jurisdiction in some of these Bills to make representations on behalf of the children from their Indian bands.

There are many things that we are doing, and I'm not saying that we won't bring in legislation to appoint a children's guardian or a children's ombudsman, but in the meantime we have an Ombudsman in Saskatchewan who has a duty to all citizens including children. He's just written an 81-page report. To bring in another ombudsman to duplicate the services of the existing Ombudsman may be nice window dressing but I don't think it's going to solve the problems out there. They already have an Ombudsman.

So we will give it consideration, and if the members opposite think that it will magically change the world out there, I hope they're correct because I don't think that is likely to happen. We will look at all the recommendations of the Ombudsman and implement those that we feel are practical and of benefit to children

and families in this province. So the member opposite need not spend a lot of time on this particular point; it will be considered. The Premier has made some announcements with respect to a family foundation. He's made some announcements to the possibility of a minister responsible for families. If that is the intention of the Premier to follow that course of action, I think that kind of a foundation or that kind of a minister should be given an opportunity to examine this whole area and do what's appropriate. So we're not going to rush out immediately.

The members opposite, Mr. Chairman, quite honestly, as I pointed out this morning, are scary. When you watch them operate in this Assembly and you consider that they want to be the Government of Saskatchewan, I'm concerned that should that ever happen... Now they promised to make this province ungovernable, and I'm afraid that should the members opposite, the member from Saskatoon University ever be in cabinet in charge of Saskatchewan, that he will make this province uninhabitable.

Mr. Prebble: — Well, Mr. Minister, as you know, that's just nonsense. But I can assure the people of Saskatchewan one thing, Mr. Minister, and that is that if we are elected government, children in crisis in this province will get the services they need; they'll get the care they need. Every government makes mistakes when it comes to this very difficult area, Mr. Minister, but if you are not prepared to put into effect a children's guardian in this province, we will, Mr. Minister, when we form government after the next election. We will.

Now, Mr. Minister, I want to raise with you a matter concerning the care of children in the province more generally, and one of the things that I am very concerned about is that it is almost impossible for 16- and 17-year-olds in this province to get access to group home facilities past their 16th birthday.

Now, Mr. Minister, we share your view that care is best done in the family; care of children obviously takes place best in a family environment. When we can avoid children having to be in institutions, we should do just that, Mr. Minister. And one of the disappointments I guess for us, Mr. Minister, is that you've not moved forward more quickly with the super foster home concept that you've advocated for some time.

But, Mr. Minister, it's unrealistic for you or anyone else in the social services field to think that all young people can be simply helped through foster homes or super foster homes, Mr. Minister. Some of these kids need 24-hour-a-day care or supervision, and some of them, Mr. Minister, need quite intensive treatment. I mean, the children that we're talking about in Bosco, for instance, many of them are sociopaths or psychopaths or severe schizophrenics. Many of them, Mr. Speaker, are simply not going to fit into a super foster home environment. So we're going to continue to need a treatment program.

And what we really need in this province is a continuum or resources where we place children... where we reunite children with their families where that's possible. Where that's not possible, we go with foster homes and

super foster homes. And where that's not going to work, where we have some kind of group home environment for children, and where necessary, intensive treatment for children, Mr. Minister.

And, Mr. Minister, it is almost impossible for children who are in need of these kind of group home services, once they're past their 16th birthday to get them in this province. And my question to you is, when will the Department of Social Services free up financial resources to finance these children who need a group home setting, Mr. Minister, and who need treatment in such a home to be able to get it?

Hon. Mr. Schmidt: — Mr. Chairman, the member opposite knows that we have before this Assembly a new family services Act that will make services available to 16- and 17-year olds for the first time in Saskatchewan history. The member opposite should at least acknowledge that, and not only should he acknowledge that, he should wait till we get to the passing of the Bill.

We've taken other measures to assist 16- and 17-year olds. Pleased the member opposite welcomes the idea of super foster homes. These specialized foster homes are something that I recall thinking of while discussing the problem with my staff upstairs at the table in my office. And I am pleased that the member opposite acknowledges that there are other ways of dealing with children than dropping them in institutions. So we're making some progress here, Mr. Deputy Chairman.

It's pleased to note that the members opposite, the NDP, are starting to adopt some of our buzz-words rather than have society operate and function on all of the leftist buzz-words of the 1960s and 1970s.

With respect to resources, I think what the member opposite really means is that we should spend more money. It seems to me that it's unbelievable that the members opposite can't say spend more money when they mean spend more money. They say funding; they say resources — allocation of resources, insufficient funding. When they want more money to be spent, why don't they say spend more money? And when they say spend more money, why don't they say where we should get that more money?

Then they come up with the silly story about corporate taxes have just gone down. Corporate taxes in this province, Mr. Chairman, are on average the same as they are across all of Canada. As a matter of fact they're higher than they are in Alberta. Why would one of those corporations that they consider evil employers of our citizens want to come to Saskatchewan when their taxes are lower in Alberta? Therefore our taxes are similar to Alberta. Ours are 1 per cent higher. Not 1 per cent when you compare them because 16 per cent compared to 17 per cent is more than 1 per cent, but one percentage point on the tax scale higher than Alberta.

But why would these corporations that they considered evil want to come here and employ our citizens if they can pay less tax in Alberta or another province? So we try to keep our taxes similar to other provinces because this is all one country and people are still allowed to flow freely

from province to province in this country, and therefore you have to be practical and reasonable.

But the members opposite with their tunnel vision — they have a critic for this and a critic for that — why don't they all get together and consider the implications of their narrow-mindedness on each one of their particular topics? If you listened to the members opposite and took their advice from every critic, we would double our expenditure, we would cut our taxes in half, and somehow everything would be wonderful in the province of Saskatchewan.

If there were still anybody still left living in the province of Saskatchewan, it would surprise me — everyone would leave. Everyone would leave. We spoke earlier this morning about people leaving Saskatchewan. People leave to seek opportunity, and we have to create opportunity here. In our zeal to create equality we should not go so far as to erase opportunity or you will have, as Winston Churchill indicated about socialism, equal poverty for all. I don't believe that the people want that kind of equality.

Lastly I say, Mr. Chairman, when the members opposite say they want us to spend more money, they should say so in clear terms and not couch their language in buzz-words like funding, resources, and all the other little weasel words that mean spending money.

Mr. Prebble: — Mr. Chairman yes, the position of the official opposition, Mr. Minister, is that you should be spending more money on family services in the province of Saskatchewan. It's one of many areas, Mr. Minister, that your government has neglected and neglected very badly, Mr. Minister. And you only have to look at your record with respect to cuts.

You basically took every friendship centre in the province, Mr. Minister; you eliminated all the funding for their recreational programs; you eliminated their native court worker program, and then, Mr. Minister, you cut their family service worker programs on average by about 20 per cent.

You look at the crisis intervention services in this province — in Prince Albert, in Regina, in Saskatoon — every one of those services, Mr. Minister, in the last two years has had their budget trimmed by your government by anywhere from 20 to 25 per cent in terms of a net cut. And the record just goes on and on.

And, Mr. Minister, one of the things that I want to specifically ask you about is with respect to the number of children and women that are being turned away from things like transition house services in this province when they are clearly in crisis. I give you some of the most recent figures, Mr. Minister. For instance, in Saskatoon, 359 people turned away from the transition house there from April 1, 1988, to March 31, 1989; 50 families, Mr. Minister, turned away from The Battlefords in the period April 1, '88 to March 31, '89; and in the period from April to June, another 66 people turned away. In La Ronge, Mr. Minister, again, we've got a situation where transition houses are having to turn people away.

(1430)

Consistently, Mr. Minister, the transition houses have asked you in this province for a program that would allow them to provide counselling to children in crisis when they come into the transition houses. And again, Mr. Minister, you have turned down their request for that kind of a counselling program.

We've got the crisis nursery in Saskatoon, Mr. Minister, which regularly has to turn away 40 to 60 children a month. Now, Mr. Minister, my question to you is simply this. Are you prepared to fund organizations like the transition houses in this province and the crisis nursery in Saskatoon in such a way that they do not have to turn away children who are in need and who are in urgent need, Mr. Minister, who have often been abused or, Mr. Minister, are in trauma? And, Mr. Minister, are you prepared, in addition to that, to fund in the next fiscal year a counselling program for children who have been traumatized or abused when they come into transition houses in this province?

Hon. Mr. Schmidt: — Well, Mr. Chairman, let me explain to you something that the NDP are not prepared to admit. Actually when the NDP were government, what they did was they privatized some of Social Services. Instead of having the Department of Social Services deliver the services that they had delivered since the '30s, and through the '40s and through the '50s and through the '60s, the NDP started contracting out to non-governmental agencies the provision of social services that the Department of Social Services had always provided. I'm not saying that they were wrong in privatizing some of social services; what I'm saying, Mr. Chairman, is that they should at least admit that they privatized some of social services.

When they did privatize some of the functions that Social Services should have been providing, they got carried away and went too far. For example, crisis intervention; they contracted out for 24-hour crisis intervention services because the Department of Social Services began working 8 to 5 Monday to Friday. And if someone had a problem and needed assistance from Social Services from any other time except 8 to 5 Monday to Friday, they could not get help from the government Department of Social Services.

On top of all that, on every second Friday only half the people were there to assist anyone. So you had really a four and a half day operation at Social Services, so they had to contract out some of the services. I found it . . . I hate to use this NDP buzz-word, but I found it appalling when I became Minister of Social Services that you can't get help from Social Services unless you have your problem during daylight hours on a working day.

We are gradually going to try to work to a system where we rotate some staff and we do have facilities beyond those hours. However . . . and I realize that staff are on call and that assists, but it's difficult for the client to find those staff who are on call. So what they did with crisis intervention when they contracted out the need for that service, they contracted it out 24 hours a day.

The logical thing, Mr. Deputy Chairman, would have been to contract for service on off-hours. They should have contracted for services from 5 p.m. until 8 a.m. in the morning, but they contracted for 24 hours per day. So therefore they were wasting taxpayers' money. They had duplication of services during daylight hours.

We went to Crisis Intervention Service and said, we do not need your contract services during daylight hours between 8 and 5 when we are already paying the professional social workers to handle the crisis. We need services between 5 p.m. and 8 a.m. in the morning and on weekends, and we are now contracting for those services. Therefore the member opposite criticizes us for not having duplication of services. When they privatized these functions, they should have done it correctly in the first place.

With respect to adult crisis and assistance to adults, whether they be battered wives or other problems with respect to adults, this government has increased that budget by more than 200 per cent in the last seven years. And you can't tell me that inflation has caused the devaluation of the loonie to 50 cents in the last seven years because that is not the case.

So what you have is increased services, and I admit there is some increased demand. But we are certainly keeping up with the demand as much as any government ever did in this province. There has to be a balance, as I've pointed out time and time again to the members opposite, between the struggling taxpayers — who are taking care of their own lives, who are feeding their own children, who are doing their best to be self-sufficient and pay taxes to help everyone else who needs help — there has to be some balance between how much struggling taxpayers can afford to pay and how much society can expect the struggling taxpayer to assist their neighbour.

There has to be a balance or else you will sink all of the taxpayers, and you will have a struggling society with nobody to support it. That has to be kept in mind, Mr. Chairman. There has to be a balance. As I've pointed out earlier, the question is that to govern you have to face responsibility. If the members opposite could get their mind around that word "responsibility," then it would be a lot . . . (inaudible interjection) . . . I didn't quite hear that comment from my learned colleague.

An Hon. Member: — I said stop it; don't patronize me.

Hon. Mr. Schmidt: — Don't patronize you? I don't stand here to patronize you; I stand here to educate you. You are a member of the bar, a learned man, and you should understand the meaning of responsibility.

So therefore, Mr. Speaker, when I was rudely interrupted, I was saying the members opposite should learn the meaning of the word responsibility. And I realize it hurts them to hear that. If the members opposite want to, they can all stand up and turn and tell me that they are responsible. But they should show some responsibility.

