

EVENING SITTING

COMMITTEE OF FINANCE

**Consolidated Fund Loans, Advances and Investments
Crown Investments Corporation of Saskatchewan —
Vote 165**

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

Hon. Mr. Berntson: — I'd like to introduce Bill Gibson, President of CMB (Crown Management Board of Saskatchewan).

Item 1 — Statutory

Mr. Anguish: — Thank you, Mr. Chairman. First off I'd like to congratulate the minister on having the smallest group of support officials of any department or agency in government.

Some Hon. Members: Hear, hear!

Mr. Anguish: — Bill Gibson and yourself must be a couple of phenomenal individuals. I recall some departments came here with as many as 19 officials sitting here in the Chamber, and you're here tonight with the Crown investment corporation with one official. I'm sure we'll get through these estimates very quickly because you'll be honest and straightforward with your answers. There won't be any stonewalling about questions.

I hope that Mr. Gibson and yourself, Mr. Minister, have reviewed the questions from question period. The two main things that we want to talk to you about tonight are the GigaText translation services and the deal with Cargill in the province of Saskatchewan. Since we've asked well in excess of 100 questions about GigaText and having your assurance that you've reviewed the records and all those questions you've taken notice on, I'm sure that we'll be able to get straight to business this evening here.

I'd like to ask you first off, Mr. Minister: when was the date that Crown investments corporation actually transferred the \$4 million to GigaText?

Hon. Mr. Berntson: — Mr. Speaker, this is a little unusual. This is Crown investments vote, Mr. Speaker. In the normal course of events, detailed questions relative to Crown Investments are done in Crown Corporations Committee and not in Committee of Finance or Committee of the Whole. And for that reason, Mr. Speaker, I'm prepared to deal with broad and general questions, but I'm certainly not prepared to get into detailed questions tonight.

Mr. Anguish: — Well, Mr. Deputy Premier, we appreciate the concise answer that you gave to the question. It had nothing to do with the question that was asked. I remember the minister in charge of SEDCO (Saskatchewan Economic Development Corporation), when he appeared before Crown, the Crown

Corporations Committee, asked questions about GigaText. That wasn't the place to ask questions about GigaText there. When we asked you questions in the Legislative Assembly before question period about GigaText, there was the RCMP investigation, there was a loss of memory, there was all kinds of reasons why these detailed questions had to be taken notice of. So I ask you here tonight, Mr. Minister — Mr. Deputy Premier, as a matter of fact, the man who took sole responsibility for the success or failure of GigaText — what was the date that Crown investments corporation transferred \$4 million to GigaText translation in return for 25 per cent of the company.

Hon. Mr. Berntson: — Mr. Speaker, I don't have that information here tonight, and I don't intend to go and get it tonight, as I've said earlier. As I've said earlier, I'm prepared . . .

An Hon. Member: — Well then we want you back tomorrow.

Hon. Mr. Berntson: — I'll be back for the next 25 days if you want me back. I mean, you guys are calling the shots. It's a statutory vote, Mr. Chairman. The tradition in this House is that you simply vote it off and it is the tradition in this House and it's highly unusual if you have officials in to deal with statutory votes, and I'm prepared to deal with these questions in Crown Corporations Committee.

And I understand, Mr. Chairman, I understand that in fact there exists an arrangement between the Deputy House Leader and the House Leader of members opposite to deal with Crown corporations intersessionally. And it seems to me, Mr. Speaker, that that is the place to deal with these questions. I simply am not prepared to deal with detailed questions on the question of GigaText this evening.

Mr. Lingenfelter: — Mr. Chairman, on a point of order. The minister, I think, is refusing to answer questions on Crown investments corporation. And on page 94 of the *Estimates*, under Crown investments corporation, Consolidated Funds, loans and advances, we see that out of the Consolidated Fund, in this year's budget, there's \$176 million being transferred from the Consolidated Fund to the Crown investment corporation.

And I want to say, Mr. Chairman, that the other night in estimates, when we were dealing with another statutory vote under the Consolidated Fund, a ruling was made that allowed us to ask such questions, and I'd like the chairman to rule on that because I think the minister is totally, totally out of order in saying that he doesn't have to answer the questions.

Hon. Mr. Hodgins: — Mr. Chairman, I would like to speak briefly to this point of order, and I do not recall from firsthand experience, Mr. Chairman, but in my reviews of rules and procedures from years gone by, I think, Mr. Chairman, you could refer back approximately 10 years and at that time there was a ruling made that indeed, for items like this, that questions of a broad and general nature were permitted, but that even in itself was probably not ever the intent.

And I think if you notice in that time period over the last 10 years, Mr. Chairman, that I think you will be very hard pressed, very hard pressed to find other examples where opposition members would ask detailed questions on an issue like this when many other forums exist to examine in detail such issues. And I speak specifically of the Crown Corporations Committee where the public is allowed to attend, where the media traditionally has attended, and where all members of the Crown Corporations Committee are invited to ask these detailed types of questions.

So I would ask for your ruling on that, Mr. Chairman. I'd ask you to bear in mind not only the rules but past precedents and past procedures of this Assembly.

Mr. Chairman: — Order. Just reviewing some of the former rulings regarding that type of point of order that was raised by the member from Elphinstone. The rules before the Assembly indicates that it's been the practice of the Committee of Finance to call every item listed on the *Estimates* whether they're statutory or to be voted in order that general questions on the matter could be asked. So there has been that practice, and this is April 4, 1979.

However in *Beauchesne's*, 363 . . . Order. Regarding questions:

A Member may put a question but has no right to insist upon an answer.

And I think most members are aware of that. The minister has the right to respond in the way he sees fit to the question that's given.

Mr. Anguish: — Thank you for your ruling, Mr. Chairman. Very basic question — we'll start from a little bit different angle.

Mr. Minister, if you'd watch our lips and just listen to the questions very closely, you might be able to understand. I would like to ask you: did Crown investments corporation invest \$4 million in GigaText translation in return for 25 per cent of the company, sir?

Hon. Mr. Berntson: — CICII (Crown Investments Corporation Industrial Interests Inc.) invested \$4 million in joint venture with Norlus. The \$4 million provided for 25 per cent of GigaText.

Mr. Anguish: — Mr. Minister, what was the date that the \$4 million was transferred from Crown investment corporation to GigaText?

Hon. Mr. Berntson: — Mr. Speaker, I said earlier I'm not prepared to deal with detailed questions on the matter tonight. I told you that earlier today, that I wouldn't be dealing with detailed questions. There are other forums for detailed questions on CIC (Crown Investments Corporation) and provision is made for intersessional committee hearings on Crown corporations, and that's the forum that they should be dealt with.

I don't . . . I don't have the officials, I don't have the officials here and, in fact, I think he's on holidays, isn't he?

The official that would be responsible for the GigaText information is not even in the city, so I can't get to him.

And, Mr. Speaker, as I said earlier, this is highly unusual. Statutory votes are normally dealt with in Crown Corporations Committee.

Mr. Solomon: — Mr. Speaker, or Mr. Chairman, thank you. I just want to intervene for one moment. As critic for CIC, I was asked by the minister earlier this afternoon how much time and what items we were going to talk about this evening. And I was very forthcoming, and I said, we'll talk about two issues: one will be GigaText and the other will be Cargill. And he wanted to know, Mr. Chairman, whether or not . . . what officials he should bring to this Assembly this evening. So we informed him in advance of the issues we would be raising tonight, and we were very co-operative in that regard, and now he stands in this House and says that his officials for . . . that will give him information regarding GigaText are not available. And I just want to ask the minister whether you are willing to proceed and answer some questions or whether we should stand this until another day.

Hon. Mr. Berntson: — That's entirely up to you. You can stand it until the cows come home. I will answer those questions that I can deal with, and those that I can't deal with, I won't. And it's that simple. If you're prepared to get into the Saferco thing, I have the official with me tonight that knows something of that. I do not have the official that knows anything about GigaText.

Mr. Anguish: — It doesn't surprise us, actually, Mr. Minister, for you not to deal with GigaText. You never have dealt up front on the GigaText issue. It came out as a big scandal; it was embarrassing to your government. You don't answer questions in the House. We can go back through in excess of 100 questions in this House that were asked about GigaText. The vast majority of those were taken notice of and never had an answer returned to the legislature.

An Hon. Member: — Not true.

Mr. Anguish: — That is absolutely true. We go to Crown Corporations Committee. The minister in charge of SEDCO, who now have SEDCO hold 25 per cent of the shares, the vast majority of questions, no answers to them — confidential RCMP inquiry, competitive advantage — just no questions answered about the GigaText affair. It doesn't surprise us very much at all that you refuse to answers questions about GigaText.

Could you maybe tell us, Mr. Minister, before Crown investments corporation put the money into GigaText, the \$4 million, what studies were done by independent experts or internal experts that portrayed to you that GigaText was a good investment. Could you tell us what studies were done prior to the investment.

(1915)

Hon. Mr. Berntson: — Mr. Chairman, the member again is kind of not dealing from the top of the deck when he makes these allegations about questions not being answered, because that very question was raised in this

House before in question period and was answered in this House before in question period, Mr. Speaker.

An Hon. Member: — What was the answer then? What was it?

Hon. Mr. Berntson: — The answer, Mr. Speaker, is there have been sever experts examine the technology. There have been, Mr. Speaker, normal commercial checks done on the principals of Norlus prior to the joint venture coming into being, Mr. Speaker. I said then and I say now that I will take responsibility for the success or failure of GigaText as I will take responsibility for the success or failure of many other projects that have come to this province.

Now members opposite try to put this in its worst possible light. The matter of the fact is, Mr. Speaker, this particular project has received a very, very bumpy ride, primarily because of a civil action that's going on in Montreal that is not in any way directly related to GigaText; primarily because of the very partisan and selective way in which members opposite have chosen to deal with it, Mr. Speaker. And I, quite frankly, am hopeful that the future of GigaText is . . . I'm reasonably more optimistic than members opposite, at least.

And I will be . . . and I'm not prepared . . . One of the main reasons, aside from the fact that I don't have my official here that knows about GigaText, but in addition to that, Mr. Speaker, there are some potential deals around for GigaText that I'm simply not prepared to have scuttled by members opposite in their very partisan rhetoric about GigaText and the people involved in it, Mr. Speaker.

As I said earlier, if members opposite are prepared to deal in some of those matters that I or my official have knowledge in, I'm prepared to try and answer those questions. I am not prepared to deal in any of the detail of GigaText.

Mr. Anguish: — Well, Mr. Speaker, we were led to believe that all kind of cabinet ministers were experts in terms of artificial intelligence and translation from English to French and the whole GigaText issue. I mean, there were about six of you went on the GigaMos plane — GigaMos, GigaText, you get the connection, Mr. Minister, both owned by Guy Montpetit — that flew to Winnipeg to look at the computer system.

Dr. Young had it all set up for them. He's the other shareholder in Norlus — Guy Montpetit, Dr. Young, both shareholders in Norlus. They put in worthless technology. You put in \$4 million. They get 75 per cent of the company; you get 25 per cent of the company. They fly you down to Winnipeg in the GigaMos jet, which cost taxpayers in the province of Saskatchewan \$35,000 a month. So I would have thought that between yourself and the Minister of Science and Technology and the minister of economic development and trade and about four other cabinet ministers, or three other cabinet ministers, must have had some expertise in this whole area, otherwise why would you all fly down to Winnipeg in the GigaMos jet . . . (inaudible interjection) . . . Well the member from Swift Current says we don't sound sincere. We're frustrated by the whole GigaText affair because

there aren't any answers coming.

It's a bunch of deceit and deception and cover-up for one of the most embarrassing scandals that the government has ever gone through since 1982. You don't answer any questions; you hide behind something. Now that the RCMP inquiry's done, you hide behind an official not being here.

But surely to goodness, Mr. Minister, I would have thought that with all your expertise in artificial intelligence that you would have been able to answer at least some of these questions tonight. You bring one official with you from Crown investment corporation. I wouldn't be surprised if you had some artificial intelligence in your brief-case that was given to you by GigaText. But certainly you don't have any intelligence portrayed in the legislature this evening because you can't answer any of the questions.