Mr. Prebble: — Mr. Chairman, new question to the minister. Mr. Minister, I don't think I'll bother replying to that, what I consider to be a very inaccurate account of

the reality in this province. You only have to approach any individual transition house in this province, and they'll tell you, Mr. Minister, their budget hasn't gone up by any 200 per cent. In fact, if they've been lucky, their budget has gone up 2 or 3 per cent a year at best, with no accommodation at all made, Mr. Minister, for the increased demands on their services.

And one of the reasons, Mr. Minister, of course, that you don't point out that more families are in crisis in this province, is because of the kind of policies your government has been pursuing. Policies, Mr. Minister, that have increased family stress by freezing welfare rates for eight years, by in effect freezing the minimum wage for seven and a half years with the exception of one 25-cent increase, and by cutting back on a lot of the support services in this province that families used to enjoy.

Now, Mr. Minister, I want to ask you a specific question with respect to two concerns I have related to my home city in Saskatoon. One is with respect, Mr. Minister, to Kilburn Hall. Now that Kilburn Hall is being used as a young offenders' facility, there is no stabilization and assessment facility in the city of Saskatoon designed, Mr. Minister, to help get young people off the streets and to attempt where possible to reunite them with their families.

In addition to that, Mr. Minister, you will be aware that the interagency committee on downtown youth in the city of Saskatoon has identified that there are some 2,000 young people in that city who are living a large part of their daily lives on the street. And among other things, Mr. Minister, that committee has recommended the establishment of a downtown youth centre for young people in the city of Saskatoon.

And I'd ask you this, Mr. Minister: first of all, when are we going to see a stabilization and assessment facility for young people in the city of Saskatoon that in effect replaces the function that Kilburn Hall used to perform, to help get some of these young people off the streets and reunited with their family?

And secondly, Mr. Minister, are you prepared to cost share with the city of Saskatoon, as Minister of Social Services, the cost of establishing a downtown youth centre in that city, and then using that, Mr. Minister, as a model that might be applied to other cities? Because obviously cities like Prince Albert and Regina have this same very serious problem with respect to young people who spend a large part of their life each day on the streets, Mr. Minister. Are you prepared to cost share that kind of downtown youth facility, first with the city of Saskatoon, and then use it as a model to apply to other centres in this province?

Hon. Mr. Schmidt: — Mr. Chairman, Kilburn Hall does have eight spaces for stabilization of young offenders and children; in addition in Saskatoon we have eight specialized foster homes that are used as stabilization homes for children who have been apprehended and are in immediate need. In addition, we have the Saskatoon youth network, which is working well and is planning for the most difficult youth to be treated in Saskatoon.

With respect to the request about a Saskatoon youth centre, it's something that we will consider, but I can't give a commitment because I would want to study closer what its cost would be and what the effect of it might be. If it would help the situation, we would certainly do it, but I would have to look at it closely. I have some concerns that children who are living on the streets because of the excitement of the life-style are really hard to get to and deal with. And I don't know if a youth centre would really help them grow up or if it would help them to continue their life-style. If it will do anything to help them grow up and become self-sufficient adults, we'll certainly look at it.

Mr. Prebble: — Mr. Minister, I'd like to ask you a question with respect to services for the mentally ill in this province as it relates to your department. In my meetings with various advocacy groups on behalf of people who have mental illness in this province, a number of concerns have come to my attention. One, Mr. Minister, is the fact that there is a need for an emergency shelter in many cities in this province. People who are mentally ill and who are suffering some sort of a breakdown or . . . that may lead them to commit a minor offence, often end up in jail, Mr. Minister, when it would be far more appropriate for them to be in some kind of an emergency shelter. And that's one of the needs that has been identified.

There are a lot of people with mental illness problems, Mr. Minister, who are living in very inadequate housing, in large part because they depend on the very inadequate social assistance rates that your government pays them. There is a serious problem, Mr. Minister, with respect to mentally ill people in many cases who are no longer in institutions, which would be good, Mr. Minister, if they got the support services in the community that they need. But one of those support services is that many of them are lacking in the ability to prepare meals for themselves. They are among many mentally ill people or among the hungry people in this province, Mr. Minister, and there is a need for some of the organizations that advocate on their behalf to receive funding for meal programs so that lunches and suppers could be served to mentally ill people who are unable to prepare meals for themselves.

I've also had one other concern brought to my attention, Mr. Minister, that I particularly want to touch on as it relates to those suffering with mental illness, and that is that when many of these people attempt to get off social assistance and into the work place, obviously because of the illness that they have, they're often not able to work for very long periods of time.

And right now, under the system that you have set up, if they do not work for at least three months, their application to get back on social assistance is not considered to be a new application and any moneys that they earn, Mr. Minister, during the period that they're working, over and above what they might have been paid on social assistance, is considered by your department to be an overpayment which they must then pay back, which is quite a major disincentive for many of these people to go out and seek out work in the first place.

So my question to you, Mr. Minister, is: are you prepared

to respond to some of these very serious concerns that they have? Are you prepared to look at the establishment of emergency shelters in some of our major cities? Are you prepared to change the policy that currently penalizes mentally ill people when they try unsuccessfully to hold down a job in the work place? And are you prepared to increase social assistance rates, specifically for housing, so that some of these people can get out of the slum conditions they're in?

And finally, are you prepared to finance, perhaps initially on an experimental basis, some hot lunch and hot supper programs for groups that provide services to mentally ill people, particularly targeted to those who are just barely functioning in the community and are not able to prepare meals for themselves?

(1445)

Hon. Mr. Schmidt: — Well, Mr. Deputy Chairman, first of all, mental illness is part of the jurisdiction of the Department of Health, but we will not try to shirk our responsibility as the Department of Social Services because many of the people who are mentally ill also become clients of the Department of Social Services.

If the member opposite is recommending special housing facilities for people who are mentally ill, we could look at that through Sask Housing Corporation and give them subsidized housing. I have a concern though of creating a mental health ghetto where the entire project is people who are mentally ill and it certainly wouldn't lead towards reintegration into the community and into society. So while the idea has some merit, the disadvantages also have to be considered.

The Department of Social Services is now discussing with Health ways we can include people who have been mentally ill in hiring projects so that they can get training and get off of the welfare cycle, and we are prepared to look at subsidizing their employment positions, in effect, compensating for their disability so that they can gradually work into positions that they could hold in the long run.

With respect to housing, there's no need for slum housing as there is now an 8 per cent vacancy rate in Saskatoon. The vacancy rate in Regina is also fairly high. I have seen signs up everywhere advertising apartments to let, furnished or unfurnished. The rents that these apartments are renting for are . . . the apartments I've seen by all appearances seem to be middle class apartments that ordinary middle class taxpayers seem to live in.

The rents in these apartments for people who are mentally ill would be in the range that they would be fully covered by the Department of Social Services, as if you are mentally ill, you are not classified as fully employable and therefore, the rents would be adequate. So it's a matter of they or their families or their friends assisting them in locating these apartments which are now available, and the rates we pay should be adequate to cover their rental costs.

Mr. Anguish: — Mr. Minister, I have a question that concerns approved care homes in the province. In

particular in The Battlefords area, and I'm sure this is a problem — right now it persists across the province — but it's been brought to my attention by a number of people who operate approved care homes.

And under the department, you have a program called the approved home holiday relief program which provides in that program, 21 days per year of paid holidays to individuals who operate the approved care homes, and I suppose the program is there because of the intensity of the workers in relationship to the role that they carry out with the individuals in their care.

And I understand that this program, at least for the North Battleford area, is administered by Elmwood Residence in Saskatoon, Mr. Minister. The problem seems to be that as people take their 21 days holidays, whether they take some in one portion of the year and another part of it in another portion of the year, they're supposed to take their holidays and then submit the bill. In the case for Community Living to Community Living, or in the case of mental health to mental health, and then the bill is forwarded on to Elmwood Residence in Saskatoon for payment.

And the concern herein lies that Elmwood has been telling individuals who submit their bills for payment for their holidays that they have no money to pay the bills and that it's because Social Services hasn't provided them with the money that's necessary for them to pay the claims for holiday time. And I'm wondering if the minister, if it's your understanding, sir, that this is the problem. Or if in fact it is the problem, could you tell us when Social Services will be providing money to Elmwood Residence in Saskatoon so that these people may recover their holiday pay?

Hon. Mr. Schmidt: — Mr. Chairman, I have to give credit where credit is due. The member opposite has asked a relevant question and certainly on topic. I'll give the best answer I can and an assurance to the member.

The holiday relief program has been in operation for some time now, and yes, in your area it's administered by Elmwood Residences. Elmwood has what would almost be called a revolving fund, and that we in the department advance them \$4,000 to use to pay out the cost of these holidays. And when that 4,000 has expired, they are allocated another 4,000, so that we do pay \$4,000 in advance in a revolving fund, sort of a floating account. In addition, they bill us in the department for their administrative services with respect to providing this service which is a holiday relief program.

We will give you an assurance that the department will make an inquiry into the operation of this program with Elmwood and see why there are any problems as indicated by you from your constituency.

Mr. Anguish: — Thank you for that answer, Mr. Minister. I appreciate your concern with the program and giving us your assurance that you will have someone from the department look into the situation with Elmwood. Mr. Minister, could you please also ask whichever official who looks into the situation to contact me so I can respond to some of the people who have expressed

concern on this program?

Hon. Mr. Schmidt: — The official heard you, he's nodding his head, and he'll try to get in touch with you as soon as possible.

Mr. Hagel: — Mr. Minister, I've just recently been advised that at Valley View Centre in Moose Jaw there are, my advice is 12 young offenders who are resident there with, again I'm advised, two supervisors. And I simply wonder, Mr. Minister, if that is accurate; and if so, what the program is that's in place there? And if that's the case, Mr. Minister, I'll have some other questions I'd like to ask.

Hon. Mr. Schmidt: — Okay, I can advise you that at Valley View there are no young offenders that are residents of the Valley View institution. There are 12 young offenders from the P.A. youth camp who are at Valley View doing work on site as a work crew, like a construction crew. They will be there from two to three weeks. They are open-custody offenders. That means that they are not incarcerated. We do not believe that they are in any way dangerous to society, but need guidance, and we expect that they will be doing some public works on the site for about two to three weeks, and then they will move on to another location; or if there isn't work available for them in other locations, they'll return back to their P.A. facilities.

Mr. Hagel: — I appreciate your assurance on that, Mr. Minister, and I thank you for that. Mr. Minister, just while we're on the topic, there are a good number of people in my constituency obviously who are concerned about the future of Valley View Centre; what your department's plans are for the future of Valley View in regards to providing care for mentally handicapped adults. And there are a number of people who are employed there who obviously have some concerns as to what kinds of plans may be in the wind and a lot of questions without a lot of clear indication, Mr. Minister. It's an issue that is . . . I guess I raise twofold.

One is the provision of a service that is necessary and important to a decreasing number — I would agree with that — but to a number of adults who are mentally handicapped in the province of Saskatchewan, as well as then those who have made a profession of providing quality care for those people, who are wondering simply, what's in the cards. Mr. Minister, if you could shed some light on that I would appreciate it.

Hon. Mr. Schmidt: — Well as I'm always frank and honest, and sometimes that gets you into some political controversy, I will continue in that vein again today. Conventional wisdom is that in the long run you would like to shut down institutions like Valley View and have everyone live in the community, to the best extent possible. We are working towards that goal of the long-run closure of Valley View, but I do not anticipate that Valley View would be closed in the near future, because as of July 1 we still had 615 residents at Valley View.

And while it may be desirable to have everyone living in the community, it may not be practical to have everyone

living in the community. There are still some parents and relatives who feel that their child or their brother would be best served by living in Valley View. We are prepared to give those people a choice. So while there has been a policy for many years not to bring new children into Valley View, occasionally people are moved into Valley View when it turns out that they cannot be adequately cared for in any other kind of a community facility.

So there will be a gradual reduction in the number of people in Valley View, and an increase in the number of facilities in the communities throughout Saskatchewan. I can tell you this, that we do not plan on or anticipate any lay-offs at Valley View, that the gradual down-sizing of Valley View will depend on several matters. We expect that through retirement of staff and natural attrition of people quitting their positions that it will not be necessary to lay anyone off at Valley View.