And from the Deputy Premier who says that he took ultimate responsibility on the success or the failure of GigaText . . . Actually you shouldn't be here at all tonight; you should be handing in your resignation to the Premier and we'll get on with other business. If there's a minister who's competent to answer questions about GigaText, maybe we should be asking someone else. I fail to understand why you can't answer these questions.

Going back to the studies, the question I just previously asked you, you've talked about other studies where you brought experts in once you realized you were in big trouble with GigaText. I'm asking about what kind of evaluations you did prior to investing the \$4 million into GigaText for a 25 per cent share. There's some independent evaluations of the GigaText system that refer to it as having coughed, sputtered, and died when it was fed independent information. Could you tell us how many studies were done — one would be even adequate — how many studies were done prior to the investment of \$4 million in GigaText. Who did the study, and what was the conclusion of the study? And would you table that study with us here this evening to show us that you had at least some evaluation of GigaText, and it wasn't just an arrangement made between Senator Cogger and Ken Waschuk and yourself and the Premier in the province to take us for \$4 million. Tell us about at least one study before the \$4 million investment, please.

Hon. Mr. Berntson: — Mr. Speaker, I think this is the fourth time now that I've said I'm not prepared to deal on any of the detail of the GigaText transaction. I do find it interesting, however, that members opposite insist in their own way in taking license and putting their own interpretation on things that have flowed, Mr. Chairman, from the civil action in Montreal, and doing their level best to give the GigaText thing every black eye that they can. Mr. Speaker, if the members opposite were seriously interested . . .

Mr. Chairman: — Order, order. It would be appropriate to allow the minister to respond to the question.

Hon. Mr. Berntson: — If members opposite were seriously interested, Mr. Speaker, in looking after the taxpayers' money in this deal, they would not be trying to

give this project a black eye. Every time they muster up a negative headline, Mr. Speaker, it takes away from the value of the technology. It takes away from the value of the asset that exists there, and the members opposite. I know that they have been told in previous estimates here that there are potential buyers for GigaText, but they're not interested in that. They insist on destroying it like they insisted on destroying or attempting to destroy Rafferty, like they've been against every project that has ever come to this province. Mr. Speaker, I think that's unworthy of an opposition.

Mr. Anguish: — I don't think that the minister needs to be lecturing us about what we're for and we're against. The Canadian Wildlife Federation took you to court on the Shand-Rafferty project. Okay. The federal court said you're wrong. They said you broke the law. So don't put it over on this side of the House, Mr. Minister. We're dealing here tonight with GigaText. This is typical of your *modus operandi*, the way that you operate. You won't answer the questions. You shift it aside, trying to warp the truth, trying to change the facts.

But we want to deal here tonight with GigaText, Mr. Minister. We want to deal with an investment of 4 million of taxpayers' dollars in a company that we would have to assume has no commercial value. When you started out you said it was to translate the statues — 45 initially and more later — to translate the statues from English into French. And then as you found it couldn't translate the statues, you say, oh it's research and development.

And you mentioned in just your last response to me, Mr. Minister, that we're harming the sale of GigaText. Well if GigaText is really up for sale and there's a commercial value, could you tell us what would be the minimum amount, Mr. Minister, that you would accept for GigaText so that you could sell it to IBM or WESTBRIDGE or these other firms that seem to be so interested? Could you tell us the commercial market value of GigaText or at least the minimum amount that you would take for GigaText?

Hon. Mr. Berntson: — I guess that question shows how much you know about the world of business. You run out with a . . . oh, I don't know, a pair of shoes or whatever, and you say, the least I will take is \$10, but what I really want is 100. Now guess what you're going to get. I mean, you really make a lot of sense. This is the fourth time or the fifth time, fourth or fifth time, Mr. Chairman, that I have said that I am not going to deal with the detail of the GigaText transaction and I don't know why that hasn't yet penetrated.

-Mr. Anguish: — Well, Mr. Minister, I'm sorry if that last question shows my lack of business knowledge. Tell us then, what's the maximum amount you'd take for GigaText?

Hon. Mr. Berntson: — I don't think there's any ceiling on it, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Anguish: — Well in the last four or five months that's the first time I've been able to laugh about GigaText, Mr. Minister. But you talk about negotiating the sale. Let's go

back a bit to the studies, okay? What study was done? Was it internal, external, did you have experts come in? What motivated you to invest \$4 million in GigaText? Was it flying by the seat of your pants? Was it flying in the GigaMos jet? Was it driving with Guy Montpetit in his limousine? Was it lobbying by Ken Waschuk? Was it Senator Michel Cogger that convinced you? Was it your own dream of having artificial intelligence developed in the province of Saskatchewan which hasn't yet been developed anywhere else? Was it a study? What motivated you to invest the \$4 million of taxpayers' dollars into GigaText? Just tell us that. We don't want even details about the study. Tell us what was done to convince you that the \$4 million investment in fact was a good investment for people in the province, Mr. Minister.

Hon. Mr. Berntson: — Mr. Speaker, I think this is the sixth time now that I'm not going to . . . I've said it and I'm saying it again, I'm not prepared to deal with the detail of the GigaText transactions. I have not yet given up; I have a degree of optimism. I don't intend to deal with GigaText through the media or through rhetorically motivated headlines by members opposite. I have a reasonable degree of optimism, and as I said many times before and say again tonight, that I'm prepared to take full responsibility for the successes or failures.

Having said that, Mr. Speaker, there was another technology deal that I recall that this government . . . or the Government of Saskatchewan got involved in several years ago. They invested equivalent of \$8 million in present dollars, or inflated dollars, Mr. Speaker, in an outfit called Nabu.

An Hon. Member: — And where was it?

Hon. Mr. Berntson: — This outfit called Nabu was based in central Canada. Not one job ever came to Saskatchewan. The organization called Nabu went into receivership, I think in 1986. The wild projections that were made by the people at CMB of the day was that the returns would be like in the hundreds of millions of dollars and that they would be manufacturing microcomputers and become the technology capital of the western world. And I'm overstating my case simply for effect.

What happened in the final analysis . . .

(1930)

An Hon. Member: — Then you were going to privatize it then.

Hon. Mr. Berntson: — Yes, and then they were going to privatize it but they found that nobody wanted it. What happened in the final analysis when receivership came for Nabu, Mr. Speaker, CMB wrote off the value of Nabu, the \$8 million Nabu investment, and if my memory serves me right, that value was something around \$9,000 or \$9,600, Mr. Speaker.

Mr. Anguish: — Well I'm sure the public will find it very amazing that you can remember details about something that happened back in the 1970s and you can't remember the details of something that you were intricately

involved in — intricately involved in.

An Hon. Member: — No, I didn't say I couldn't remember; I said I wasn't going to deal with them.

Mr. Anguish: — Oh, the minister says from across the floor he didn't say he couldn't remember, he said he's not going to deal with them. What a blatant abuse of your power as Deputy Premier. You should be ashamed of yourself of the blatant waste and mismanagement of taxpayers' dollars.

Whatever happened in Nabu, everyone would have to admit it was not a good investment in hindsight. There's no question about that. But can you identify any persons or individuals who were the sole beneficiaries of Nabu? Maybe you could tell us about that. What individuals ran off with the money?

We have Guy Montpetit. You invest \$4 million; he invests the technology that doesn't work, and now you call it research and development. Give him sole signing authority so he rents a jet from GigaMos Air Services for \$35,000 a month. Who owns GigaMos Air Services? Well, Guy Montpetit owns GigaMos Air Services, pays himself an expense account of about \$15,000 a month and a salary beyond that. He gets himself sailboats, and a cruise launch, and a limousine, and a mansion in Quebec — not only with Saskatchewan money, of course, because he ripped off a Japanese business man, Mr. Tsuru, for some \$39 million. So I suppose, Mr. Minister, we should consider ourselves fortunate that it was only 4 million and not 39 million. So you see, it's not the question of the investment, it's the question of the misuse of Saskatchewan's taxpayers' dollars, the waste and the mismanagement of this government. When you have, since 1982, ran up a deficit in the general operating accounts of this province of some \$4 billion, costing us now the third highest expenditure in the budget . . . After health and education, the third highest expenditure in the budget is interest to service the debt, not even dealing with the principal. And you have the audacity to stand here in this House and say you know, but you won't answer questions about GigaText — the one who says he's responsible; he'll take full responsibility. It certainly is, as the member from Saskatoon Eastview says, it's time for a change.

Now I'll go back at least one more time. Could you tell us . . . (inaudible interjection) . . . Well you want to go back to Souris-Cannington. You should go back to Souris-Cannington. Any honourable minister would have resigned and just left his seat. But if you're going to stay like a rat to a sinking ship, maybe just give it a paint job and throw on another anchor on the Titanic, and we'll let you take her away.

I'll ask you one more time. Could you tell us if any studies were done prior to the investment by Crown investment corporation of \$4 million into GigaText.

Hon. Mr. Berntson: — You see, we've come to expect it from members opposite, Mr. Speaker, but here's this guy — he stands up here and he talks about this Guy Montpetit. And I take no position on this; I from the outset have said that I'm prepared to rely on the outcome of the

civil action in Montreal. But he stands up here, Mr. Speaker, and he's got him convicted and hung before the trial is even over, before the judge has even handed down a decision. And he's standing over there, Mr. Speaker, saying, not only did he rip off Saskatchewan but he ripped off this naive Japanese business man called Mr. Tsuru.

And, Mr. Speaker, the arrogance of that individual I find mind-boggling. He puts himself ahead of the court in handing down these decisions, and throughout this whole case, Mr. Speaker, members opposite have been very selective in the evidence from the transcript that they've been bringing home to Saskatchewan. And I suppose that's the political game and I'm prepared to deal with that, but I'm simply not prepared tonight to deal with any of the detail relative to the GigaText transaction, Mr. Speaker. I've said that several times now and I've stated the reasons.

Mr. Anguish: — Well what are those reasons, Mr. Minister, you won't give us the details about GigaText? Is it because you don't have your official here, or you don't know, or you're unwilling? What is the actual reason why you will not give us details on the GigaText transaction — a transaction that saw \$4 million go from Crown investment corporation into GigaText? What is the reason you will not give us the answers to that?

Hon. Mr. Berntson: — Mr. Speaker, to capsule — and I've stated them all at various times tonight — number one, I know that members opposite would want me to deal with absolute precision. And I'm the first to admit and I'm sure members opposite would agree that the last thing that I should rely on absolutely would be my memory, and the official that is most involved with this particular transaction is not here.

Number two, as I've said earlier this evening, Mr. Speaker, I am optimistic that there is a deal to be made with GigaText, and members opposite in their very partisan and rhetorical way are determined to diminish the value of GigaText, and I just don't think that's appropriate. And for those reasons, Mr. Chairman, I'm simply not prepared to deal with the details of the GigaText transaction.

Mr. Anguish: — Well I would have to take it from your answer, Mr. Minister, that even if we gave you a list of questions tonight and when you had a chance to consult with the official who is most knowledgeable at GigaText, you still would not provide us with precise answers about GigaText.

An Hon. Member: — Might be that I wouldn't give you anything.

Mr. Anguish: — Well is the minister saying he won't give us anything about GigaText? I think that you have a responsibility to taxpayers in the province to explain where their \$4 million went to. And you say that I judge Mr. Guy Montpetit before the court does. I never put myself before the court. We know very well that the information about Saskatchewan's involvement with GigaText and Guy Montpetit comes from the chartered accounting firm of Peat Marwick, an appointed court auditor, a chartered accountant.

So are you calling into question the firm of Peat Marwick, who in fact audit some of the books of the province of Saskatchewan under the authority of the Provincial Auditor? Is that who you're calling into question? We have a good deal of respect for chartered accountants, especially those who come from a reputable firm who are giving professional evidence in a court of law, and that professional evidence in a court of law states quite clearly that there was a misuse of funds, misappropriation of funds, pretty well.

When you look at the computer sale, the Lambda computers that GigaText purchased, where did GigaText purchase the Lambda computers? From GigaMos Services Ltd.? They came through GigaMos Services Ltd. Through Lisp and into the hands of GigaText. Who owned those other companies? It was Guy Montpetit. Saskatchewan taxpayers' dollars — there were \$2.9 million paid for Lambda computers, computers which are no longer in production, computers that the expert witness from Peat Marwick, the court appointed auditor, said in Montreal that had a value of less than \$40,000.

Now, Mr. Minister, when you pay Guy Montpetit's company, or companies, I should say, \$2.9 million for out-dated, out-of-production computers, do you not think that Saskatchewan taxpayers should be concerned, and you who invested the initial \$4 million should be straightforward with your answers to people in the province of Saskatchewan?

Mr. Minister, Guy Montpetit did make a lot of money off of the GigaText affair in the province of Saskatchewan. He made enough money that he could lend Ken Waschuk, your pollster friend and the Premier's friend — the Premier's pollster who, outside of Decima Research, does the majority of the polling for the Conservative party in the province of Saskatchewan, has open access to you and to the Premier — but Ken Waschuk can get \$150,000 interest-free loan from Guy Montpetit.

Do you think that Guy Montpetit just met Ken Waschuk on the golf course, and said, gee, Ken Waschuk, you're a nice guy; I'd like to lend you \$150,000 interest free. Don't worry about the repayment terms; I'll just get it back some time. I don't think so. I think Guy Montpetit lent the money to Ken Waschuk because they had business dealings together. In fact, Ken Waschuk ended up being the appointee on the board of Guy Montpetit on the GigaText board.

Now, Mr. Minister, surely you must feel some obligation to provide some answers. If you can't provide them tonight because your expert from Crown investments corporation isn't here, I think that we can all understand that. But even if we asked you the questions, you were saying that you won't even take notice of them and provide us with the answers later. And the reason you give for that is because we'll destroy the sale of GigaText.

Well GigaText has no commercial value. What commercial value could GigaText possibly have? In less than a year they spent the entire \$4 million under the sole signing authority of Guy Montpetit — less than a year. And then Wolfgang Wolff from Crown investments

corporation phones Mr. Price in SEDCO and says, there's a problem here.

Well you bet there's a problem, because it couldn't perform what it said it was going to perform. And so Crown investments corporation phones SEDCO to take over, and then you hang it on the member from Maple Creek. So SEDCO is now involved in there, and you provided in SEDCO a loan of \$1.25 million to SEDCO, and what did you take for collateral? A condominium that was already bought by Saskatchewan taxpayers' dollars, \$137,000 condominium, which was purchased so that Dr. Paillet, who is operating GigaText right now, could live in some degree of luxury in Regina. And even that we can understand. But for the only asset for GigaText to have so that SEDCO would file a \$1.25 million mortgage against a \$137,000 condominium, there's no commercial lending institution in the world that would do that. And you're still saying that it has some commercial value?

Why wouldn't the \$1.25 million be filed against GigaText assets instead of the condominium? Why? Because GigaText has no assets, it has no commercial value. This \$1.25 million loan that SEDCO gives, after the company had gone broke, is being advanced at \$50,000 a month to run the GigaText operation. So someone who's into long-term research and development, Mr. Minister, may in fact buy GigaText, but any commercial venture would never buy GigaText because it loses \$50,000 a month.

So who are you trying to kid? Mr. Minister, I ask you this: the questions we posed to you tonight about GigaText, do you think that you could take notice of those questions, at least? If you're not competent to answer them, ask Wolfgang Wolff or whoever your expert is in Crown investments corporation, and return the answers to us in writing. I think that people in Saskatchewan have been bamboozled long enough by your lack of attention to this matter and your lack of answers to questions. So will you at least provide us with written answers to the questions that we want answered about GigaText here this evening, sir?

(1945)

Hon. Mr. Berntson: — I suppose, Mr. Chairman, the one concern that I have and have already stated is that even dealing with the questions in this way could have an impact on any potential deal for GigaText, Mr. Speaker. And so I'm reluctant to deal with this before a deal or potential deal could be put together.

If the member, since he's in a rather magnanimous mood, would intersessionally want to meet with me after some potential deal had been put together, I'd be happy to go over it with him at that time.

Mr. Anguish: — Well I'd certainly want witnesses if I met with you because they'd have to count my fingers after I'd left the meeting, if GigaText is any indication as to how you're going to deal with this issue.

Hon. Mr. Berntson: — Well then don't meet with me.

Mr. Anguish: — Well, Mr. Minister, now you say not to

meet with you. Somebody at some point should meet with you. I suppose also when you leave government you'll shred all the documents so nobody will ever know what the deal was with GigaText or how good or how bad it was.

I think you have an obligation to deal openly and honestly with people in the province, especially when you've taken full responsibility for GigaText. I'm sure that the Premier had some involvement in it; he must have known what was going on. But you, in fact, sir, have taken full responsibility.

If there is a sale for GigaText, it is a sale if it's commercially valued, and remember, it has no commercial value, the company. Then it has to be someone who wants desperately to do business with the Government of Saskatchewan. And the way that you've conducted business with businesses in Saskatchewan and companies coming in is appalling. You don't deal openly and honestly with the business dealings and the taxpayers' dollars that you use.

If you want to waste all your own funds, you go ahead and waste them. But we don't think you should be wasting the taxpayers' dollars in the province of Saskatchewan on deals that you won't account for. People can understand if you come here and say, well we made a mistake, we did something wrong, we invested this, we got ripped off by a fast talker and high flyer from another place. The people really fail to understand, and I think they'll deal with your government harshly when it comes time for the ultimate accountability for your government because you've gone through just a tremendous scandal with GigaText. Although it's not the biggest dollar item that your government has wasted, it's certainly been one of the most publicized that your government has dealt with.

And in conclusion, Mr. Minister, all I'd have to say is that I think that the way you dealt with estimates here this evening is absolutely disgraceful. And again I reiterate, you don't answer the questions in question period about GigaText. The Minister, the member from Maple Creek, won't answer questions in Crown Corporations. We come here before estimates where Crown Investments Corporation put \$4 million in to get GigaText going while people in Saskatchewan suffer hardships of not having enough money. And you still refuse to answer the questions. GigaText is the biggest egg on your face and it's egg that will haunt you through the next election campaign.

And, Mr. Minister, I see no point in asking you any further questions. You're not going to answer them, you won't take notice of the questions, and I'm sure other people that will be watching this evening are disgusted by the behaviour of the Deputy Premier on an issue where you have been so blatant in the waste and the misuse of taxpayers' dollars in the province. And they would sit back tonight and say, it's no wonder that we have to pay about \$384 million a year in interest to service the debt, because you represent one incompetent, one uncaring, and one incredible government, sir.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Thank you, Mr. Chairman. Mr. Minister, I want to deal with some questions as they pertain to Cargill. As you recall, we had a discussion this afternoon, and I gave you advance warning that I wanted to ask some questions on Cargill, and you said you'd have the appropriate officials here to respond to those questions. I want to also remind you that Cargill or any matters relating thereto, as far as I'm aware of, are not matters before the courts as GigaText was. Cargill and the deal that you've cut so far with them, I'm informed, to date at least, is not being investigated by the RCMP as GigaText was. That was an excuse; you wouldn't answer questions. The excuse you gave for not answering questions tonight on GigaText was because your officials were not here. So I'm assuming that Mr. Gibson will be able to advise you with respect to Cargill and the deal.

Well, Mr. Minister, Cargill, as you know, is a very large corporation. It's the largest U.S. privately-owned corporation. It's the eighth largest U.S. corporation overall. It had sales in 1988 of \$38 billion U.S., and as you know, Mr. Minister, that's more than 10 times the annual revenue of the entire province of Saskatchewan and its government. It's also greater in terms of revenue than the four western provinces put together in any particular year by a number of billions of dollars.

Now, Mr. Minister, I want to ask if you'll just take us through the scenario and give us some general dates — months are fine, you don't need the actual days — but the months or even the seasons as to when this Cargill deal started developing, and take us to the point where we are now and how Saferco was structured originally and through CIC and where we're at with Saferco right now.

Hon. Mr. Berntson: — Mr. Chairman, the work conceptually on this project began, I think, in 1983, and at that point the work wasn't being done at Crown Management Board but in various department of government. And over time as the thing evolved, there were discussions with NewGrade Co-op refinery, Federated Co-op, with Sask Wheat Pool. We went from there to CdF Chimie. And when the CdF Chimie deal didn't bear fruit, we then started talks with Cargill.

To the best of our recollection, those talks began in the fall of 1987. And by June of '87 we signed a letter of intent that . . . I'm sorry, June of '88 we signed this letter of intent that provided for the sharing of information and doing the feasibility and affirmation stage of the project, if you like. That went on until this spring with those outstanding questions being dealt with and answered, and this spring, in March or April when we had the press conference here in Regina, announcing that . . . Was it May 16? Okay, May 16 we had the press conference in Regina announcing the project as we know it today.

Mr. Solomon: — Mr. Minister, did you initiate the discussions with Cargill or did Cargill come to the government seeking to build a fertilizer project in the West?

Hon. Mr. Berntson: — We initiated every one of the discussions, Mr. Chairman. We initiated the one with NewGrade, we initiated the one with the wheat pool; we initiated the one with CdF Chimie; and we initiated the

one with Cargill.

Mr. Solomon: — We've heard two or three different precise explanations of what the deal is. Can you very briefly describe what financial commitments, in as great a detail as you possibly can, are, including how much equity is required by the taxpayers of the province, when that will be required, and what sort of arrangements do you have for loan guarantees.

Hon. Mr. Berntson: — The estimated cost of the project at this point is \$350 million. Seventy per cent of it will be financed. Saferco is a, at this point, a 50-50 joint venture between Cargill Canada and CMB, and each of those partners have equity at 50 million each in Saferco — will have, will have.

The contractor's bids will be received some time later this fall. The evaluation of those bids will take place over the next few months with the hope that a final decision, go or no go, can be made in December, at which time, hopefully, construction can begin.

(2000)

Mr. Solomon: — So we have here a deal of \$350 million, Mr. Minister — 52.5 million provided in cash, or is it 50 million even provided in cash to Saferco from Cargill and from the Crown Management Board, which is the taxpayers, and we have the balance outstanding of 245 million guaranteed by the province of Saskatchewan. Is that correct?

Hon. Mr. Berntson: — Please remember, we're not dealing with absolute precision. You say 245, I say 250, and those are ballpark numbers. There will be a guarantee on the Cargill portion of the debt and that guarantee will be of course attracting a guarantee fee, and it will be structured in such a way that there will be absolutely no subsidy in the project in any way, shape or form.

Mr. Solomon: — Could you explain to us this evening why your government has been seeking out to joint venture, if you want to call it that, but in this situation it's the taxpayers taking the risk for roughly 200 and \$300 million, just about — 290 million to \$300 million. We're extended, we're exposed to that amount, either through a cash advance and/or a guarantee.

Can you explain to the taxpayers of this province, Minister, why you have put at risk that amount of money of taxpayers' dollars as a government when, in a tandem time frame, you've been selling off all of the assets of the province of Saskatchewan, including Sask Minerals and Saskoil and now the Potash Corporation of Saskatchewan. Do you not find that this is a contradictory kind of philosophy? You are selling off at discount prices the assets of the people of this province to your big-business friends outside of this province, and on the other hand you're risking and exposing another \$290 million and taking an equity position in a company that has a great deal more risk than the ones you've sold, because the ones you've sold have all been profitable and have been providing returns to the people of this province. How do you explain that, that total opposite, do

as I say but don't do as I do? How do you explain your practice of government here, Mr. Minister?

Hon. Mr. Berntson: — Let's take Saskoil for instance, Mr. Chairman. Saskoil had been around for some time, relatively mature, as they say, and the only constraint on Saskoil was that it was a Crown corporation and was limited in its ability to grow and expand because of the constraints of government.

Or let's take the example of PAPCO (Prince Albert Pulp Company), Mr. Speaker, and the opportunity that flowed from the privatization of PAPCO and the paper mill that provided — I don't know — maybe 600 jobs between the paper mill and the forest, Mr. Speaker, and along with that the doubling of the capacity of the Saskatoon Chemicals plant and so on. Mr. Speaker, it was by getting government out of those that provided the opportunity for diversification and expansion and excitement.