We want to be fair to the staff at Valley View, but our first duty is to the residents and to provide them with the best life-style possible to them. So I can assure your constituents that there will be no sudden moves at Valley View, that we will try to phase it down as is our duty under conventional wisdom to the residents, that it appears to me it will take quite some time before we get to the decision of whether Valley View is still viable or not, and I would think that Valley View will probably still be necessary a decade from now.

Mr. Hagel: — Mr. Minister, I don't know — I appreciate your frankness and honesty — I don't know that you've stated anything with which I would take issue. I am clearly on record in this Assembly a number of times before and will again state that I fully support the principles of normalization and the process of providing opportunity for our handicapped citizens to live within communities and would also concur with you that reality being what it is and circumstances being what they are today, that there is certainly a need for some time for a facility that provides the kind of care that Valley View Centre does provide.

Mr. Minister, I think in part you answered my next question having used phrases like "near future" and "quite some time." I heard you say at the conclusion of your remarks that it would not be before the turn of the century or the end of the next decade that you would see — if you are so fortunate as to be given a mandate to serve in government for that long — that you would see yourself making that decision. That brings up other issues that we won't get into because that would simply inflame the debate here right now, and that's not my intention, Mr. Minister.

(1500)

Mr. Minister, I would simply ask then in conclusion — and this is my final question unless there would be something wild and radical that you would say in your response, in which case there may be another — but, Mr. Minister, has it been the practice of your department, and if not, will it be the practice of your department to release, in effect, the blueprint or a long-term plan for services to those handicapped citizens who are currently needing the kind of service provided in Valley View Centre so as to

assist handicapped citizens themselves as well as their families, as well as those who have made a professional commitment to provide care for our handicapped citizens in our province to make decisions that impact in their lives?

That's certainly a gesture that I would recommend and one that I'm not aware has been done in any clear kind of way, and one that I think would be to the advantage of government governing, providing services in an element of confidence. It would be advantageous to the families; it would be advantageous to employees, and most importantly, Mr. Minister, it would be advantageous to mentally handicapped citizens in the province of Saskatchewan.

Hon. Mr. Schmidt: — Well we do have a blueprint that follows along what you're familiar with. Normalization, living in the community as normally as possible, employed to the extent that they are able to be employed. Those are the blueprints; living as close to their homes as possible.

And we also have to take into account the opinions and views of the Association for Community Living who have given us excellent guidance and counsel in this area. We feel that we have a very good working relationship within the entire community of the mentally disabled, and are as much as possible dealing with the issues there.

As for the long-range plans into the next decade, into the next century, I think generally the plans will follow that course regardless of who might govern Saskatchewan. So I do not have the same fear for the mentally handicapped as I have for other citizens in Saskatchewan. I do have faith that other politicians will follow these policies because the Association for Community Living will be there to assure that the right thing is done.

With respect to Valley View, I can't say that it will always be there, because there may come a time when the demand for its services gets so low that it's not possible to continue with Valley View as an institutional setting. But as long as there is a reasonable demand for its services, we are prepared to provide those services at Valley View. And the community living association would like us to move faster and completely phase out Valley View, and we respect their opinion and understand what they're saying, but we also have many parents and relatives who are saying, don't go quite so fast.

So we will take a moderate approach to this. And it has to be flexible enough that if the world changes somewhat or if new ideas or new wisdom arises, that it can be incorporated in the overall plan five and 10 years from now.

We have people who are our responsibility when they become 18 years of age that will be with our society for another 50 years, and I can't lay out a blueprint as to what will be best for them 25 years from now. It'll have to be flexible as we go along.

Mr. Hagel: — Mr. Minister, again, I don't take issue with any of the general statements that you make, that you've just made. However, Mr. Minister, there are some

agencies that provide services for mentally handicapped persons in our province who are in the practice of doing their best guesstimate to project future needs, and from that devising a plan, a working plan, obviously not carved in granite or etched in marble, but to assist those who are impacted, clients, employees, and families so as to help them make decisions about their future.

And I guess I must have been a little vague in my question so let me just simply repeat it very specifically. Is there such a plan, based on best guesstimate — I would assume on planning that is centred on client needs as its primary operating criteria — is there such a plan that is in place for Valley View Centre, and is that communicated to those who are affected, the residents, their families and employees? And, Mr. Minister, is that's not the case I would urge your department to do so.

Hon. Mr. Schmidt: — Yes, your question was a little fuzzy and I'll try to answer it as I understand your question. It wasn't specific enough yet. But for each individual there's an individualized personal plan to try to plan out their life as to where they may be able to fit in society and what might give them the greatest happiness in life. There is an overall general plan which I've explained to you.

And you say the agencies that deal with mentally disabled people, work shops and the care homes, and agencies such as that. I will say to you this much, so that the world has some idea, that I have instructed my department to look at a greater plan, an overall plan for more work integration of mentally handicapped people into society, into what you might call regular jobs, and my department is now examining a plan.

In the future, I think, some of those agencies will have to be prepared to change. I don't want to scare those agencies — change scares people. Some of your colleagues over there relish change because it's a greater opportunity to scare people, and scared people are more volatile voters, you see. So I don't want to give you an opportunity to scare anyone, but I say we are looking at a situation where there will have to be some change for the benefit of the clientele. The higher level clientele we will try to move out of workshops and into the world of actual employment. The people that are now working there will have to start looking at things such as job coaches, as employment councillors, things of that nature to help these people become more independent.

And so that is the direction that my department is looking at. I've instructed them to try and come up with a master plan for mentally disabled people to integrate them even more. I think the workshop is a stage, but once people have progressed in a workshop to a stage where they are the most productive worker there then we should do the honourable thing and have them move out into society, which is a deterrent to the workshop because they're losing their most productive worker.

But I have to say clearly that I'm prepared to take that criticism because the workshops were put there for the benefit of the clientele and not for the benefit of the board and the employees to run an efficient workshop. So the best people, the ones that have done the best job with

training, we want to move out and into the real world of employment and are prepared to share some of the costs of having those people out in the real world of employment. As a matter of fact, I've got one or two small pilot projects now, and they seem to be working out reasonably well.

Mr. Pringle: — Thank you, Mr. Chairman. Mr. Minister, in terms of your plan to integrate people with mental disabilities into the community, I do wish to commend you for that initiative. And to the extent that it's been successful, I commend you and I wish you luck in the future in those endeavours. I know that's a tough thing to do. And I guess I would say that the important thing is that the community supports go along with that, the institutionalization process, and I know you're aware of that. So that's a plan that I support.

There are three other plans that will change promptly, will change promptly after the next election. And one of those plans is that we will no longer have a policy in the province of starving children and families. That plan will change.

We will also no longer have a policy of denying low income people their legal rights and legal representation. Your policy in that regard will change. And we will also no longer have a plan of cutting back on community agencies that provide needed, necessary community services to families.

So I like your plan in terms of integrating people into the community, but those other plans will change because they're not constructive, they're not positive, and they simply are not part of the tradition of this province.

As critic for youth and families, I wanted to make a few comments today, and, Mr. Minister, with your record it's very difficult to know where to begin. There is no question in Social Services that families and young people have taken a beating under the policies that have come into being since you became minister, and some of the welfare reform policies that you have further pursued and promoted.

And when I look at your record, being as generous as I can, I really long for the time when the minister from Swift Current was sitting in your position, because she trusted people. That's one of your hallmarks, is that you don't trust the clients of your department. But she trusted people and she had faith in people and was positive is approaching her job, particularly as it related to the welfare program.

And your government, Mr. Minister, is responsible — these are your statistics — responsible for some 260,000 poor people in Saskatchewan, yet you continue to defend your policies, your economic policies, your social policies.

And you said again this morning in this Assembly that people in Saskatchewan are not living in poverty. That's what you said this morning. Mr. Minister, I believe that that's a very insensitive statement. It simply is not a reflection of what's happening in the province, and I don't think anybody else but maybe a few people on that

side of the House, and not many of your colleagues even, would agree that there is no poverty in Saskatchewan.

And I would say, Mr. Minister, that you . . . I would suggest that you look at your own statistics in this regard. Not only are you allowing children and women and men to starve, as evidenced by growing food banks — that's not NDP propaganda; the food banks are growing; the food banks are growing in numbers, and the line-ups at the food banks are growing — but you also blame them for the plight that they find themselves in. You blame them for your economic failures and, Mr. Minister, I could never understand that. So your policies have put people down and then you chastise them for the situation they find themselves in.

And you talked this morning about what you will do and how well things will be in the future. Mr. Minister, you are in this position while Rome burns down around you and you don't seem to recognize it. I won't get into all the details about the growing numbers in food banks, and the numbers of single parent families in poverty, and the statistics like this, the lack of resources for young people, because my colleague will do that in a few minutes.

But I can tell you this, and my colleagues have confirmed this in their experience, that the number of people that are calling our offices are calling in desperate straits. Many times they're calling in absolute emergencies. And I've been in the human service field for over 15 years, I know that it's a great challenge. I don't have all the answers; I don't pretend that I do. And in your own way you're just as sincere as anybody else and you're just as concerned as anybody else. But it seems to me, Mr. Minister, that what you haven't recognized that a basic point in working with people and carrying out your responsibilities as the Minister of Social Services is that you don't allow people to starve; that people's basic human needs have to be satisfied before you can kick them out to get a job and you haven't recognized that.

(1515)

And I would say that in the 15 years I've been in the human service field, I have never seen so many people so desperate, and I can tell you that the situation is getting worse. I could recite 10 or 15 personal circumstances of people that have called me, and I'm sure that you would agree that those are desperate situations, but I'm sure you get those kinds of calls as well. But in my experience I've never seen so many people so destitute and so desperate about their life situation. And many of these people, Mr. Minister, feel backed into a corner. They feel that they're being forced to beg and they simply are desperate and losing hope, and that is not exaggerating the situation, Mr. Minister.

Mr. Minister, I suggested yesterday in the Human Rights estimates, and I repeat that again today, that you are violating at least five or six sections of the U.N. declaration of human rights that you signed and recommitted the province to last year. You are denying a number of people their legal rights. In point of fact, there are people who fall between the cracks and there are people who are low income people who don't qualify for legal aid, who qualify maybe . . . or don't qualify but can't

afford the fee. There are numbers of people and there's no way to provide service to those people.

So you're denying people their legal rights. And you're a lawyer, and I assume that that must create some conflict for you in terms of your own professional ethics. You're violating, I would say, we would say you're violating the Canada Assistance Plan in terms of your work-for-welfare schemes and the way you collect overpayments from people. You got challenged last year by the Human Rights Commission and by the courts in terms of your policies regarding the Murray Chambers situation. You have made misleading statements, Mr. Minister, about the numbers and the money saved in your cheque pick-up schemes because it's politically popular to do that, but you have made misleading statements in this regard.

Mr. Minister, I guess I would say in closing that I think that you're the last member over there who should be the minister in such a sensitive cabinet position, where you literally have the ability to give or withhold basic food and clothing, basic shelter, from people in the province. And that's what you're doing, Mr. Minister. Then you cut community support agencies that would be helpful to many of these people who are, I would say, the victims of many of your hurtful policies.

I hope, Mr. Minister, that when we see a cabinet shuffle in the next month or so, that you will have the courage to go somewhere else, where individuals and organizations will have the ability to defend themselves and challenge you if you attempt to bring in the kinds of policies that you brought in as Minister of Social Services over the last couple of years.

My Ottawa friends tell me that you're known nationally, that your punitive record is known nationally. And some of those people are from Saskatchewan because you drove them away, your policies drove them away, and you're an embarrassment to those people.

My only question, Mr. Minister, because I mainly wanted to speak on behalf of the thousands of families in Saskatchewan who are victims of your policies, is that will you do the honourable thing; will you either resign your position or at the very least, make a request to the Premier that you want to go to another post because you simply . . . you've done all the damage you can do in Social Services and you would do the people that you're trying to serve, you do the clients of Social Services — and I might add many of the staff feel the same way — a service by doing that? Would you consider that, Mr. Minister?

Hon. Mr. Schmidt: — Mr. Deputy Chairman, we constantly hear this discussion about poverty, and I haven't denied that there are some poor people in Saskatchewan. But I'm going to quote from Statistics Canada, this source Statistics Canada, *Income Distributions by Size in Canada*, 1981 and 1987, catalogue number 13-207, lest anyone wants to look this up themselves. It shows Saskatchewan: 1981, 14.9 per cent of our population was considered to be low income; 1987, 12.8 per cent of our population was considered to be low income. Saskatchewan moved in ranking from sixth in 1981 to fourth highest income in 1987.

And yet somehow the members opposite keep dusting off some kind of a group from somewhere connected to some coalition that did some fuzzy research that says Saskatchewan is more impoverished than it was 10 years ago or five years ago or whatever figures they want to throw in. They will even find a university professor somewhere to do a study for them.

And I submit to you that being a university professor does not get you much publicity. So therefore, if you get involved in politics and do a little study and it comes down on side with a political party that you believe in, and you say that I am a university professor and I've done this study, all of a sudden this becomes relevant. These are the kinds of tactics the members opposite have.

Let them deny that Statistics Canada can't do calculations. Let them deny that Saskatchewan has improved by nearly 2 percentage points with 2 per cent fewer low income people than we had when they were government. Let them deny that we have moved up from sixth to fourth in incomes in Canada with respect to the number of low income people in Canada.

In addition, I believe the information I have in today's dollars, that low income cut-off line is \$19,343 per family. Calculate it, Mr. Deputy Chairman — I'll try to make sure I speak as clear as possible with this cold so that *Hansard* will show this accurately — calculate it at that level of \$19,343 per year. When you take into account deductions — let's assume you have a single mother with two children, working and earning \$19,343 per year, after deductions she would end up with a monthly income, after she pays her income tax and her other deductions, she would end up with a monthly income of \$1,412.

Let's now take that same mother living on welfare and assuming that she is able to work part-time to the extent that she makes the maximum limit without deductions, that she makes \$200 per month and the balance is covered by welfare. Now that's not a large sum of money and you don't have to work a lot of hours to earn \$200 per month. I would say you have to work approximately 10 hours per week in Saskatchewan, approximately.

Then to have the same income, here's how it would work out. After doing all of the calculations, the monthly benefits to that low income mother would be \$1,189.83 plus the \$200 that she earned up to the maximum exemption which would give her a net income of \$1,389.83 as compared to the working mother at the low income line who does not have assistance who clears \$1,412 per month. The instant mathematics would tell you that the working mother who is totally self-sufficient as compared to the mother on welfare and earning on a partial, part-time job, \$200 per month, that the working mother is \$23 per month better off.

I submit to you, Mr. Chairman, that we always have to have a system where someone who is working and not at all on welfare has more take-home pay. So then under our current system, the single mother with two children is receiving the equivalent of \$19,000 per year debt when you take into the account the deductions of a struggling

taxpayer that makes the same amount of income.

So therefore, because that working mother only makes \$23 per month more than that same mother who is on welfare and supplements her income on welfare by earning \$200 per month, I submit this system is as fair as possible under the circumstances. We are trying to help those people who are in need. So you have in effect every working mother that is partially working and partially on welfare, every mother that is single and has two children is receiving the equivalent of gross income of \$19,000 per year.

Members opposite do not seem to be quick enough to calculate that struggling taxpayer has to pay taxes, has to pay deductions, has costs of employment, and that therefore the system is as fair as possible. I submit to the members opposite, would it be fair for us to increase the welfare rate so that the \$19,000 per year struggling working mother then has less to live on than the mother who is on welfare. I submit it would not be fair. There has to be some differential. In this case, it is \$23 per month.

Mr. Prebble: — Thank you very much, Mr. Chairman. I want to respond, Mr. Chairman, directly to the comments that the Minister of Social Services has made, and move into the whole question of poverty in the province. Unfortunately, I don't have the 1987 figures before me that the minister cites, but I do have the 1986 figures, Mr. Chairman. And what they show, contrary to what the Minister of Social Services has stated, is that we now have a situation in this province where 42,600 families, 16.4 per cent of the families in Saskatchewan, are living in poverty in this province, the second highest rate of family poverty, Mr. Chairman, in the country.

We also have a situation, Mr. Minister, where, according to the 1986 figures, 25.7 per cent of children, 64,600 children in this province are living in poverty, the second highest poverty level in the country, Mr. Minister, for children, second again only to Newfoundland.

Now, Mr. Minister, this is borne out by the growth of food banks in the province. If you don't believe that poverty is increasing in Saskatchewan, just look at what is happening to food banks and their growth in both urban and rural Saskatchewan.

Mr. Minister, the Regina food bank didn't exist when you became government in 1982. Now it's feeding over 2,500 children a month. Mr. Minister, the Saskatoon food bank didn't exist when you came to government in 1982. Now it is serving more than 3,000 children a month. And I note, Mr. Minister, that consistently more than 4,000 adults a month are depending on the food bank in Saskatoon. In March, for instance, 4,791 adults relied on the food bank in Saskatoon for meeting their basic needs.

We have seen, Mr. Minister, the growth of food banks in cities, smaller cities . . . like Lashburn. And in the last year, Mr. Minister, from March 1, 1988 to February 28, 1989, we saw 1,095 children and 1,207 adults use the food bank in Lloydminster.

We've even seen, Mr. Minister, food banks needing to come into existence in smaller centres like Melfort and

Lashburn. I refer you to the figures for the food bank in Lashburn: July 1988 to March of 1989, 234 persons served, Mr. Minister, 53 per cent of whom were children. These figures, Mr. Minister, bear out the reality that poverty in this province is increasing and increasing sharply.

Now, Mr. Minister, you made reference to the plight of the single mother with two children, and you made reference to what her situation would be both if she's working and if she is dependent, Mr. Minister, on social assistance. And, Mr. Minister, I want to point out to you that one of the reasons why that single mother with two children is working full-time isn't, isn't further ahead than the person on social assistance is because you have made a conscious policy decision over the last several years to freeze the family income plan and to keep family income plan eligibility, Mr. Minister, well below the income cut-off that Statistics Canada has identified.

(1530)

And I just want to provide some examples of this since you've raised the issue of the single parent with two children. Mr. Minister, I refer you to the *Canadian Fact Book on Poverty* for the current year, 1989, and I ask you, Mr. Minister, to look at the figures there with respect to the differential between the family income plan guide-lines that you operate under and the poverty line. And, Mr. Minister, I'm using the statistics for centres between 30,000 and 99,000 in population.

When you look at someone with two children, two parents and two children, the family income cut-off is \$14,265. The cut-off for the poverty line as defined by Statistics Canada for the same family is \$22,842, Mr. Minister. A differential of in excess of \$8,000 between the family income plan cut-off and the poverty line cut-off. Mr. Minister, it's your erosion of the family income plan that has led to the situation where many working people in this province live far below the poverty line in the province of Saskatchewan.

Mr. Minister, you made reference to the fact that the person on social assistance, the single parent with two children who earns \$200, Mr. Minister, you suggested that that person, Mr. Minister, when she was working part time, was able to earn almost as much as the person who was in the situation that you described working full time.

What you have done, Mr. Minister, is you have depressed the wages of people who are working full time in this province. Your government has consciously as a matter of policy pursued a cheap labour policy in this province as borne out by the fact, Mr. Minister, that you've only increased the minimum wage once in seven years. And all those who are just above the minimum wage, Mr. Minister, as a result of that policy, you've had their wages kept down as well.

But let's look at what you've done for the single mother with two children on social welfare. I want to turn specifically to that. Mr. Minister, what you have done is that as a matter of policy in the last two years, your government has changed the earnings exemption for people on social assistance. You have reduced the

amount of money that somebody who's on social welfare and is working part time can keep as a matter of policy.

And I want to ask you specifically a question about this, Mr. Minister. I want to ask you why it is that in 1987, someone who was earning \$200 — we'll take the figure that you cited specifically — was able to keep those \$200 if they were a single parent with two children. And now as a result of the change that you have made as Minister of Social Services, they can only keep a hundred dollars of the \$200 they earn, Mr. Minister, which is in effect a disincentive for them to work. Will you explain, Mr. Minister, why you put the disincentive into effect.

Hon. Mr. Schmidt: — Well, Mr. Chairman, prior to October 1987 the SAP (Saskatchewan assistance plan) wage exemption was based on needs, not on income. All the other provinces had theirs based on income. Only Saskatchewan has its based on needs. Needs means that the worker would have to calculate how much you need to live on. Thus a client with identical conditions but more expensive accommodation, for example, a house, would have a greater wage exemption than other clients. This led to confusion, administrative errors and inequity.

A second problem was that the tax effect, in that the earned income was exempt up to 25 per cent of needs, beyond which 100 per cent of earned income was deducted from assistance. The incentive for the client was to increase needs, not to increase income. If you increased your need, you could keep more of your earnings, but you didn't have to increase your income.

The new exemption is similar to all the other provinces in Canada, is based on income. So all cases with similar incomes are treated the same. There's a basic exemption for earned income, that is the amount depends on the size of the family unit and whether the client is disabled, plus 20 per cent of remaining monthly earned income to an established maximum, similarly dependent on the size of family unit and disability.

So we have to take into account the size of the family unit and whether or not the client is disabled with respect to calculating the income test, because you can't go strictly on income. There has to be some need factor.

Beyond this point, 100 per cent is deducted from assistance. Under this new structure, there is an incentive to earn more and be less dependent on assistance. I'll give you the reasons. The underlying reason for the change in the SAP income exemption policy was to increase equity among clients. Secondary reasons included simplification and understanding by clients. And I admit it's still fairly complicated, but it is not nearly as complicated as it was, because people would look at their cheques and they would be different under similar circumstances. While there may have been a reduction for some clients, it was a reduction in exempt income, which in effect provides an incentive for working.

There was an increase in the basic allowance in January of 1988 of \$13 per month for children and \$17 per month for adults. The maximum exemption will be raised by \$25 per month in the current year, at an estimated cost of \$450,000. There was no change in the handling of

university students' cases with welfare reform. Assistance is cancelled upon receipt of a Canada student loan. I've tried to lay out as much as possible the current policy.

With respect to the member's comments and concerns about food banks, food banks are a sign of our society's desire to assist their neighbour and help by giving. However with respect to food banks, there's some interesting situations. Food banks developed first in western Canada which had some things in common — Conservative government and the highest welfare rates in Canada. They were primarily developed by a left-wing opposition.

I do not say that they shouldn't be there to care for people, but they should not be used for political purposes. We were elected and took office on May 9, 1982. The members opposite, together with their coalitions, decided to open a food bank in Saskatchewan not long after we were elected — I don't recall if it was August of 1982 or October of 1982. A few months after we were elected they organized the first food bank in Saskatchewan. I submit that that is not an indication of our government policies, but an indication of the members opposite playing politics with the poor.

What you have is that the members opposite have to admit that in those four months nothing changed so much in Saskatchewan that would necessitate a food bank in the month of October as compared in the month of April, the month they lost the election. Members opposite should not try to subvert food banks to their own political purposes.

I can get the statistics for all of Canada on food banks and they will show that there are more food banks per capita in the provinces that have the highest welfare rates. It just so happens that the provinces in Canada that have the highest welfare rates have in the past been the province of Alberta and Saskatchewan; Ontario, under their Liberal government, is catching up. I believe that you're looking at in the 1, 2, 3 category, Alberta, Ontario, Saskatchewan are all very close.

So let's not play the politics of food banks. Let the food banks help the needy but keep your petty politics out of food banks. That's my suggestion to the members opposite.

Mr. Prebble: — Mr. Chairman, Mr. Minister, I think that anyone who reviews the transcripts will feel that your assessment of the motives of those who run food banks in Saskatchewan is very unfair indeed. Mr. Minister, your policy with respect to disincentive to work also strikes me to be, first of all, very unfair to the recipient, and secondly, not at all in the public interest. We've seen this again and again from your government.