In the case of the Cargill . . . or the Saferco fertilizer plant, Mr. Speaker, government is acting as a facilitator only. We tried on two previous occasions to bring partners together to develop a nitrogen fertilizer capacity in the province of Saskatchewan. We were unsuccessful for a few reasons, but one of the reasons was that the more people you've got around the table, the less agreement there was as it relates to how the project should evolve. There is no reason in the world why there should not be a fertilizer plant, nitrogen fertilizer plant, in the largest nitrogen fertilizer market there is in North America, Mr. Speaker — right here with significant opportunity for growth in that market. There's no reason why the shouldn't happen. There is no reason why that fertilizer plant shouldn't be using Saskatchewan natural gas, Mr. Speaker. All of the fertilizer that comes into Saskatchewan now is manufactured some place else, primarily in Alberta using Alberta natural gas, and all of the additional costs of freight and transportation, Mr. Speaker, to get it into this market.

What motivated us was primarily two things: number one, to get the cheapest possible fertilizer for the Saskatchewan producer; and number two, was to capitalize on the opportunity of developing our own resource here in the province, that resource being natural gas. And, Mr. Speaker, those are the two motivating factors in the project, and I think both of them very worthy motivating factors.

When the two previous projects couldn't come together, Mr. Speaker, we went to Cargill Canada and we now have, we believe we have, subject to the bids coming in, on projection, Mr. Speaker, a project that all of us in Saskatchewan can be proud of, one that will help us to develop the natural gas resource in the province and all of the attendant spin-offs that come with the development of that resource, and one that will provide, Mr. Speaker, for the best possible prices for fertilizer for Saskatchewan farmers.

Mr. Solomon: — Well, Mr. Chairman, I don't think you'll get an argument from anybody for the need of a fertilizer plant in this province if it's minimizing the risk of the taxpayers' dollars. We can't understand why the largest U.S. privately owned corporation, with the revenues of

\$38 billion U.S. — over 10 times what our revenues are in this entire province — would want to be subsidized and helped out to the extent that you are helping them out with taxpayers' dollars, if it was a good deal.

Now you know better than I can tell you that the experience we've had with your government in terms of making a deal has always favoured large business, big business outside of this province, and has always cost the taxpayers of this province millions and millions of dollars. They have not had any kind of return whatsoever.

You talked about Saskoil in terms of your example. Well Saskoil, before it was privatized, was making 30 and \$40 million net profit. The total value of the company was around 300 to \$345 million; the debt/equity ratio was 1:10, and it had retained earnings of about \$200 million, Mr. Minister. You privatized it. Ever since then we've not received one penny in dividends. You talk about it being a big success but the debt/equity ratio has gone from 1:10 to 7:10. It's become a very risky company in light of the fact that interest rates are high and oil prices are volatile.

So what kind of an example is that? It shows what a terrible economic decision you made with Saskoil and it doesn't give me any confidence in your ability and your decision to go into a partnership, so-called partnership, where we take all the risk and Cargill gets all the benefit. It doesn't give me a great deal of confidence in your comments about it being a good deal, Minister.

I want to ask you . . . You talk about it providing all sorts of opportunities for the gas, natural gas business in this province. Well in the news release of May 16, the Premier indicated that the natural gas industry would be benefitting from this deal. I've asked you in this House, I've asked the Premier in this House, and I'm asking you again: in view of the fact that we are exposing \$290 million of taxpayers' money on this deal, with the largest U.S. privately held corporation, what kind of guarantees have you received in advance of this announcement, in advance of the deal proceeding, that natural gas that that plant will be using at Belle Plaine to the tune of 18 billion cubic feet annually — which will make it the largest customer in this province — will be using Saskatchewan natural gas first? Have you obtained any guarantees, and what are those guarantees that the plant will consume Saskatchewan natural gas for all of its needs except for those that Saskatchewan can't supply?

Hon. Mr. Berntson: — Mr. Speaker, the Buy Saskatchewan policy is part of the agreement with Cargill. I think it's understood by most today that the available uncontracted gas in Saskatchewan today probably wouldn't be enough to supply the needs of Cargill.

So Mr. Speaker, anything that can't be supplied by Saskatchewan producers naturally will be supplied by someone else, and probably Alberta producers because it makes no sense to run a plant at half capacity just because you want to build a fence around the province and not let anyone else's gas in. The Buy Saskatchewan policy is part of the agreement, Mr. Speaker, and the priority will be for Saskatchewan gas to be the feedstock for the plant.

Mr. Solomon: — Well, Mr. Chairman, is there a guarantee as a result of this deal, as a result of extending and exposing \$290 million of taxpayers' dollars? Is there a guarantee in that arrangement that they will use Saskatchewan gas? And don't give me the story that there's not enough gas in Saskatchewan available. You look at all of the statistics that have been provided by the industry and they will show you that there's more than 18 billion cubic feet of natural gas available that's now under contract.

Hon. Mr. Berntson: — As I said, Mr. Speaker, Saskatchewan gas certainly will have the priority and that is as the policy exists, Buy Saskatchewan policy exists that's incorporated in the contract. The member opposite is far wiser than I, and if he tells me that there's enough uncontracted gas in Saskatchewan to provide the plant the gas that it needs, I'm happy to accept that. I say that in the event that there isn't uncontracted gas enough to supply, because gas demand is growing and growing, I say that if there's not enough uncontracted gas to supply the plant that then the plant will have an obligation to get its gas elsewhere, and that makes excellent sense, Mr. Speaker.

As it relates to an earlier comment that was made by the member when he talks about subsidizing this plant, Mr. Speaker — the plant in no way, shape, or form will be subsidized. The plant, Mr. Speaker, while there will be a government guarantee on part of the debt, Mr. Speaker, there will be a guarantee fee paid to the government or the lending agency of government to cover off that guarantee. It will not be countervailable by U.S. interests. It is bullet-proof in that respect, Mr. Speaker. It is an excellent project for the people of Saskatchewan, and for the life of me, I can't understand why members opposite are so opposed to it, Mr. Chairman.

Mr. Solomon: — Under questioning last week, the Premier confirmed that Cargill was in Alberta seeking contracts for what he termed as a back-up supply of natural gas. And I asked the Premier at that time whether or not there was any written guarantees — not handshakes or assurances or promises by word of mouth, which never seem to carry forward with much positive results from your government.

I asked him if there was anything in writing that guaranteed, as a result of the taxpayers of the province saying to Cargill, here's 52 million or 60 million, whatever the number you want to put forward, cash up front; here's a guarantee for the other \$245 million; do whatever you want. There must have been some kind of negotiations going on.

And it seems to me you'd want to get a written guarantee from Cargill about buying Saskatchewan first, and in particular, since they're going to be consuming so much natural gas, and that's the premiss of the whole press release that the Premier issued, that you'd have that guarantee in writing. And you're saying there's some assurances. Well could you define what these assurances are? Is there a guarantee that they will seek the primary source of natural gas for all of their needs that Saskatchewan can supply from Saskatchewan? Is there or is there not a written guarantee?

(2015)

Hon. Mr. Berntson: — Mr. Chairman, I haven't been counting, but it's at least three times that I have said, Mr. Speaker, that the Buy Saskatchewan policy is part of the agreement between the government and its agencies and Cargill. Now at this point in time, Mr. Speaker, we expect that 80 or 90 per cent of the feedstock to the plant will come from Saskatchewan producers, Mr. Speaker. The gas market fluctuates daily. We will not be using any gas until 1992, so it's unlikely that they're going to go out and sign a bunch of firm contracts based on today's gas market, Mr. Speaker.

The other point that you made, that Cargill was in Alberta signing up contracts for gas for this plant, my understanding is that those contracts have not been signed to date, and in addition, Mr. Speaker, there are lots of people, and I think of Ocelot, and I think of North Canadian Oils and so on, who are major producers in the province of Saskatchewan whose head office is in Alberta. So it doesn't surprise anyone that Cargill is in Alberta seeking to put together a gas deal for a supply in 1992.

Mr. Solomon: — So what you're saying, Minister, is that there is no written guarantee that the government wants them to obtain Saskatchewan natural gas supplies first. I want to know, Minister, if there's any kind of other assurances or guarantees that you would have incorporated in this agreement, and I'm looking now at your comments, and the member from Weyburn previously, and the Premier standing in this House saying the farmers of Saskatchewan will benefit because of lower fertilizer prices.

My simple question on that is: have you achieved in this agreement with Cargill some assurance or guarantee that they will charge less for the fertilizer they produce in this province for Saskatchewan farmers so that all the statements that you and your colleagues and the Premier have made in this House have some validity or whether they're just blowing in the wind? Can you tell us that?

Hon. Mr. Berntson: — You see the hypocrisy of all of this. He says, number one, it's a bad deal. Number two, we should guarantee to buy gas at any price. Number three, we should make sure that Cargill sells the product at below market value so that they're guaranteed to go broke. Now I mean, I don't understand where you're trying to get to. The very fact that this plant exists in the middle of this very large market, they will be more than competitive with today's suppliers.

Now in the market-place, competition is what's going to bring the price down. We have — I don't know how many — about 50 small uncompetitive plants that have had a lock on the door in North America over the last several years simply because they couldn't compete any more with these large-scale plants, high-tech, super-efficient plants. And take transportation off that from the large plants in Alberta, and you've got us in a very, very competitive position. That's what will determine the price, not some arbitrary, you will sell for this. But I'll tell you this. Without this plant in Saskatchewan,

Saskatchewan can be guaranteed to continue to pay the highest prices for nitrogen fertilizer in North America.

Mr. Solomon: — Mr. Minister, the member from Weyburn has dithered on about business deals, and I don't know what kind of experience he has but I can assure you that whenever there's a business arrangement with partners, whether it's a joint venture or whether it's buying some equity in the company of a major proportion like you're doing with Cargill through Saferco, there has to be some value for the money you put in. There has to be some mutual arrangement for the deal and the partnership.

And with GigaText, you've shown that you were negligent. You did not do your homework. You didn't find out what they were bringing to the company, and you sunk \$5 million of taxpayers' money into that company and it's gone, it's never to be found again. It's spent on yachts and limousines and airplanes that you and your colleagues have been riding in.

Now, Mr. Minister, with this deal with Cargill, we are extending the exposing \$290 million of taxpayers' money. And I'd like to know what we are getting for that money. What kind of mutual asset or advantage that Cargill is bringing to this deal, that says to the people of this province that \$290 million of our tax dollars is being well spent, or well exposed, or safely exposed. What kind of arrangement has Cargill provided to you that will benefit the province of Saskatchewan?

Our duty and our obligation as elected officials in this Assembly is to ensure that the government is accountable for the taxpayers' money, and you have not displayed any accountability in this Cargill deal to date. You have not shown in any kind of detail what kind of value the people of this province will be getting for that kind of money being invested in the corporation. And I ask you tonight: what kind of guarantees, what kind of asset is Cargill bringing other than their name? Can you tell us that this evening?

Hon. Mr. Berntson: — Well first, Mr. Speaker, I don't think Cargill is interested in dumping \$50 million into a bad project, and they are bringing \$50 million in cash. We get something over a million dollars a year in a guarantee fee. We get 50 per cent out, 50 per cent in, 50 per cent out of the company and that seems fair and reasonable. In addition to that I've told you about the advantages to the Saskatchewan farmer because of the fertilizer now being produced here competitively and giving that edge to our farmers, and that's not insignificant, and we in this government at least will appreciate that. We think that the enhanced gas industry in the province will serve us well as a province, Mr. Speaker. I don't think that's an insignificant benefit. The project itself, Mr. Speaker, will create lots of jobs and economic activity in the province. Something like \$100 million a year will be spent on goods and services by the project, Mr. Speaker. That's not insignificant for the Saskatchewan economy.

Now you're asking what the government gets out of it. The government gets out of it all of those things that I've mentioned, plus they are 50 per cent partner in the deal at

the outset. They're not interested in staying in; they're interested only in being a facilitator. And I'm very sure that tomorrow morning if we decided to, that other 50 per cent, or the government's 50 per cent, could be gone. There's a lot of interest in it, Mr. Chairman, and members opposite just refuse, absolutely refuse to understand that there is a significant economic benefit to Saskatchewan from this project.