You removed the travel allowance, Mr. Minister, from social assistance recipients forcing them to search for work on foot, searching . . . forcing single parents to drag their children through the snow in the wintertime as they go grocery shopping. I can assure you, Mr. Minister, we'll reinstate that travel allowance should we form government. But the removal of that is a good example of the sort of disincentive to search for work that you have

created.

And, Mr. Minister, I just want to review the exemption policy a little more. I'll just take a single individual and what they could keep at various income levels as they work their way through your policy. If they earn \$50, Mr. Minister, prior to 1987, they could keep \$50; now they can only keep 30. If they earn \$100, previously they could keep \$93.75, and now they can only keep 40. If they earn \$200, previously they could keep \$93.75, and now, Mr. Minister, they can only keep \$68.75. I just don't understand why, Mr. Minister, you describe that policy as something that is an incentive to go out and find work because it's not.

The question that I want to ask you relates to a very real problem that I'm deeply concerned about, Mr. Minister, and that is the number of people who are being cut off assistance in this province completely, Mr. Minister, and the number of people who are being denied interim assistance while they pursue their appeals. And I just have case after case, Mr. Minister, that comes into my office in which people are, first of all, in effect, penniless and are denied assistance by your government while they appeal their decision to have them cut off assistance. And I have droves of people, Mr. Minister, who come into my office in desperate circumstances either because they were cut off assistance for failing to show up for a work-for-welfare interview, which I might add, Mr. Minister, an act on the part of your department that is certainly illegal, or because, Mr. Minister, they fail to pick up their social assistance cheque.

And I want to ask you, Mr. Minister, how many people in the past 12 months has your department cut off social assistance for refusing to . . . for either failing to show up to pick up their cheque or for failing to take a work-for-welfare job, Mr. Minister? Could you tell me that? And could you also tell me, Mr. Minister, whether at this point in time you are prepared to change the policy that you currently operate under where you consistently deny people who have absolutely no money at all, interim assistance while they're pursuing their appeals?

(1545)

Hon. Mr. Schmidt: — Mr. Chairman, with respect to welfare cheque pick-up, we're just now getting to the stage where we're fully implementing that program across all of Saskatchewan, but I can say that in the last 12 months, 10 per cent of the people who have been asked to come and pick up their cheques have not only not showed up to pick up their cheques, but have not given any valid reason; have just simply not been accounted for and have been cut off welfare. As we meet today, the total is 2,910 people have been cut off for not picking up their cheque. Some were reinstated because they showed up late, because we give them lots of time. Even if they come in a week late and explain that they were away somewhere or they couldn't make it, we will reinstate them.

After having taken into account those people who couldn't be there on the right day to pick up their cheque for whatever reason, there still are 1,750 people remaining who are unaccounted for. And because they

are unaccounted for, we have stopped payment on their cheques and they have been struck from the welfare list.

With respect to those people refusing to take jobs which were offered to them, or refusing to take training with pay to find out how to get a job, 3,800 people have been referred to this program, of which 902 remain disqualified for failing to take a job when it was offered to them or failing to take education or training when it was offered to them. Approximately 25 per cent of those people referred to job search training or offered jobs have turned down this opportunity and have been cut off welfare.

Mr. Prebble: — Well, Mr. Minister, now we know why the welfare rolls in this province have declined. It's got nothing to do, Mr. Minister, with the better economy. It's got nothing to do with your policies of providing people on social assistance with jobs. It's simply, Mr. Minister, because your government has chosen to cut these people off. And I might add, Mr. Minister, that you're cutting off people who have in some cases mental health problems, Mr. Minister, or you are cutting off people, Mr. Minister, who are basically following their right in law, Mr. Minister. You have every right to expect that someone will search for work, Mr. Minister, but you have no right to cut them off for refusing to take a specific work-for-welfare job.

I've had people that come into my office, Mr. Minister, who live in Saskatoon, you've asked them to take a work-for-welfare job in Swift Current. They turn it down and you cut them off, Mr. Minister. This is really a deplorable circumstance that you're communicating to the House today. It really is, Mr. Minister. It is just outrageous.

And I can tell you, Mr. Minister, that I know what the strategy of your department is. You keep these people penniless for three or four months at a time. I've had many cases, Mr. Minister, where local appeal boards recommend the reinstatement of these people and, Mr. Minister, your department still doesn't reinstate them and they have to go to the provincial level to be reinstated.

I've had high school students, Mr. Minister — high school students — who have been asked to show up for work-for-welfare or special job training tasks while they were on social assistance and while they've been going to high school, Mr. Minister, and you've cut those people off. And they've come into my office, Mr. Minister, desperate because they're unable to stay in school because they've been cut off social assistance.

Those are a few examples, Mr. Minister, of what your policy has done, the hardship that it has caused, the hurt that it has caused people. You are basically leaving, Mr. Minister, hundreds of people every month in this province penniless, and you know it, Mr. Minister, and you're not even ashamed of the policy — not even ashamed of the policy.

Some Hon. Members: Hear, hear!

Mr. Prebble: — And just as an addition, Mr. Minister, I might point out that in addition to everything else, it's

illegal — if that hasn't come to your attention as a lawyer.

Now, Mr. Minister, I want to ask you a question with respect to another policy that is becoming of more and more concern to me and that is the matter of overpayments to social assistance recipients. You will know now that three out of every 10 social assistance recipients in the province of Saskatchewan have an overpayment; a large number of those are overpayments that are the result of departmental error on the part of your staff, Mr. Minister.

But one of the things that I really find striking about this — and I can assure you we will be revamping your overpayment policy if we become government — but one of the things that I find very alarming is that you don't even provide social assistance recipients with an audited statement of the debts that they owe to your department. I can't think of any other group, Mr. Minister, in society who are not entitled to an audited statement of their debt as a matter of course. And I have sent you over, Mr. Minister, a stack of individual cases where people are on assistance during the course of the year, they regularly make payments on the overpayment that your department tells them they owe, they are unable to get from your department an explanation of what caused the overpayment, and at the end of the year their overpayment, despite the fact that they've been making payments on it every month, is bigger than at the beginning of the year, Mr. Minister.

Now you know that I've sent you a stack of these individual cases. I've not had any satisfactory response from you, Mr. Minister, and I want your assurance today in this Assembly that first of all, as a matter of course, you will send every social assistance recipient in this province who has an overpayment, an explanation of how that overpayment comes to be calculated.

And secondly, Mr. Minister, I want your assurance that you will drop the policy that you have adopted of deducting as much as 10 per cent off the cheque from families. In fact, Mr. Minister, every family that is on social assistance in this province and that has an overpayment, even if it's the fault of the department, is having at least 10 per cent deducted off their cheque, Mr. Minister. And that's an intolerable policy.

In fact, Mr. Minister, it was struck down as you well know in the Finlay case in Manitoba by the federal court of appeals. And I'm asking you, Mr. Minister, when you are going to revamp your overpayment policy and reduce the amount that families have to pay on a monthly basis. Because if a family gets a cheque, Mr. Minister, for 11 or \$1,200, and they have to pay \$120 off that back to you for an overpayment that was the error of your department, obviously that very much restricts their ability to meet the basic needs of their family.

Hon. Mr. Schmidt: — Mr. Chairman, let me make it clear that we do not have work-for-welfare in Saskatchewan. We offer people jobs and if they don't take them, it is within the law to cut them off welfare. It's exactly what we do, Mr. Speaker, and yes, I do not apologize for that. There are two instances where it is inexcusable for someone to not be cut off welfare. One is if a person will

not go to the trouble of coming to get their cheque, then I feel that there are several explanations. Either they don't exist, or they don't need the money, or they're abusing the system. And if they refuse to come and get their cheques . . .

An Hon. Member: — They could be ill.

Hon. Mr. Schmidt: — And the member opposite said they could be ill. If they are ill, we take that into account; we do not take them out of the system.

An Hon. Member: — Why didn't you include that in one of your reasons?

Hon. Mr. Schmidt: — The member opposite should take into account that in most cases, they're not too ill to telephone or leave a message at our department.

An Hon. Member: — Many don't have a telephone.

Hon. Mr. Schmidt: — Oh the members opposite say, many don't have telephones. Now they're going to say that they don't have a quarter to use a pay phone. Next they will say that they don't have anyone in our society who will let them use their telephone to phone in to report that they're ill and they can't come to get their cheque. I ask them: what do employees do in this province? First of all, they go to work regularly; secondly, they go and pick up their cheque; and thirdly, if they can't make it to work or if they can't make it to pick up their cheque, they phone in and report. That's all we ask is for the responsibility of explaining why you can't come and get your cheque. So members opposite should take that into account.

Secondly, I do not apologize to anyone who was cut off welfare for refusing a job; I do not. It seems to me that there are some responsibilities in society, and one of them is to be self-sufficient if possible. And we make it . . . we do everything possible to allow people to be self-sufficient.

But in those two situations where people will not go to the trouble of picking up their cheque or will not work when they are offered a job, there is no right to sit on welfare in Saskatchewan or in Canada. The member opposite thinks that is the state of the law; we have a difference of opinion.

Not only do we have a difference of opinion, but we have a difference of philosophy. We will help everyone who is in need; we will help everyone who can't help themselves. But we will not help people who refuse to help themselves, and that is the policy that we intend to stick with.

With respect to high school students, if you are in school and you're a high school student, you would not be classified as employable. But if you are 17 years old and you're not in school, then how can you be a student? And if you're 17 years old and you're not in school, you want to be self-sufficient, you want to drop out of school, then go ahead and be self-sufficient, and don't come to the Government of Saskatchewan and say that you have a right to drop out of school and be supported by the taxpayers of Saskatchewan. We will offer that person a

job. If that person refuses to work, they can go back to school, or they can figure out some way of taking care of themselves, because that is the principle that I stand for. This government will not bend on that principle that people have to try to help themselves.

With respect to overpayment, it's unfortunate that there are overpayments in this province — 70 per cent of them are initiated by the information that the client gives to us, 30 per cent of them are within the realm of the department. Most of them are there because our workers try to give as much money as possible to people to help them out. Sometimes our workers go beyond what the rules and regulation allow. I don't fault them for that.

The system is complicated, even though we have simplified it and we continue to simplify it through welfare reform at every opportunity. We are again revising the welfare reform of the welfare application. I believe it was 13 pages when I became minister . . . 16 pages, and what is it down to now? Four, three? It's down to four pages from 16 pages. We are revising it again.

Can you imagine a welfare system that had an application form of 16 pages? It took a worker an hour and a quarter to help a client fill out the form. We tried to make the form so that an average client with the average education level of the clients at Social Services would be able to fill out the application. But if they can't, our workers can assist them and it shouldn't take longer than 15 minutes. Can you imagine how many workers it ties up filling out welfare application forms, 16 pages, at average an hour and a quarter? That is the kind of system that we inherited in this province.

The member opposite says about printing statements detailing the explanation of overpayments. Yes, we would like to do that. As soon as possible we will.

The member opposite refused to come into the technological age and refused to put the Social Services department on computer. It took quite a few years to get that system up and rolling, but it's now rolling. And as the computer system at Social Services continues to function, we continue to improve it. We expect that in the future we will be able to print out statements. Currently the cheque contains a print indicating what the overpayment is and what the deduction amount is.

(1600)

I realize nobody likes to give back to the government money that they thought was theirs. But I mean this happens to everyone, including taxpayers on their income tax returns. And where I owe the government money on my income that's like an overpayment except in that case they charge me interest. We don't charge on these. These are interest-free loans, in effect, and we collect them back monthly. The sums we collect are not very large. If the overpayment is . . . I'll just have a look at this. The overpayments vary in collection from a minimum of \$15 per month to a maximum of \$100 per month where the recipient is receiving more than \$1,000 per month. And I don't doubt that paying the overpayment causes some degree of hardship. But we really don't have any choice under our current system in

that we have to collect back what was improperly paid, for whatever reasons it was paid. We try to be reasonable and if people have difficulty at that level, we also waive that amount and review the case. We do offer explanations of the overpayment to the client. Where they request details, we provide all the details possible.