Now you're telling me, what do we get out of the guarantee? What do we get out of that exposure? Well we were exposed to the tune of \$85 million on the paper plant in Prince Albert. That has not been a bad deal, Mr. Speaker. The paper plant is sitting up there churning out about 80 miles of paper an hour or something like that and doing very, very well. So far, from that exposure of 85 million, we have had returned to us something like 60 million. And don't hold me to precision, that's a ballpark . . . (inaudible interjection) . . . Thank you, thank you. But that one is a good example. I have every confidence that, subject to the bids coming in on target, that this one will perform equally as well.

Mr. Solomon: — Mr. Minister, you've indicated some feasibility studies were undertaken . . . And you are absolutely correct. We don't hold you at all to account for any kind of precision whatsoever. I want to, however, pursue the feasibility study. Could you table in this House or provide to the opposition a copy of that feasibility study, or least the portion of the feasibility study which would provide some insight into what kind of market demand survey was done and what was found from that, and secondly, what kind of break-even point analysis was done. I know you'll say that you can't table complex feasibility studies, and that's not what we're looking for. I'm looking for two executive summaries of two sections; that is, the market demand would lead you to believe that this plant is required in terms of market demand, and secondly, in light of the fact that the Saskatchewan Wheat Pool, fertilizer division, has said that the present fertilizer capacity can comfortably supply present and foreseeable demand in western Canada.

And the second question I want to know, Minister, is whether we can see an executive summary of some of the financial details. I know that you don't want to be too precise because you aren't, but if you could get that to us in some fashion, I'd appreciate having a look at it.

Hon. Mr. Berntson: — Mr. Speaker, the last thing in the world we would table would be a market analysis. We're in business in a competitive arena, Mr. Speaker, and Eaton's doesn't tell Simpson's their business, Mr. Speaker . . . (inaudible interjection) . . . Precisely.

Now he talks about Sask Wheat Pool, Mr. Speaker, saying that there is sufficient capacity to provide for western Canada's requirements in the foreseeable future. I don't think there are many people that would quarrel with that, Mr. Speaker.

The problem we have is that all of that capacity is in Alberta. Our farmers are probably paying \$45 or so too much for their fertilizer because there is no capacity in Saskatchewan, Mr. Speaker, and the Saskatchewan Wheat Pool will be the first to tell you . . . As a matter of

fact, when they were interviewed at the time of this announcement, why didn't you participate in this plan, well they said that we believe that it's a good project, but we don't have the distribution infrastructure in the market area to properly market the product, but we believe that the Cargill match is an excellent match.

Likewise, John Douglas, who is the fertilizer expert from Alabama that you guys count on a lot for expert opinion, has told us and told you and told the media that this project can't lose; it's the best thing that can happen in the fertilizer industry for Saskatchewan and this market area.

Mr. Solomon: — So what you're saying, Minister, is that you will not provide us with even an executive summary of the feasibility study which has concluded that you think this is a good deal. We know that you've undertaken a feasibility study with GigaText and it concluded that GigaText was a good deal, and we know now what kind of a good deal it was — it's cost us \$5 million and it's costing us \$50,000 a month on top of that.

I'd like to know whether that feasibility study was done by the same group of people that undertook the feasibility study for GigaText. Can you tell us that? And I'm wondering whether you would reconsider and give us some executive summary — if not table, at least provide access for us to look at it so we can conclude in a similar way as you have that it's a good deal and will be a good deal in the best interests of the public of Saskatchewan.

(2030)

Hon. Mr. Berntson: — Well, Mr. Speaker, the hon. member was right a while ago when he suggested that these kinds of studies are complex, and this one's no different. If we took everything that was involved in this study and put it in a pile, I dare say it would be three or four feet high. And I know that he's not asking for that to be tabled, and it's a good thing for both of us because I don't have the energy to carry it in and you don't have the wisdom to understand it. So we're doing us both a favour by agreeing not to bring that in.

The fact remains, Mr. Chairman, I can't stand here today and tell you absolutely that we have a project, and we can't do that until the bids come in and are analysed. We expect that that will be done over the next few months; and we expect to be at a final decision point in December. Now based on all of that, we will come at some point to a business decision based on all of that. We have a high degree of optimism that the project will be a good project.

Now we said the same thing back in the days of the paper plant and Weyerhaeuser. And you people said it was a terrible deal, and we said that it was a good deal, and you said it was a terrible deal and we said it was a good deal; and we couldn't agree on whether it was good or bad. Once the deal was finally put together, the Minister of Public Participation tabled the agreements that existed between us. I don't know if you guys ever read them or not . . .

An Hon. Member: — We told you the other day we did.

Hon. Mr. Berntson: — Oh sure. And as it turns out, I think we were right; it was a pretty good deal.

Now we aren't prepared, in a competitive business, to table that kind of information, and I'm sure that the hon. member understands.

Mr. Solomon: — Well, the minister, if he took the initiative and tabled the feasibility study, I can assure him that I'd read it forthwith.

I want to get on to another topic before I end the estimates this evening, and that is dealing with the water supply for Cargill. Have you undertaken a feasibility study for the water demand for the plant on the Buffalo Pound Lake? I understand the water supply is coming from Buffalo Pound. Can you share with this House this evening any information you may have on the water volume required on an annual basis, or a monthly basis, and whether or not any feasibility or environmental impact studies have been done on the impact on the Regina city and Moose Jaw city water supply at Buffalo Pound as a result of this plant?

Hon. Mr. Berntson: — It will have no impact at all on the cities' water supplies for Moose Jaw and Regina. We have had discussions with Sask Water as to the requirements of the plant; it will be supplied from Buffalo Pound untreated and treated in the plant, you know, with its own internal technologies. Sask Water has assured CMB that there will be virtually no impact on Buffalo Pound and its ability to supply.

Mr. Solomon: — Who will be building the pipeline from Buffalo Pound to the Cargill plant, and what will be the cost?

Hon. Mr. Berntson: — There have been no contracts let as yet, as you can appreciate. The final bids won't be in until later this fall on the project, and no contracts can be let until those final bids are in and analysed. We hope to be in a position to have that go or no-go decision by December, and only after then will we be in a position to get into that kind of detail.

Mr. Solomon: — Who will be building the plant? Will it be Saferco . . . or the pipeline, I meant to say. Is it Saferco or will it be . . . I'm sorry, the pipeline. Who will be building the pipeline from Buffalo Pound to the plant? Will it be Saferco or the taxpayers of this province?

Hon. Mr. Berntson: — To the best of our recollection, it's a cost to the project.

Mr. Solomon: — So in essence, the pipeline expenditure will be part of the budget. You've obviously budgeted \$350 million to get this plant rolling, and part of that cost will be the water pipeline. So can you give your assurance that it will not be a direct cost to the taxpayers, but it will an entire cost to the project co-ordinated by Saferco?

Hon. Mr. Berntson: — That's the understanding I have, yes.

Mr. Solomon: — Well, Mr. Minister, I just want to conclude by saying that we've seen millions of taxpayers'

dollars, roughly \$90 million of taxpayers' dollars, be exposed for this project. We've seen the Premier make an announcement in May, and he was, by your own terms, not really held accountable for his statistics or his accuracy either because he announced on May 16, 1989 that the project would be a 50-50 deal, each partner would be extending \$175 million of money. And that, of course, has developed since that point to the deal where we have not 175 million but \$290 million exposed to this pet project of yours.

You have not come forth or have been forthcoming in providing details with regard to the feasibility studies, which would clearly show that this project is a go or no-go project. It's my view that you have not finalized the deal with Cargill, or that you have finalized the deal with Cargill and you aren't being forthcoming with the details. And I maintain, Mr. Minister, that if you've cut a deal and aren't telling the people of this province what the deal is, you've got a major problem and shame on you, as the member from Elphinstone says. You are not being accountable for your actions, as they must be in this Assembly.

Or worse yet, maybe you haven't cut a deal and the negotiations for the deal are ongoing since the May 16 announcement. And that makes it even worse, because you've got a large multinational corporation like Cargill, who is the largest grain producer in the world, the largest egg producer in the world, a company that has a net equity value of \$3 billion compared to a net debt of Saskatchewan of over \$2 billion, coming in here and getting our money to put this deal together. And so what we're going to be seeing, in my view, is the worst of both worlds, where Cargill is now negotiating a deal, and they've got the Premier and your government over a barrel because you and the Premier have announced this project in a premature fashion.

You have not done your homework. You have not concluded the deal. You have not been accountable to the taxpayers or with the taxpayers' money, and I can tell you that Cargill, under that circumstance, will be negotiating a very fine deal for the best interests of their shareholders, and you, Minister, and the Premier and your government, will be responsible for anything that happens with that \$290 million. So I'm just asking you, Minister, whether or not you feel that . . . which one of those scenarios best fit the circumstances that actually are in existence right now.

Hon. Mr. Berntson: — Let me answer it this way, Mr. Speaker. The work that has gone on to develop this project has been work that began in 1983 and has brought us to today. We believe that it's a very good project. You don't. We believe that the Weyerhaeuser project was a very good project. You didn't. We believe that the Rafferty-Shand project is a very good project. You don't. Now I'm quite prepared, Mr. Speaker, as we did with Weyerhaeuser, to let the test of time be the judge.

Mr. Chairman I'd like to thank the minister and his officials.

Mr. Solomon: — Mr. Chairman, I'd like to extend my appreciation to Mr. Gibson for advising the minister. I

know it's a difficult job and I was hoping that perhaps the minister would be a little more forthcoming, because I know Mr. Gibson would probably provide him with more information than he gave us tonight.

Item 1 — Statutory.

The committee reported progress.

COMMITTEE OF THE WHOLE

Bill No. 8 — An Act to Promote the Growth and Development of Children and to Support the Provision of Child Care Services to Saskatchewan Families

Clause 1 (continued)

Mr. Prebble: — Mr. Chairman, before supper we were debating with the minister, making out points again with respect to our opposition to this Bill, pointing out to the Minister of Social Services, Mr. Chairman, that we don't think it's in the best interests of Saskatchewan children to have commercial centres and commercial day-care chains operating in the province of Saskatchewan. We were pointing out to the minister, Mr. Chairman, some of the examples of day-care scandals involving commercial day cares in the province of Manitoba.

We were discussing the Badgley report done in Alberta which clearly demonstrated that profit child care was not in the interests of children. And we reviewed, Mr. Chairman, the fact that this government has frozen day-care subsidies in this province for seven years, in effect excluding now all middle income people from any eligibility for subsidy to child care in this province. We pointed out, Mr. Chairman that the day-care subsidy, the maximum subsidy, has been frozen for seven and a half years under this government so that even parents now who qualify for full subsidy are having to pay 120 to \$130 a month per child to send their children to day care. These are examples, Mr. Chairman, on how this government has eroded day care in this province, in effect setting the stage for the legislation that we're debating this evening.

I want to ask the minister, to begin this evening's debate, a number of questions about the financing of day care in the province of Saskatchewan and particularly how the government plans to finance commercial day care.

Mr. Minister, it's my understanding that, under the Canada Assistance Plan Act, only non-profit day-care centres will receive funding from the federal government through CAP (Canada Assistance Plan). My question to you therefore, sir, is if you are going to be providing subsidies to commercial centres, as you propose under this legislation, am I correct to presume that you'll be paying that only out of provincial dollars and in effect foregoing federal dollars towards paying those subsidies to commercial centres, or to the parents who use the commercial centres?

Hon. Mr. Schmidt: — Mr. Chairman, I don't think we've ever indicated that we were going to give money to commercial child care centres under the current rules. If the federal government were to change the rules, then we

might consider some other matters. But to put it simply, who said we're going to give provincial taxpayers' money to commercial child care centres? It certainly wasn't me.

(2045)

Mr. Prebble: — Well, Mr. Chairman, the minister will know that in this Bill's provisions, there is certainly nothing that prevents you from doing that, absolutely nothing whatsoever. Can you tell me then — maybe you'll clarify this, sir — is it your intention to pay subsidies to parents who use commercial child care centres? Will any subsidies be paid by virtue of this legislation or the regulations that follow?