So I submit that this is a complicated system. I don't expect all of the clients of Social Services to understand that it has to be complicated by the nature of modern society, government, and technology. And the clientele at Social Services, many of them have not completed their high school, and I think we have statistics — I think they run at over 70 per cent have not completed their high school. That's one of their problems. So we offer them education and training, and we have on any given day approximately 2,000 people continuing their education at Social Services rather than simply being paid to stay at home.

If we can keep more people in school . . . and that goes back to the 17-year-old who drops out of school, certainly that person has to be encouraged to either go back to school or else become self-sufficient because the longer you allow those young people to be dependent on society the less likely they are of becoming self-sufficient.

So that is some of the explanation of why we function as we do at Social Services. We're not hard-hearted. We like to help people as much as possible, but it falls upon us the duty of helping people and also trying to help them become self-sufficient.

Mr. Goulet: — I would ask for leave for introductions.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Goulet: — Yes, Mr. Deputy Speaker. It is my pleasure to introduce to you, and to the House, the visitors from Columbia, and their names are Binigdi Abadio and Jesus Avirama, and they are accompanied by Guido Contreras. And they're visiting Canada, and particularly Saskatchewan right now to deal with issues of land and self-determination for indigenous peoples. I would like the House to give them a proper welcome and wish them the best.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Social Services Ordinary Expenditure — Vote 36

Item 1 (continued)

Mr. Prebble: — Thank you very much, Mr. Chairman. Mr. Minister, I want to raise just a couple of very specific items with you before we get into our wrap up statements on these estimates.

First of all, Mr. Minister, I'm very concerned about a couple of cases that have recently come to my attention in

which the provincial appeal board of the province has brought down a decision in favour of a social assistance client who was appealing his decision. And in each case, five or six weeks after the decision by the appeal board was brought down, payment had still not been made by the department.

We seem to be getting into an area, Mr. Minister, where your department is now not even accepting . . . not only are you not accepting the decision of local appeals boards, Mr. Minister — I notice your department is constantly appealing cases where the client wins at the local level and you force it at great expense of the taxpayer to go to the provincial level — but you're not even abiding by the decisions of the provincial appeal board, and you're withholding funds now, Mr. Minister, often in excess of a month, and I want to register that concern with you.

I want to specifically ask you, Mr. Minister, to provide me later in writing with what the total cost has been of your department appealing decisions that were won by the client at the local level to the provincial level in the past year.

But the question I want you to answer in the Assembly now is a question with respect to the discrepancy in social assistance rates between the costs of living in northern Saskatchewan and the rates that are paid to northern residents.

I notice, Mr. Minister, that in December of last year you announced that there was going to be a \$25 increase in the basic food allowance for welfare recipients in seven northern communities. In fact, Mr. Minister, there was no increase at all, because this \$25 was already available to all of those northern residents by way of the special allowance policy of your department. They were already getting the \$25 and you simply gave them the \$25 out of a different category. And you issued a press release on it. None of those people were a penny further ahead, Mr. Minister, after you issued your press release.

But the question I have for you specifically is: how do you justify a situation, Mr. Minister, in which . . . shall we say we'll take Black Lake, Saskatchewan. The Prince Albert District Chiefs have done a detailed study of what the cost of feeding a family of four people at Black Lake, Saskatchewan is, and because of the high cost of food in northern Saskatchewan and the high cost of transporting food into the North, the cost is \$867.60 a month using April 1988 figures.

Now, Mr. Minister, what I want you to do is to explain to me how you expect that family to live on an income from the Department of Social Services of only \$780 a month under which they're not only expected to cover their food costs, but also their clothing costs, their household costs, and all their personal supplies. Mr. Minister, they are in effect getting \$86.70 less a month from the Department of Social Services for all of their expenses other than housing than it actually costs them to live in terms of just covering their food costs alone. How do you justify that kind of an unfair situation for northern residents?

Hon. Mr. Schmidt: — With respect to the appeal board, Mr. Deputy Chairman, if the member opposite will send

over the names of specific cases, we will look at them. I've directed my department and they believe they've been following the policy of paying appeals from the provincial appeal board as soon as the ruling is made in favour of the client. How long it takes to actually process the cheque, I'm not certain, but if you'll send over the specific names, we'll check into it further.

With respect to Black Lake, we will have a look at that case specifically and see what the situation is there, why it would be that much more expensive at Black Lake. Yes, we do admit that food is more expensive in northern Saskatchewan, but in northern Saskatchewan food that is either hunted or obtained by fishing, or wild rice or anything else that is obtained, is not taken into their welfare calculation. Also their fuel calculations are considerably different because they heat with wood and the cost there is not nearly as high.

So you have to take all factors into account, and we feel that there's a fair distribution between the rates in northern Saskatchewan and the rates in southern Saskatchewan. However we will look at the Black Lake example, review it, just to be certain.

Mr. Prebble: — Mr. Minister, I want to ask you a final question and that is with respect to competitions in your department. I've had a number of people complain to me, Mr. Minister, about the fact that people who are applying for jobs in the Department of Social Services and who win the competitions are having their names pulled out for political reasons, Mr. Minister.

And I want to ask you, Mr. Minister, who is doing this political review? Is it being done by your deputy minister? Is it being done by yourself? And on what basis, Mr. Minister, are you choosing to take people who have been certified by the Public Service Commission as acceptable candidates, who are fully qualified, and pulling their names, Mr. Minister, and as a matter of regular practice getting back to the people who are responsible for doing the hiring and telling them that the people who they have certified and who they have deemed to be qualified are not to be hired because they're unacceptable to either you or your deputy minister? Can you explain to me why you are doing that; and who specifically in your department is responsible for reviewing those names and in effect pulling the names of people who've been certified by those responsible for the hiring?

Hon. Mr. Schmidt: — Well I'll check with the department and my officials and see what in particular the member opposite is complaining about. All permanent, part-time, and temporary staff is controlled through the department, involving the Public Service Commission. Applicants are screened, they're interviewed and evaluated, based on education, experience, and personal attributes for each specific position. The qualifications and standards are stated in the Public Service Commission.

I don't doubt that the Department of Social Services is riddled with people who are members of the NDP; there may be some people who are members of the Liberal Party; they may be some people who are members of the Conservative Party. I do know more people in the Department of Social Services that are actually members

of the NDP than of the other two parties, and I would try to have them all do a professional job, regardless of what political party they might support.

I get some pretty atrocious examples of the partisanship that my staff sometimes indulges in. And I've had them appear in my constituency and, unknown, have slips of the tongue, making derogatory comments about the government, the minister, and the local MLA, and those people still work for me.

So it would be best if we could keep politics out of this particular department, and I see it's improving considerably with time. But I don't doubt that there's some people there that are more devoted to politics than they are to their particular position. And I'd simply encourage everyone who works for me to vote as they wish and campaign whenever they like, but I've been quite tolerant about some of the playing politics on the job, but it's not something that we could tolerate for any length of time.

People should do their job when they're supposed to do their job, and they can do their politics on their own time. I think we have people of all political parties in our department. So I really don't know what your specific complaint is.

I do know this that it's hard to satisfy everyone, and I can tell you that it's a problem for . . . Let's give you an example. If the city of Melville puts out a tender for a particular contract and 10 citizens apply and only one citizen gets that tender, you have nine unhappy citizens. Now you can't hire everyone, and you can't give the tender to everyone. So there are occasions where people will be unhappy. It still becomes the right of management to try to pick the best people for the job, and you will have differences of opinion on who are the best people for that particular job.

Mr. Prebble: — Well, Mr. Minister, when I hear that kind of reply, and I have had so many complaints about this, so many complaints from people within the department who confidentially tell me that the persons that they were wanting to hire have been, after waiting for two or three months often, have been pulled from somewhere, either from your office or at some senior level in the department, but all the indications are, Mr. Minister, by your office.

And when I hear that kind of reply from you, I really question whether the first item that we talked about in the estimates today, your claim that there is essentially no surveillance going on in this province of social assistance recipients can really be true, because I've also had so many recipients come to me confident that they have been under surveillance, Mr. Minister. You know, I find your claims on that equally hard to believe.

I mean, here we have a minister, Mr. Chairman, a minister, who by the way last year, I suspect, to service his own constituents in perhaps a little more sensitive way than the way that recipients in the rest of this province are served, opened an office of the Department of Social Services in Melville, hired his next door neighbour to work in the office, Mr. Minister. I don't want to say that person's unqualified. That person may be qualified. But,

Mr. Minister, nevertheless it's unusual that the Minister of Social Services would have his next door neighbour hired to work in the office.

(1615)

But, Mr. Minister, I just have so many complaints . . . and I'm saying that's a patronage appointment. Mr. Minister, I don't want to say that's a patronage appointment; it's just a question mark. But there are so many questions, Mr. Minister, about the way you operate.

I have had so many complaints from staff in your department about how time and time and time again, and you know this full well, sir, people that they certify as being acceptable for positions are pulled by your ministerial office. So here we are, Mr. Minister, we have a Minister of Social Services who practices patronage. He even wants to take us to the point where we're going to have patronage appointments of child protection officers, as we'll be debating later when we come to Bill 7, Mr. Minister.

We have here, Mr. Minister, a Minister of Social Services who has consistently gone about eroding the rights of the poor in this province. He has acted illegally, Mr. Chairman, again and again. He's in violation of the Canada assistance plan for his work-for-welfare program. He say, Mr. Chairman, that this is in the interest of welfare recipients. I recall the last time he made a major announcement last year on a work-for-welfare program, Mr. Chairman. He announced there were going to be 200 new work-for-welfare positions in the province; he announced that they were only going to last for 20 weeks each, and that they were going to be for minimum wage. And that same day, Mr. Chairman, another member on the front benches announced that 200 potash workers in Saskatoon were going to permanently lose their jobs.

This is a government, Mr. Chairman, that lays off people on a permanent basis and then creates 20-week, minimum wage, work-for-welfare projects which people either have to take or lose their assistance, Mr. Chairman. That's the policies that this government has pursued. This government has frozen welfare rates now, Mr. Chairman, for eight years. Inflation during that time has been 41 per cent. The Minister of Social Services knows it. He has forced recipients in this province, Mr. Chairman, into dire poverty. He has pushed down wage levels in this province, Mr. Chairman. Consistently this government has pursued a cheap labour policy in the province of Saskatchewan. The Minister of Social Services knows that. He's in effect frozen the minimum wage for seven and a half years in this province.

This minister has intentionally set out to create poverty in the province of Saskatchewan, Mr. Chairman. He has succeeded unfortunately, Mr. Chairman, and he is going to leave it to the New Democratic Party after the next election to restore this sorry mess. But I can tell the Minister of Social Services one thing in conclusion, and that is, Mr. Chairman, that two years after an NDP government is elected, there will be no food banks in the province of Saskatchewan any more. Two years after an NDP government is elected, there will be no hungry

children in school any more, Mr. Chairman. We will put in effect, Mr. Chairman, something that his minister has consistently refused to, and that is a school lunch program for children in need wherever there's a demonstrated need in this province. We will increase the minimum wage in this province so that people once again, Mr. Chairman, can expect to be paid fairly for work that is done, and we will increase social assistance rates in this province, Mr. Chairman, so that people no longer have to go begging to food banks as a supplement to their basic needs.

This is a minister, Mr. Chairman, that on every account has failed the people of Saskatchewan. It's a sad day . . . it's been a sad three years that he's been Minister of Social Services, but I say that light is coming at the end of the tunnel. This minister and this government will be defeated in the next election, and I can promise those, Mr. Chairman, who are dependent on the services of the Department of Social Services than when an NDP government is elected, it will be a much more compassionate government towards those in need in this province.

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Well, Mr. Chairman, some of those statements cannot go unanswered. First of all, let us deal with food banks. The members opposite say now that they did not help to politically organize food banks, but when they are elected, they will do away with food banks. Are they telling me that they will have a change of policy and . . . I don't know what the people at the food banks will do. I mean, are we going to have nirvana in this province?