Hon. Mr. Schmidt: — Mr. Chairman, we are awaiting further negotiations with the federal government. You will recall that they had a national child care plan which they have now put on hold. Until we see what the federal government is prepared to do with respect to child care, we can't say specifically whether there would be any kind of subsidy for parents who sent their children to commercial child care centres.

The two current operating ones will continue as they are. But as for new ones that are of a commercial nature and do not fit under CAP, we certainly don't have the money to subsidize them in any particular way, and we'll have to see how the negotiations develop with the federal government.

Therefore, as we speak today, the viability of opening a commercial child care centre in Saskatchewan in competition with subsidized co-operative child care centres is in question and this legislation, while it will be passed, may not be brought into effect for a good number of years.

Mr. Prebble: — Well, Mr. Chairman, that's the first encouraging note we've heard in this debate from the Minister of Social Services. I want to ask the minister a specific question with respect to funding for new day-care centres, both non-profit centres and family day-care homes in this province.

Mr. Minister, I note for the first time that there is a fairly significant increase in the day-care budget with respect to grants for child care, specifically, I presume, for new spaces. That's up from 1.539 million in 1988-89 to 3.199 million in '89-90, and I might add, Mr. Chairman, that we welcome that increase on this side of the House.

I would like to ask the minister whether those funds will still be allocated to the creation of new day-care spaces in this province in light of the cancellation of the national day-care strategy by the federal government? And if those funds will be allocated, I wonder if the minister can promise to send over in writing to me the details with respect to the breakdown of where new family day-care homes and non-profit centres will be located by city and the province, and also in terms of new spaces in rural Saskatchewan? And if you'll promise to give me in writing a breakdown of how that breaks down with respect to family day-care homes versus non-profit centres . . . So I'd like a commitment to get that in writing, and I would like the minister to indicate now whether in fact the \$3.19

million stands in light of the cancellation of the national day-care strategy by the federal government.

Hon. Mr. Schmidt: — Well, Mr. Chairman, the federal child care strategy and the intervening federal election delayed and caused us to change our plans from time to time. We were operating on the basis of the new federal child care strategy, and now that is being reviewed by the federal government, so we are again delayed while they are reviewing their strategy.

We have announced some new spaces and will continue to announce as many new spaces as possible. The member opposite will hear about them when they are officially approved, and I don't intend to give him any guarantees in writing that a particular centre will open in a particular town.

And first of all, in politics I have never made promises that I didn't think I could keep, so I have followed the policy of when you see it, you've got it. And with respect to child care spaces, when you see new ones, you will know that they will be built. They won't be like highway stakes before elections; when we announce one, it will be approved. But this is a constant process, and I'm not about to give the member opposite a written guarantee.

With respect to the budget, we are going to develop as many of those new spaces as possible. Health care and education in particular have put such great demands on the budget this year that it is going to be difficult to deliver all of these spaces before the current year because there is such a drain on the budget. We have to put a priority on health care and education. We have child care — rates very close behind those two. But the member opposite is constantly clamouring for more spending. We agree with him that spending should go first to health care, then to education, and then to child care.

And I think he will agree with me that there should be a greater priority on the education of the child than on child care prior to it entering the school. So with the limited money we have available we will do the best we can.

Ms. Smart: — Thank you, Mr. Chairman. Mr. Minister, as you know, this Bill permits you to provide financial assistance for the establishment of profit or commercial child care centres. My question is: has any commercial day-care centre applied for financial assistance to date? And have any been granted assistance to date in anticipation of this legislation being adopted?

Hon. Mr. Schmidt: — Mr. Chairman, we haven't provided subsidized child care spaces in commercial child cares because we haven't had the money to do it. And I told the members opposite where all of our loose cash and borrowings are going, and therefore, there are no new ones, although I have the power to do that by amending the regulations because we've never had a child care Act in Saskatchewan. And it has always operated under regulation, so cabinet could have established commercial child cares years ago, but the members opposite seem to be hung up on commercial child care here.

On a philosophical point of view, we have one child care

that was going to open up in Regina, and I gave a commitment to that child care that the lady that was going to operate it could have 15 subsidized spaces, not allowing complete subsidy of the spaces due to our lack of money of the finances of the province of Saskatchewan.

It seems that that application has been held in abeyance, and I wouldn't be optimistic that that commercial child care will proceed. Although it is a commercial child care, it may proceed as a co-operative, in which case, we would have the federal funding sharing it and we could try to scratch up our half of the money.

Mr. Prebble: — Thank you very much, Mr. Chairman. Mr. Minister, I want to ask you a couple of specific questions again with respect to the day-care subsidy. You have been talking, Mr. Minister, about paying the day-care subsidy directly to parents rather than to day-care centres, and I wonder if you can clarify if you are planning to make that change. That is not a change that we think is desirable, Mr. Minister. It will create administrative chaos for many of the non-profit centres and family day-care homes in the province.

Are you planning to proceed with that change in the current fiscal year, Mr. Minister? We urge you not to.

Hon. Mr. Schmidt: — Mr. Chairman, it would be desirable to show parents the degree of money they're receiving from the taxpayers of Saskatchewan by having them receive the subsidy personally and have them then pay their child care bill down at the child care centre.

I submit that would require these parents to have the responsibility and discipline it takes to raise children and pay one's bills while you're doing that. It would be a good example to the children if the parents were paying for the costs of the child care when they received the money from the government.

I have been contacted by some child care centres who indicate that they would have a problem with accounts receivable. I have a letter here from a particular child care that indicates that — I think, to get my facts exactly right — the last year, they wrote off \$25,000 in fees that parents didn't pay them despite the fact that the government paid the subsidy directly to the child care centre.

We will have to look closer at this situation. We certainly do not want to have a situation where the child care centres are operating on government subsidies and not being diligent in collecting of fees from parents. It seems to me that this letter indicates that I've tried to ... They've lost the \$25,000 due to subsidy charge-backs; that means that the parents had given us misinformation, and when the calculations were done, they weren't entitled to as much subsidy as they had first indicated. Parents not available to collect the subsidy and not finding out until the parents leave the centre, we will try to look into that problem.

They also indicate that parents have simply left town without paying, have moved, have taken their children out without paying. And so, I'm concerned about the child care centres, and I'm concerned in two ways: one,

that they are able to collect their accounts; and secondly, that they are diligent in trying to collect their accounts.

It seems to me that the desirable fact that parents receive the subsidy from the government and pay for their child care may not be attainable, and we will have to look at other possibilities. It seems to me it would not be impractical to have a jointly payable cheque so that the parent and the child carer have the cheque, and the parent must spend the money on child care for which reason the parent received the money.

But we cannot continue to develop a society that does not require responsibility, and a society that requires parents not to be responsible is likely to develop children who are also not responsible. So we have to weigh these factors. I take your argument and the arguments of the child care centres into consideration, and I can assure that we will come up with a practical solution — not one based on ideology — and we will deal with this matter.

Mr. Prebble: — Mr. Minister, another question, and this time again with respect to the subsidy, there is an increase of almost one and a half million dollars under the item in the budget allowances for child care. I want to know with respect to this legislation, Mr. Minister — and obviously also with respect to your day-care budget — is it your intention, number one, at any point in this fiscal year to increase the maximum subsidy payable on behalf of a child in a day-care centre to in excess of the \$235 a month limit that you currently have?

And in addition to that, Mr. Minister, I want you to come back and clarify for us how many new day-care spaces you're going to be creating in the province of Saskatchewan this year and how many of those will be subsidized, Mr. Minister. You must surely know, I mean, here we are now almost half-way through the fiscal year. Your department officials and you must know how many new spaces you're planning to create and how many of those will be subsidized. Can you tell us that please now? That's surely within your realm to do.

Hon. Mr. Schmidt: — Mr. Chairman, in the budget, the Minister of Finance spoke of a thousand new spaces being available this year. That budget came out before the federal government decided to review the national child care strategy, and therefore, we are not certain what degree of assistance we would get from the federal government. As you know, the federal government pays for half of these costs. Until that negotiation is completed and that information available, we can't tell if we'll get to the 1,000 spaces or not.

I can say to the member opposite that currently subsidies in child care, 88 per cent of these subsidies go to single mothers. So we feel that the subsidies are going to the people who are most needy, if you consider 88 per cent are going to single mothers. That figure, when it becomes available to the public as I now indicated, I'm certain will convince the public that we are spending this subsidy money, in excess of \$13 million, wisely on the neediest people in our society.

With respect to what percentage of new spaces will be subsidized, under the current situation, while I wouldn't

consider it desirable, it seems to me that 100 per cent of the new spaces will be subsidized as they are developed this year.

(2100)

Ms. Smart: — Mr. Minister, we've mentioned already the research that shows that the quality of care at commercial profit centres is not on average as high as the quality of care provided in the non-profit centres, and yet this legislation that we're debating tonight just allows for public money to be spent on commercial, for-profit centres for set up grants, for equipment grants and for monthly subsidy payments. And my question is: how do you justify spending public moneys on commercial centres?

Hon. Mr. Schmidt: — I just told you, I haven't spent any money on commercial child care centres.

Ms. Smart: — I'm talking about the future; I'm talking about what this legislation allows you to do. How do you justify that in the future?

Hon. Mr. Schmidt: — Well, Mr. Chairman, a space is a space. If there is a space on the left hand, the left hand that is subsidized by the provincial government and operated by a co-operative, then that space is the same as the space on the right hand that is run by a commercial child care centre and is subsidized by the government. Both of them are regulated by the same regulations; both of them are required to provide the same minimum standards. They can do better if they can see fit to find the extra money or if they are more efficient they can do better. But we still have minimum standards for both. The centres on the left hand, the centre on the right hand.

How do I justify spending money on both of those spaces? I justify it because they both provide the same service. I will not spend the money if on one hand the federal government gives me money to spend on the child care on the left hand and gives me no money to spend on the child care on the right hand; then that space would cost the taxpayers' double and I can't justify it. I might do it as a pilot project, I might do it on an experimental basis, but it can't be justified on a mass situation so that you have a lot of double-subsidized or double-cost spaces to the taxpayers of Saskatchewan.

The members opposite fail to realize that the taxpayers of Saskatchewan pay it out of their own pockets. They also seem to fail to realize that we are all federal taxpayers. And wherever this money comes from, it comes out of the pockets of the struggling taxpayers. We will try to help the neediest people. I indicated earlier: 88 per cent of those people receiving subsidies in Saskatchewan are single mothers. We feel that is a fair allocation of the \$13-plus million that is now spent on child care in Saskatchewan.

We will continue to try to meet the demands of the neediest people first, and then work up the economic ladder to those people who are not as needy as the ones who have just received the service. Right now we have to look at the neediest people first.

Mr. Prebble: — Thank you very much, Mr. Chairman.

Mr. Chairman, it's becoming obvious that first of all the minister isn't planning to fulfil his commitment to the people of Saskatchewan to, in effect, double the funding for new day-care spaces in this fiscal year. That's become obvious.

And, Mr. Minister, for you to give as an excuse the fact that the federal government has cancelled their national day-care strategy, you know, isn't good enough because members on this side of the House know that the Canada assistance plan will still provide 50 per cent funding to the operating costs of those new spaces, Mr. Minister. So you're simply using the cancellation of the national day-care strategy as an excuse for cutting back your plan for new day-care spaces in this province. That's become obvious, Mr. Chairman. The only blessing, it appears, of the cancellation of that national plan is that we may be spared this government funding operating grants and subsidies to parents for commercial day-care chains in this province.

But, Mr. Minister, I want to — having made those comments, I want to focus on one of the specific objections that we have to commercial day care in the province of Saskatchewan. And that is that the record outside of this province clearly demonstrates that when you have for-profit commercial day care operating in a province, inevitably the salaries of staff at those commercial centres are driven down. That, Mr. Minister, has become obvious; you only have to look around you at other provinces in Canada to see that that's the case.