Let me tell you about the Melville food bank. The members opposite came to the city of Melville and tried to organize a food bank. Why did they try to do that? Because I'm the Minister of Social Services, and they felt that the Minister of Social Services should have a food bank in his constituency. I'm sure that had nothing to do with politics. Just like the members opposite came to Melville and organized strikes in the home of Minister of Labour just so that they show that they have their political forces there. And they are in the process of destroying a perfectly good nursing home by their political agitation in the city of Melville.

Well the people of Melville turned them out. The people of Melville determined that there was no need in the city of Melville for a food bank. I can tell you I personally know people who are on welfare in the city of Melville who are living in air-conditioned apartments. I don't have an air-conditioned house. I think maybe next year if it's this hot, I'm going to break down because I've spent all of my summer here in this building where it's cool, and my family spends it out there in the heat. I'm the minister; I don't have air conditioning.

People can eat on welfare in Melville if they budget well, and for the most part, they all do. But the members opposite tried to organize a food bank in my city for political purposes and no other purpose.

An Hon. Member: — Oh nonsense.

Hon. Mr. Schmidt: — And he says nonsense. My mother and her neighbours know who knocked on their doors. They didn't know whose door they were knocking on. I know who sent people turfing and I know which NDP politicians are out doing these kind of things, trying to play politics on the back of the poor.

Next let us talk about hiring at Social Services. The member opposite has acknowledged that his friends in my department wish to hire their friends, and that my department is not allowing this. Well who runs the Department of Social Services? Does the management run the department or the friends for the member of Saskatoon University? We were elected to govern. When he should ever be able to govern — not in my lifetime I hope because there's certainly . . . there's some things that scare me and one of them is the member opposite governing — then he should be entitled to govern.

And he smiles. I know he's a nice, well-meaning man but for heaven . . . I mean . . . I was going to say, for Heaven's sake, but I mean, that's not appropriate. He is a nice man. He means well. I know he has a pure heart. The problem is he hasn't grown up yet. He's still a dreamer of the '60s. Face the reality of the 1980s and the 1990s. I mean, I personally like the member opposite, but he has to be realistic.

And the member opposite, in his speech here in the legislature, I leaned over and I said to my colleagues, I welcome the member opposite to come to my constituency and speak. As a matter of fact, I'd like him to give that speech at my annual meeting. I mean that would be the best speech we could ever have at my annual meeting. There's nothing better to fire up my troops than to have them hear that speech. And I mean it — I mean it — you're welcome to come to my annual meeting and give that speech.

Now let's get to the serious question of making remarks about the opening of a Social Services office in Melville, Saskatchewan. I looked at the situation as minister and I saw that there were a few cities in Saskatchewan that had no welfare workers at all. We opened an office in Melville; we opened an office in Humboldt, Saskatchewan, in the constituency of your colleague, the minister of . . . what is he? — the critic for Agriculture. He's always making comments to the minister of . . . Your colleague, the member from Humboldt, now has a Social Services office in his constituency and I have one in mine. In north-eastern Saskatchewan, it turned out that your government put 44 Social Services workers in the city of Yorkton and zero in Melville. What I have done is I have moved . . . well not zero — you had a part-time worker that worked, I think, two or three days a week answering the phone.

An Hon. Member: — Kowalchuks' neighbour . . . or Kowalsky's neighbour or whatever.

Hon. Mr. Schmidt: — I don't know her politics. My members in opposite ask her politics, but . . . — We had somebody answering the phone two or three days a week in Melville and 44 workers in the city of Yorkton.

What I did was I moved one position from the city of Yorkton. Yorkton now has 43 Social Services workers and Melville has one. And I think even the member from Yorkton will admit that that is fair, that Yorkton have 43 and Melville have one. I think he doesn't object to that.

So then my department went out and advertised for this position and, unknown to me, my next-door neighbour applied for the job. My department came to me and said here are the two applicants, which of these do you think you would like to have? I said pick the one that you want. They said we want your next-door neighbour, but we thought that might be a problem for you. Yes, it is a problem for me for them to hire my next-door neighbour, but I decided that in fairness to my next-door neighbour, if my department wanted to hire my next-door neighbour, that I should let them hire the next-door neighbour and take the political flak in the legislature for it. And I have, and I am not sorry because I felt it was fair to do that.

And as it turns out, my department was right. My next-door neighbour is a very good worker and we're very happy with her work.

And that same story spread around the city of Melville, and the second place person, the one that I thought I might have hired instead of her, but I didn't do the interviewing. So that's how my neighbour happens to work for me at Social Services.

And I ask you to stand up and accept that explanation because she earned that position. And if I'd have done the interviewing, I would have picked the lady across the city. And that lady was very grouchy because she didn't get the job. But my department decided. Fortunately for that lady, later she applied and I understand she got a job at crop insurance. I am very pleased to have brought 105 jobs to the city of Melville, and that lady that I thought was qualified got a job a crop insurance later, and I believe she is happier. She may be a little grouchier, but now everybody in Melville will know exactly how this happened, and I ask you to accept that explanation.

I don't mind taking flak for my mistakes, but I don't want to take flak from what my department does on my behalf here. So therefore, because you are a reasonable man, you and I disagree on many policies, and I believe you are a man of the '60s, you will accept that explanation and the whole world can hear that explanation.

It has been an interesting afternoon. I don't know if you've concluded, but if you have, I'll wrap up. The member indicates that he's concluded. I will wrap up by saying it's been an interesting afternoon. The questions were challenging; the debate was vigorous. My officials have assisted me greatly in the past few years. We have built a management team and a middle management team, and we are trying to build an entire team through Social Services that has respect for the client, that has pride in their work, that even if they don't wish to vote for me will enjoy their position and take pride in their job. And that's all I ask from my employees.

I'm very pleased with these officials, and I think now that the management of the Department of Social Services is such that I should be able to take a vacation and they

should be able to function without me for a few weeks. So, thank you very much, and I thank these officials greatly.

Some Hon. Members: Hear, hear!

Item 1 agreed to.

Items 2 to 19 inclusive agreed to.

Vote 36 agreed to.

(1630)

**Supplementary Estimates 1989
Consolidated Fund Budgetary Expenditure
Social Services
Ordinary Expenditure — Vote 36**

Item 1 agreed to.

Vote 36 agreed to.

Mr. Prebble: — Thank you, Mr. Chairman. On behalf of the official opposition, I want to thank the officials who were here this afternoon for coming, and thank the minister for at least providing responses to some of my questions. Thank you.

The committee reported progress.

ADJOURNED DEBATES

MOTIONS

Electoral Boundaries Commission Report

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Hodgins.

Mr. Pringle: — Thank you, Mr. Speaker. Mr. Speaker, I spoke yesterday, as you know, on this undemocratic motion that we have before us, and I outlined a number of the string of undemocratic actions leading up to this motion. And I won't go into those again today, but I — you would stop me if I tried to — but I just wanted to make the point that this is just the culmination of a number of undemocratic actions by the government opposite. And I put my major concerns on the record yesterday, and I have . . . so my colleagues would like to speak to the motion.

And I've had some time, Mr. Speaker, to reflect on the comments by the Minister of Highways who moved this motion and the Minister of Justice who seconded it, and in reading their comments, I must say that I am very disappointed. I didn't realize that they had given such a weak defence as they tried to rationalize the legislation and the process, and the fact that this was not an independent boundaries commission.

And they tried to rationalize the discrepancies that exist in the report, and well, we don't share their price in the process. We don't share their pride in this report, and we don't share their pride and the principle that the Minister of Highways talked about, and that is the principle of

fairness, because there is nothing fair about this report, as I attempted to point out yesterday. And the Minister of Justice tried to justify the 25 per cent variation over and above the norm, the voter norm, and again, he was drawing on the B.C. results, which reflect quite a different situation in Saskatchewan.

So, Mr. Speaker, in reading the comments of the two ministers, their defence of this motion, of the report, is very weak. And of course I suppose they had no choice but to try and rationalize this motion because there's no question that we're faced with a major gerrymander here, Mr. Speaker. The deck is stacked in favour of the government in terms of the next election. And this motion, this report, is a flagrant violation and a flagrant disregard for representative democracy.

Surely any democracy must be concerned about relatively equal representation. And I'm not arguing for full representation; that is not possible. But surely — and we've demonstrated this in Saskatchewan — that 15 per cent above or below the norm, which would allow for a 30 per cent range rather than a 50 per cent range, as we see it now, and is reflected in a number of the constituencies, a 30 per cent range, in our view reflects a relatively equal democratic representation.

And, Mr. Speaker, I guess I realize as well that the commission's hands were tied in this matter, and that while this motion does weaken the concept of democratic representation, it was clearly not by accident; it was clearly quite by design in the legislation, and it shows the lengths that the government will go to in order to try and preserve and hang on to its power.

And so when you combine this motion with the other undemocratic actions, you see a chipping away of democracy and of the democratic practices and traditions in this province which has had, I'm sure you will agree, which has had a proud tradition of fairness and justice, Mr. Speaker.

Now we have pointed out the inequities in this legislation. We have pointed out the inequities in the motion. The public has done this, as reflected in the report itself, by some of their representations. The political scientist that I talked about yesterday, a renowned constitutional expert, has indicted that this may very well be unconstitutional, this legislation. And even the commission had felt the need in the report to note the restrictions that they were under in drawing up the boundaries.

And so I say that it was an undemocratic act to throw out the independent boundaries commission, it was undemocratic to describe the number of rural and urban seats, and it was undemocratic not to allow the commission to look at the population shifts and the trends for the future. And I'm very disappointed about that.

I would take issue with what the Minister of Highways said yesterday. He is satisfied that there's been adequate . . . more than adequate public input is what he says, public involvement in this process. Well this simply did not occur as I pointed out yesterday. Mr. Speaker, the report fails the test because representation will not be more

equal than it was in the past. The discrepancies have not been corrected, they have not improved, we've gone the opposite way. We do not have a more even number of voters by constituency than we had before, there's a greater discrepancy there.

And electoral representation has not been improved. The average seat that we hold now, the average constituency has almost 1,400 more voters than the average seat that the members opposite have; 88 per cent — 88 per cent — of our constituencies are over the norm and some of them substantially over that norm by a matter of 1,500 or more. Only 12 per cent of the government constituencies are over the norm, I would say that's a real imbalance, Mr. Speaker.

With this report the government would pick up two more seats than they earned in 1986, even though we had 1 per cent more popular vote. So they would pick up the two seats that had been created in Regina and Saskatoon. When you crunch the figures, that's the way it turns out, and it seems to me a little coincidental that two new ridings would be carved out in such a way that they would both be picked up by the Progressive Conservative Party.

The Minister of Highways said yesterday, that the major reshuffling in the cities was necessary because a new constituency was added in each of the cities, the major cities. That is simply not true. What happened in Saskatoon is that my seat which has 20,000 voters was simply cut in half, extends a little bit into the current Saskatoon South riding. So he's . . . I won't say deliberately misleading, because I don't think he was misleading the House, I would suggest, or he was not aware that in fact the new seats, the addition of the new seats, did not require a rejumbling of the . . . particularly in Saskatoon, which I'm more familiar with. Because simply, my seat was cut in half, and that's the major change in Saskatoon. So I would take it . . .

An Hon. Member: — No it isn't.

Mr. Pringle: — That's the major change.

Mayfair, all Mayfair does it make the minister's seat there a little more safe because the west tip of that was cut off and that's fine. It was a big riding and he should not have had to serve a riding that large. And so that was fair, but that didn't cause any jumbling throughout the whole city. That was one little part of his riding that was cut off, Mr. Speaker.

But in terms of the boundary changes — and I'll conclude my remarks in a moment, Mr. Speaker, — three in four of our constituencies changed boundaries, 75 per cent. Only one in four of the Progressive Conservative ridings changed the boundaries. Well again, another coincidence. Only one in four of their constituencies had boundary changes. Three in four of ours had boundary changes. Well isn't that interesting.

An Hon. Member: — How many polls did they change?

Mr. Pringle: — Well, one or two polls in each of the 26, or each of the . . .

An Hon. Member: — 38.

Mr. Pringle: — Thirty-eight, yes, that's right. No, 10, because they only changed . . . had changes in 10 of the 38 seats.

Even the inequity exists in the cities and in rural Saskatchewan. In the city of Regina, Regina Elphinstone has 49 per cent more voters under this motion, under this report, than Regina Plains. Well, Regina Elphinstone is held by a member here, Regina Plains by the minister of municipal affairs. One wonders about that discrepancy. Was it coincidence?

In rural Saskatchewan, Humboldt has 51 per cent more voters under this report than the constituency of Morse. Well there's no rationale provided, no sufficient rationale provided in the report for a 51 per cent discrepancy, Mr. Speaker, and that just doesn't make any sense.

So by any objective assessment, these are not fair measures, Mr. Speaker, and for some reason, nothing went in favour of the opposition in terms of these boundaries. Everything is one-sided and that seems a little more than a coincidence, Mr. Speaker.

In conclusion, what we see is an attempt by a desperate government, by an arrogant government, by a government that is, I don't know, 23 or 28 per cent in the popular polls — it may be up to 28 per cent now, I'm not sure — but what we see is them attempting to gerrymander the electoral boundaries to hold on to power, Mr. Speaker, and it shows the degrees to which they will go in order to attempt to do that.

Well, Mr. Speaker, in conclusion, I will say to the government that it won't work, that they have broken the public trust long before today in this motion. That the people will, like they did the Thatcher government, they will throw this government out when they get the first opportunity.

(1645)

Mr. Speaker, there are many questions that I will be directing to the responsible minister when the . . . in committee when the Act is introduced. And I will vote against this motion, my colleagues will vote against this motion, Mr., Speaker, because it is fundamentally undemocratic, and we just simply cannot support this kind of blatant attack on democracy in Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Martin: — Mr. Speaker, at the conclusion of my remarks, I'll be moving an amendment to the motion. It's a curious feature, Mr. Speaker, listening to the member from Saskatoon Fairview that when they do a number on the boundary changes, 1975 when they did it, they . . . some reason or other it's undemocratic when this government has a commission for boundary changes, but when they did it, just part of the 1975 election, it was perfectly all right.

It takes into effect . . . forgets to overlook the fact, Mr.

Speaker, that changes occur. People move within the boundaries of the city, and we can see that in Saskatoon and Regina as well as other cities around the province. The last review took place just prior to the 1975 election under the NDP government, and I would think that even the NDP government would admit that there were changes in this province since 1975, and since 1982, a lot of very good changes.

Electoral boundaries for the constituencies are arrived at after a number of factors are considered. The boundary commission considers population, geographic factors, which are natural boundaries like rivers, etc., trading areas of course, and other issues.

All of those factors have a bearing on the boundaries of the constituencies and must be given serious consideration by a commission reviewing boundary changes, for instance, the number of voters in the constituency and how many constituencies are located in a given area or in a given region. Let me give you an example.

It was decided that the northern part of the province should receive two constituencies although the population may not warrant it. The two constituencies, Athabasca and Cumberland, occupy half of the province in a geographic sense, but in terms of population they represent just a fraction. For instance, there were 547,920 votes cast in the 1986 provincial election, with a total of 13,499 cast in the two northern ridings. So you can see, despite the fact that they represent only a fraction of the population, certainly only a fraction of the total vote, none the less they do have two representatives from that massive area.

Mr. Speaker, my riding of Regina Wascana had only 1,000 fewer votes than the entire northern half of the province. So one can easily see that the population is only one factor in the tricky formula to determine electoral boundaries.

There are other factors to consider. In the case of my constituency, Mr. Speaker, the main consideration was expected growth in the population. In the 1986 election there were 14,172 eligible voters and 12,390 votes cast, or nearly 87 per cent. Now the percentage of voters really has no significance in this discussion, Mr. Speaker, except to point out that the keen interest in politics in the area of Regina Wascana.

The main point is that Regina Wascana is one of the fastest growing areas in the province. It is expanding east and expanding south-east at a great pace with new houses and condominiums and apartments every day, and certainly some attractive homes, Mr. Speaker. Mr. Speaker, it will continue to expand, and that is a consideration the boundaries commission must take into account and did take into account. There could be 3 or 4,000 more people within a few years, while other areas in the city, mostly in the centre core, stay the same or even reduce in population.

Regina Wascana constituency is probably the nicest constituency in the whole province, Mr. Speaker. Now you may not agree, thinking that where you come from is

even nicer, and I'm sure that others think that their constituency is nicer than Regina Wascana. And that's fair; I accept that. But I invite them to take a stroll through my constituency, Mr. Speaker, and see the area and its well-established neighbourhoods and lots of growth, new areas with interesting agricultural designs, pleasant senior citizens' homes, Mr. Speaker, playgrounds, parks, and a nice place to live, Mr. Speaker. That is Regina Wascana.

I'm pleased to say that a new school will be built in Regina Wascana. It will be opening this fall. The W.S. Hawrylak School which will house 410 students, with a French immersion program starting right at kindergarten. The school is being built in the University Park subdivision, just off Assiniboine Avenue. The school is named after Bill Hawrylak, a former high school principal and long-time teacher in the Regina area. He's also been a member of the public school board.

Mr. Speaker, interestingly enough, Mr. Hawrylak was for years the chief statistician for the Canadian Football League, which attested to his massive interest in numbers and in figures. He's a nice man and he deserves to have a school named after him because he's done so much for education in Regina and in this area.

Another project that is under way in my constituency, Mr. Speaker, which attests to the growth of the area, is the new south-east leisure centre in Windsor Park. It will be well received in that area of the city.

But, Mr. Speaker, let me return to the issue of the boundaries. If the boundaries are drawn on the basis of equal number of voters in every constituency, then a few years from now we will find ourselves faced with burgeoning populations in the growing constituencies. This is unfair and irresponsible. If we carry through with this kind of thinking, with this simplistic view, then we're going to be doing ourselves a disfavoured.

If today we plan for growth, if today we plan for responsible representation, for fair and balanced representation, five to 10 years from now there'll be more people in the growing constituencies like my own than in downtown urban constituencies which is a stable neighbourhood. My constituency will be seeing phenomenal growth, phenomenal development, and the principle of fair and balanced representation means planning for the future as well as for today.

Mr. Speaker, I'd like to make this amendment to the main motion, seconded by the member from Saskatoon Mayfair:

That the following words be added after the words "(Addendum to Sessional Paper No. 7)," where they appear in the seventh and eighth lines of the motion moved by the member for Melfort:

and that the final report with Addenda (Sessional Paper No. 7 of 1989) of the Electoral Boundaries Commission be further altered by deleting the constituency name "Regina Normanview" and substituting therefor "Regina North West."

Mr. Speaker, I will be supporting the main motion as well as the amendment to the main motion. Thank you very much.

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Thank you very much, Mr. Speaker. It gives me a great deal of pleasure to enter the debate at this time on the motion to . . . with regard to the Electoral Boundaries Commission report. It's unfortunate that the member from Saskatoon Eastview, who just finished speaking, has made some of the comments that he has, and he talks a lot about gerrymander and fairness and trends to the future.

And certainly, Mr. Speaker, history would point out that when the NDP last amended the electoral boundaries that they did not consider some of the things that he now criticizes us for. He talks about discrepancies are going to be worse, and he really makes a lot of unfair comparisons to rural and urban, Mr. Speaker.

I think that if one considers the fact that the PCs do represent the rural areas today — there's no doubt about that — but I think you well know, Mr. Speaker, in representing a rural area, that when you have to deal with a lot of different groups, whether it's school boards or rural municipalities or urban municipalities, you have any number of them. We're fortunate in the cities that we only have to deal with one. So we certainly then, I think, can have larger constituencies insofar as the number of voters are concerned.

And being that I now represent the largest constituency in the province of Saskatchewan with some 22,000 voters, I think it's really something for members opposite to talk about fairness and to talk about taking a look at future trends and so on. When you consider the fact that the member for Saskatoon Centre, I think, has about 8,000 voters in her constituency compared to my 22,000, where was the NDP's vision in the 1970s when they were drawing up the boundaries in looking at future trends, because they didn't take into consideration at all the fact that the major growth area in Saskatoon at that time was going to be in the north end of the city.

So, Mr. Speaker, for them to make some of these accusations and criticize us now for some of the changes we're making are really, really misleading the public.

Another thing, Mr. Speaker, I think we all realize, and as my colleague, the member from Regina Wascana has just indicated, that as times change and demographics change and populations shift, that it is necessary to make changes with regard to boundaries. And I don't have any doubt that every time a political party has rearranged the boundaries of the different constituencies in the province that there have been accusations of gerrymander. I suppose that that's maybe a natural outgrowth of this type of protest.

But, Mr. Speaker, each time that the boundaries are changed, it is generally with a fair degree of fairness and a lot of consideration is given. There were a lot of consultations in this particular case, as I'm sure there were in the other cases in the past, to try and come up

with as fair as possible way of arriving at the boundaries for the new constituencies.

I feel, Mr. Speaker, that the 25 per cent variance rule is fair. And again, it has to take into consideration some of the points of my colleague from Regina Wascana just mentioned, talking about specific communities of interest, physical constituency size — it's still going to be manageable — natural boundaries, whether it's rivers or roads or whatever the case might be, and taking a look at future growth trends.

I know that members opposite have criticized the fact that in the city of Saskatoon that one particular constituency might have a fairly small population at this point, but I think any of us that are living there know full well that — and I believe it's Sutherland — that the future growth in Saskatoon is now into the north-eastern part of the city. So I think we have to make sure that we cover that off now or five years down the road you're going to have another constituency that's going to be very, very unfair in comparison to others.

And I think, Mr. Speaker, that that's what happened when the NDP drew the boundaries up in the '70s. They looked at Saskatoon Mayfair and it probably had a population of about 8,000 and that was comparable to some of the other ones. And I could make mention of the fact that Saskatoon University had about 8,800, Westmount 9,500, Nutana 9,700, and Saskatoon South with 9,400. Probably Mayfair had about that same number when they drew up the boundaries. But, Mr. Speaker, they didn't consider one little bit future trend and future growth in the city of Saskatoon.

So we have the inconsistency that's there today, unfairness where the voters in some of the ridings that members opposite from the city of Saskatoon, from those constituencies, those voters of course have a much greater share of a vote about twice of what I have in Saskatoon Mayfair. So I don't know where the fairness is there, Mr. Speaker.

Well we know then that under the boundary changes that have been recommended by the commission, and I think these are very fair, is that now we are going to see that constituencies will probably range from about 7,500 to about 12,500 and I certainly welcome that, Mr. Speaker. I'm proud of the fact that I've got a unique constituency in the city of Saskatoon. But I look forward to representing 12,500 constituents as compared to the 22,000 that I now represent. So I think that we are going to see things that are going to be much fairer so far as the voter support and the value that can be put on a vote whether it's in the city or whether it's out in the rural areas.

Now, Mr. Speaker, there's no doubt that in considering changes and boundaries such as we have here — and I think the commission has done has done a very, very good job — that we have to look to the future. We have to look to being fair and shifting boundaries that are going to take care of expansion of cities, taking a look at the expanding populations. We know that there has been a shift more to Regina and Saskatoon. So there is certainly all the reasons there as to why we should be adding another seat in the city of Saskatoon and one in the city of Regina.

I know that the NDP calls it unfair but, Mr. Speaker, I think that the commission has done a very good job and have looked at this. They've considered all the different options as far as the boundaries are concerned and the demographic changes that have taken place. And the recommendations that they've put forward I think do maintain fair and adequate representation in rural Saskatchewan and certainly I think have done a good job in the cities as well.

So, Mr. Speaker, with that just a few words. . . feelings that I have with regard to these changes, that I do not certainly take into any consideration what the opposition have said. I think that some of the reasons that they're trying to put forward here are totally false, and that the commission has done a good job. They've taken everything into consideration with regard to rural versus urban. And it's not a matter of whether the rural seats are represented today by NDP or by Conservatives, the changes are going to be there.

So, Mr. Speaker, I want to simply close by saying that I will be supporting the motion and I will also be supporting the amendment that has been put forward by my colleague from Regina Wascana.

Some Hon. Members: Hear, hear!

The Assembly recessed until 7 p.m.