Now, Mr. Minister, as a result of you underfunding day care in this province for the last seven years, we've already seen the salaries of staff in day-care centres in this province stay miserably low. The average staff in a day care are paid between \$6 an hour and \$7.50 an hour, which is really a disgracefully low wage given the important work that they do. And that has come about as a result of your underfunding policies, your freeze on the subsidy.

My colleague, the member for Regina Centre, rightly points out that someone working to care for animals in this province would receive a higher wage than somebody who works in a child care centre, and obviously the person working in the child care centre is doing much, much more important work. And those low wage levels have come about as a result of your policies, Mr. Minister.

But the question that I want to pose to you is: are you aware of a study done by the Social Planning Council of Toronto in 1979 comparing non-profit centres with commercial for-profit centres that found that on average the staff in commercial centres were being paid 30 per cent less in salaries than the staff in the non-profit centres? And will you not acknowledge that one of the consequences of your introduction of commercial child care in this province will be to drive down the wages of day-care workers in this province and that that will be done directly at the expense of children in the province of Saskatchewan? Because you can't hope to have quality care for children in this province if you don't pay the workers who care for those children decent wages, Mr. Minister. Will you acknowledge that that will be a major

problem as a result of this Bill?

Hon. Mr. Schmidt: — Mr. Chairman, let me explain what the NDP child-care system did in Saskatchewan and what they propose we continue to do. Eighty-eight per cent of the spaces are occupied by single mothers. Let's assume that you are not a single parent family. Let's assume you are a middle income family or a high income family; you do not get a subsidy, so you pay the entire cost of child care out of your pocket. There are thousands of families like that in this very city. There are thousands of families like that in this province that are paying the full cost of child care out of their own pocket.

Not only are they paying that out of their own pocket, but the members opposite propose that I do not allow them access to a commercial child care centre where they are paying the entire cost out of their own pocket. They are satisfied with the service, but because it is not ideologically pure, it should not be allowed because it is not run and operated by the government or a co-operative. Why should I deny people with money to pay the right to go out and buy services for their children? I want the members opposite to explain that.

So what we have in this province under the current system is a child care system for the poor and none at all for the middle income and the high income people who could afford to pay for their own system. We have a system that operates on subsidies, but if you can pay your own way, you can't find a space. And you are saying that I should license more subsidized spaces and not allow commercial spaces. If someone set up a commercial child care in South Regina or in a certain part of Saskatoon and were licensed for 30 spaces and charged the parents a full fare and the parents paid it and it cost the government not one cent, what objection do you have to that?

Why won't you allow these people to take their children to a licensed, regulated centre run by a group of people who know what they're doing, run by the same rules, and it doesn't cost the government one cent? Instead you want to spend more of the taxpayers' money when it isn't even necessary. Allow the people who can afford child care to at least have access to child care.

Mr. Prebble: — Mr. Minister, the reason that middle income earners in this province do not have access to adequate child care facilities in this province right now through non-profit centres and family day-care homes is that you, Mr. Minister, have cut all those middle income families out of being eligible for any kind of day-care subsidy from the Government of Saskatchewan. That's as a result of your seven-and-a-half year freeze on day-care subsidies in this province, and you know that, Mr. Minister.

And as a matter of public policy, Mr. Minister, it does not make sense to put public money into commercial centres that will put the priority of profit first, ahead of the priority of care for children first, Mr. Minister, and you know that full well. And the record across Canada bears that out; it bears that out, and you will know that, sir.

What you ought to be concentrating on doing — and I

want to ask you this question now — is what you need to be doing, sir, is to be looking at providing operating grants to non-profit day-care centres and to family day-care homes that will cover at least 50 per cent of their operating costs. And if you do that, you will make day-care accessible to middle income earners in the province of Saskatchewan, readily accessible to them.

I want to ask you: if you're concerned about making day care at non-profit centres accessible to middle income earners, will you provide an operating grant to non-profit centres and family day-care homes in this province that covers at least 50 per cent of their operating costs in order that parents then only have to pay for roughly about half the fee that they currently pay.

Hon. Mr. Schmidt: — Mr. Chairman, can you believe the social dreamers opposite? They want me to go to someone who can afford to pay their child care. The federal government allows that person to deduct up to \$4,000 per year per child to a maximum of \$8,000. That means that you can pay in excess of \$300 per month for child care fees and deduct them from your income tax whether you take that fee over to the lady across the street who is your baby-sitter, whether you take it to a family child care home, whether you take it to a day-care centre, or whether you take that child to a commercial centre. You can deduct that from your income tax. That didn't exist a year ago. Now that person has a tax credit there if they spend the money on child care.

You are denying them access to something they're prepared to pay for, and instead you are saying, well why don't you take money out of one of their pockets and keep a little bit for the government and then put that money into their other pocket and subsidize it whether they go back to the child care. Where is the advantage? They might as well go down to the child care and pay it in the first place rather than the provincial government take it out of their pocket, put it in our coffers, put it back in their pocket, then they pay at the child care, and then they get their deduction from Ottawa.

This is the kind of bureaucracy that only a socialist would appreciate and enjoy. That's the kind of thing we're trying to stop. The member opposite hasn't got an answer for these questions. He doesn't think logically; he thinks socialist and nothing else; he doesn't think practical. He wants more bureaucrats; the more bureaucrats there are, the more control he has over people's lives. That is the theory of the members opposite — control the lives of the people.

I believe that people should make their own choices. We'll give them that choice and the members opposite will never be in a position to rule and dominate the lives of the people of this province again.

Some Hon. Members: Hear, hear!

Ms. Smart: — Mr. Minister, you want to provide people with choices. The people who are concerned about child care would like a choice of looking at the regulations that go along with this legislation because they're going to be very important. When are you going to produce the regulations? Are they available now, and can you

produce them?

Hon. Mr. Schmidt: — Well, Mr. Chairman, the member opposite has only been here three years, so I wouldn't expect her to know that when regulations are completed and passed, they are published as public documents and then she'll be able to read them.

Mr. Prebble: — This Bill now has been before the Assembly in one form or another for 14 months. Now don't tell me that during that period of time, you haven't formulated the regulations. The regulations are key to this Bill, Mr. Minister, and I want to know, Mr. Minister, whether those regulations include any reduction in the level of standards that day-care centres currently have to conform to.

Now, Mr. Minister, we insist that tonight you table the regulations associated with this Bill. I know they're written, I know they'll be adopted by cabinet within a matter of days after this Bill becomes law. You have an obligation, sir, to table those tonight so that we can see what your real plans are with respect to commercial day care in this province, and so that we can see, Mr. Minister, whether you're planning to weaken any of the existing standards that Saskatchewan day-care centres currently have to follow. So will you table those regulations and will you do it now?

(2115)

Hon. Mr. Schmidt: — I can tell you, Mr. Chairman, that the standards will be adequate, they will be consistent with the standards across Canada, and that the standards will be made available to the members opposite when they are passed. In the meantime we will continue with the existing standards. I would expect the new standards will have some improvements in them. But the members opposite know better than to ask for regulations at this stage.

Mr. Prebble: — Mr. Minister, I wonder if you could give us your assurance specifically that there will be no weakening of the regulations as they pertain to child/staff ratios, and that there will be no weakening of the regulations as they pertain to matters such as minimum space that is required per child in a day-care centre. Can you give us your commitment that there will be no weakening of those?

What we desperately need, I might add, Mr. Minister, is for those regulations to be strengthened. The child/staff ratio that's currently in the regulations — and I might add was there under our government as well as yours, so I'm not just trying to lay the blame on that one for you — is inadequate at the present time. But I want your commitment, Mr. Minister, that these regulations will not be weakened, that if anything, they will be strengthened. Can you give me your commitment on that sir?

Hon. Mr. Schmidt: — Mr. Chairman, there will be no deterioration of standards of child care in the province of Saskatchewan as long as we are government.

Mr. Prebble: — Will there, Mr. Minister, be any weakening of the child/staff ratios or the provisions with

respect to space per child? Can you give me a specific commitment that those will not be weakened in any way?

Hon. Mr. Schmidt: — Mr. Chairman, we don't intend to change those standards, but we will review them and improvements can be made, or if there's something impractical in those regulations, we certainly wouldn't be bound not to ever make any changes. We will do what's best.

Mr. Prebble: — Well, Mr. Minister, those kind of vague answers are really quite unacceptable.

I want to ask you a question with respect to the franchising of commercial day-care centres in the province of Saskatchewan that this legislation clearly permits. I think you'll acknowledge that there's nothing in this Bill, Mr. Minister, that prevents the franchising of child care by a commercial centre in the province of Saskatchewan.

And I want to ask you, Mr. Minister, if you would be prepared to introduce an amendment that specifically prohibits the franchising of child care operations in this province. Obviously, Mr. Minister, franchising would not be in the best interests of Saskatchewan children. I pointed out to you this afternoon the example of a day-care chain in the city of Winnipeg and the scandal that was associated with that. I want your commitment here this evening that you will prohibit the franchising of commercial day-care chains in the province of Saskatchewan.

Hon. Mr. Schmidt: — Mr. Chairman, there again we have an indication of the short-sightedness of the NDP. They are so opposed to a child care that might have two establishments — because this rule limits an ownership of a child care to two establishments in the province of Saskatchewan — they are so against that idea that they have had us follow the rules that they set up and insist that we continue where, let's say, you have a co-operative day care in north Regina that does an excellent job, has an excellent board, has good management — and I know of some in this city that have cash in the bank. Under the current rules, they can't set up a second one in south Regina because they would then be a franchised chain. These people that are the best managers of the current centres out there right now — there are 93 centres — all of them have to operate as independent child care centres, and they cannot have a second one anywhere in Saskatchewan, even though they may be the best in Saskatchewan, know what they're doing, and could broaden the size of their co-operative, your proposed rules prohibit that.

That's like saying to Federated Co-operatives, you can't be the umbrella organization and the wholesaler and supervise all the Co-op stores in Saskatchewan, that they all have to flounder along on their own, that the expertise cannot be shared, and that the management cannot be shared.

I mean, this is a two-pronged sword that you're using here, and you are using it against commercial child care. I've told you, we limit to two, but you're using it against the co-operatives that are now out there that could

expand their centres, but because of the silly rules, the good people can't run another day care. It's against the law.

Mr. Prebble: — Mr. Minister, you know full well what I'm referring to when I talk about franchising. I know that this Bill limits a commercial centre to running two operations in the province.

But let's be realistic about what you're really planning, Mr. Minister. Your plan here is to allow a commercial chain to come into the province, set up an anchor operation in Saskatoon and another one perhaps in Regina, and then, Mr. Minister, to franchise out from there. You know that's your plan. Franchising has got nothing to do with non-profit centres and you know it. And I'm asking you if you will ensure that this kind of a franchising plan, which clearly you have in the back of your mind, will not be allowed to proceed. I want to see you introduce an amendment to this Bill that will prohibit the franchising of commercial day care in this province.

Hon. Mr. Schmidt: — Mr. Chairman, the proposal is not practical, not in the best interests of people of Saskatchewan. The answer is no.

Mr. Prebble: — Mr. Minister, I want to ask you a question with respect to section 22(2) of Bill 8. And as you will know, this section . . . In this section you're giving yourself the power to restrict the proportion of parents in a day-care centre that can be subsidized. I wonder if you can tell me what the purpose of this section is, because currently, Mr. Minister, there are many centres that . . . where in effect all the children are subsidized, or almost all of them. It is not at all uncommon for a non-profit centre or a family day-care home to have 90 per cent of the children in that home or that non-profit centre subsidized. I wonder if you can inform us what the intent of this provision in the Bill is.

Hon. Mr. Schmidt: — Mr. Chairman, I don't intend to continue with the tricky practices of the NDP which they used . . . a confusion between licensing and funding of child care all through their power, period of power in the 1970s to limit the expenditures on child care.

The NDP had a nice little gimmick going, and here's what they did. They said all spaces must be subsidized, must be eligible for subsidy, and then to control their cost they wouldn't license new spaces. So rather than do as other provinces did and license commercial spaces so that people with money could pay their own way, the NDP, to control . . . In the name of funding, in the name of subsidies, they would only license subsidized spaces. And in order to keep their costs down, they wouldn't license new spaces.

Under this provision, if somebody comes along and says, in the area of the city that we are proposing this child care, we expect that 35 per cent of the parents will qualify for subsidy and 65 per cent will pay on their own out of their own pockets because they won't qualify for subsidy, this will give us the power to license a child care where 35 per cent of the spaces will be subsidized. We know what the costs will be to the government, but the other 65 per cent of the spaces would never have been there under the

current system, and we will allow people with money to buy services for their children.

This is a first in Saskatchewan. I know that it is radical for the NDP to accept the idea that people with money could buy something for their children without the government interfering, but that's what we intend to do, Mr. Chairman.

Mr. Prebble: — Mr. Minister, that is utter nonsense, and you know it.

Some Hon. Members: Hear, hear!

Mr. Prebble: — There is absolutely nothing in the current child care legislation that in any way restricts a non-profit centre from opening in a well-to-do part of the city in Saskatchewan and having only 30 or 35 per cent of the spaces subsidized — absolutely nothing, and you know it.

Mr. Minister, will you acknowledge that the real purpose of this section, the real purpose of this section, sir, is that your agenda — and perhaps it's changed now that the national day-care strategy is temporarily, at least, out the window — but that your strategy with respect to this Bill was to attempt to limit the number, the percentage, of subsidized spaces that a non-profit centre would be allowed to hold and to transfer some of that money to commercial day-care centres in this province? Wasn't that your objective, Mr. Minister?

And will you tell us now, Mr. Minister, if you will make a commitment to the non-profit centres and the family day-care homes of this province that in no way will you limit the percentage of spaces in those non-profit centres or family day-care homes that can be subsidized by virtue of this Bill. Will you give that commitment to those non-profit centres and family day-care homes this evening.

Hon. Mr. Schmidt: — Mr. Chairman, it is our intention that the existing child care centres continue to operate the way they are, subject to the caveat that I would like them to do their best to improve their efficiency, and those that are not managing as well as they could try to manage better, and we will assist them. Those that are doing an excellent job can continue absolutely the way they are. I don't intend that there will be any changes for the current people. The only change we might have is that there will be more spaces in Saskatchewan.

Mr. Prebble: — Mr. Minister, what I heard you saying is that there will be no limit placed on the percentage of subsidized spaces in a non-profit centre or family day-care home. Did I hear that correctly? Will you clarify that, sir? Will you give us your commitment this evening that there will be no restrictions placed on the percentage of spaces in a non-profit day-care centre or a family day-care home that will be subsidized by your government?

Hon. Mr. Schmidt: — Mr. Chairman, there will be no change for the existing child care facilities — no change. With respect to new ones, they will be licensed according to the need in the area that the centre is likely to be

located or the family child care home is likely to be located. And the members opposite still haven't been able to separate the expenditure of tax money from the licensing of a child care. That's what we are doing here.

So some will be licensed and will be subsidized by the taxpayers; others will be licensed and will pay their own way. And if there aren't any that wish to pay their own way, then there won't be as many licensed.

But we are limited in the amount we can spend on subsidies. We will spend to the maximum amount, and if people are prepared to pay their own costs and can afford to do so and don't qualify for the subsidy anyway, they will be allowed to pay their own costs as well.

The existing child care, the ones that are out there now, will operate on 100 per cent eligibility for the spaces that they now have with respect to subsidy.

Mr. Prebble: — Mr. Minister, I think you for that commitment with respect to the existing centres, but the policy with respect to new centres is really very unacceptable. There's absolutely nothing, Mr. Minister, as you well know, there's absolutely no reason right now why someone with a very good income, members of the Legislative Assembly for example, can't enrol their child right now in a non-profit day-care centre. Obviously, they're not eligible for subsidy, but the fact of the matter is, Mr. Minister, that you know there's nothing that prevents that now. And there is absolutely no reason for this provision, Mr. Minister, if your only concern is that you want to allow persons who have the financial resources to do so to feel free to enrol their child in a non-profit centre.

So that's not what this provision in the Bill, section 22(2) is all about and you know it, Mr. Minister. You know it. And you're simply not prepared to acknowledge it and I say shame on you for that. At least we might expect . . . I expect some honesty from you in this Assembly even if we don't agree with your policies.

Mr. Minister, I want to ask you another question. That is with respect to section 25 of the legislation. And this is really one of the sections that I find the most deplorable, because this section, Mr. Minister, allows you to exempt the child care facility from all or part of the regulations, or from all or part of your new day-care Act. And I want to ask you, Mr. Minister, if you are prepared to remove this section from the Bill.

(2130)

I pointed out to you before, with respect to the example of the Raggedy-Ann day care commercial chain in Winnipeg, how one of the reasons why this chain was able to get away with some of the outrageous activities that it conducted against children was that the minister of social services in the PC Government of Manitoba exempted it from the regulations that the Government of Manitoba had in place. And here you are, sir, planning clearly to do precisely the same thing in this legislation.

The legislation paves the way, Mr. Minister, for a commercial day-care centre to come into this province,

for that commercial day-care centre not to follow the regulations, to provide low quality, unacceptable child care in the province of Saskatchewan, and to still be licensed by your government. I want your commitment this evening, sir, that you'll remove this provision from the Bill.

Hon. Mr. Schmidt: — Mr. Chairman, again the members opposite don't understand the broad picture of what's happening in Saskatchewan. It's their usual case of tunnel vision; stamp out something that is not ideologically pure but don't worry about what else you might be stamping out while you're doing that.

Without the power to have exemptions from the minister which are now present in the current regulations, which your ministers also had that power — and we know how your ministers used their powers in the Department of Social Services — we wouldn't be able to, without that exemption, have the MacKenzie infant child care in Regina because it wouldn't be allowed. And we wouldn't be able to have the new Mount Royal infant child care at Mount Royal Collegiate in Saskatoon either if we weren't allowed to have this kind of an exemption.

You have to have some degree of flexibility. To do good, you cannot always follow the absolute rigid rules; you have to have some discretion to do good.

And the member knows that in planned economies, those that have their five-year plans, over and over again nobody has discretion, nobody diverges from the five-year plan. At the end of the five-year plan, they calculate up their numbers. They have the numbers from the state officials all over, boasting about what actually happened. And when they go to eat the wheat that they said they grew; it isn't there. That happens all over the world; that happens in all of the planned economies. You have to have some degree of flexibility.

In this case, we intend to have some degree of flexibility to do good in the case of MacKenzie child care, in the case of Mount Royal. The member opposite, I challenge him to stand up and say that Mackenzie child care and Mount Royal are not supposed to be exempt and should not be in operation. I challenge him to do that.

He will not acknowledge anything good that this government ever does. That's because the NDP are totally negative. When they discovered that they were in opposition and their duty was to be critics, they found their true role. They have no alternatives, they have no new solutions, and they can't even understand that you need some flexibility in order to do good.

Mr. Prebble: — Well, Mr. Chairman, I want to say to the minister that he can give himself the flexibility to accommodate innovative initiatives like the Mount Royal day-care centre for teen parents without this provision in the Bill, and he knows it full well. And if he wants to introduce an amendment to the legislation specifically designed to give him flexibility for those kind of situations, we'll be happy to support it. But he knows, Mr. Chairman, that that's not what this provision is about, and that's not the way it's been used, Mr. Minister, in other provinces with PC governments that have allowed

commercial day-care centres who clearly don't meet the regulations on many fronts to continue to operate.

And I want to go back to the Manitoba example. Clearly, Mr. Minister, and you know this, the Raggedy-Ann day-care chain in Winnipeg — and it's been in all the papers, the headlines in the Winnipeg Free Press — operated in violation of the regulations of the Manitoba government for months. And the Manitoba government did nothing about it because Vicky Shane, who was the operator of that day-care centre, was closely connected with the PC party; was one of their major advisers in Manitoba with respect to the development of day-care policy; was an important political lobbyist for commercial day-care chains in that province. And she was able to ensure, as a result of the political weight that she carried with the PC government in Manitoba, that the regulations that were in effect in Manitoba did not apply to her centre. She was able to operate on a provisional licence, Mr. Chairman, that allowed her to run in violation of many of the regulations that were in the Manitoba Act.

And by way of this provision, in section 25, you are opening the door, Mr. Minister, to exactly the same kind of problem in the province of Saskatchewan. I ask you to acknowledge that. I ask you to withdraw this provision in the Bill, and I ask you instead to introduce an amendment that will accommodate the kinds of concerns that you have with respect to innovative day-care projects, like Mount Royal in Saskatoon.

Hon. Mr. Schmidt: — Mr. Chairman, I am pleased that the NDP have raised Manitoba. First of all, up until two years ago, they were the government there and they also had a responsibility to run a proper child care system. Now they tell us that immediately upon the election of the Conservative government in Manitoba, the child care system is not adequate, not proper. It's just like in my constituency, Mr. Chairman, the day after the election, April 22, 1982, I had people in my constituency complain that under the Conservatives the highways had deteriorated — the day after the election. My father heard that complaint and related it to him and said, yes, I'm sure I saw my son out there punching holes in the highway this morning, that was his first official act.

That is the kind of talk the NDP come up with. They are masters at that kind of discussion. Well, Mr. Chairman, they were thrown out of office in Manitoba; they were thrown out of office in Saskatchewan; they have one enclave in the mountains of the Yukon, but I don't think that they are going to be tolerated very long there. The NDP have clearly been rejected by the people; why should I accept their arguments?

Mr. Prebble: — Mr. Minister, I might just remind you that while we don't deny your right to govern at all, that in the last provincial election while you only got forty-four and a half per cent of the vote, we on this side of the House got forty-five and a half per cent of the vote, Mr. Minister. So don't say that we don't have a mandate from people in Saskatchewan to put forward the arguments that we're putting forward in this legislature, because that's simply not the case and you know it, Mr. Minister.

I want to ask you another question, Mr. Minister, because your answers unfortunately with respect to your justification for section 25 have been very inadequate. I want to ask you a couple more questions before unfortunately we have to end our debate on this Bill. And one of them is in relation, Mr. Minister, to one of the few positive things that this Bill does and that is with respect to the requirement that all day-care centres and child care centres in this province have to be licensed. That is about the only good thing in this Bill, Mr. Minister, and we do commend you for that.

We want to ask you, Mr. Minister, about how this is going to operate in practice and about how many staff will be hired on in the day-care division to conduct the inspections and ensure that this licensing provision is meaningful? Mr. Minister, I want you to clarify for me how many inspectors do you currently have working in the day-care division and how many inspectors do you see being in place after this legislation becomes law, and what kind of regular inspections can we expect? How often do you see these inspectors visiting day-care centres and child care centres as you've defined them in this Bill in the province of Saskatchewan?

Hon. Mr. Schmidt: — Mr. Chairman, I indicated earlier that the total staff at the department increased by 19 since we became government in 1982. Of the 38 people that are there, 13 are in the field doing inspections. Those 13 would have 93 child care facilities to inspect plus the family child care homes.

Mr. Prebble: — Mr. Minister, how often do those inspectors visit a day-care centre or family day-care home in the province of Saskatchewan?

Hon. Mr. Schmidt: — Mr. Chairman, they try to visit quarterly.

Mr. Prebble: — And, Mr. Minister, can you indicate to the Assembly, because obviously there will be more day-care centres and child care organizations to inspect by virtue of this legislation, can you indicate whether you plan to increase your inspection staff in the province of Saskatchewan?

Hon. Mr. Schmidt: — Mr. Chairman, we'll review the work-load, then we'll make a determination, but I can tell the taxpayers of Saskatchewan that we don't intend to spend a great deal of extra money in this area because the taxpayers of Saskatchewan can't afford it, and so we will operate as efficiently as possible.

Mr. Prebble: — Well, Mr. Minister, the children in Saskatchewan can't afford for you not to do it. I want your assurance that all of the centres and family day-care homes and child care organizations and commercial day-care centres and commercial chains that this Bill will allow, will be inspected at least every three months, Mr. Minister. Will the quarterly inspections continue?

I hear by the way, Mr. Minister, I hear complaints from many day-care centres that the quarterly inspections are not taking place. Many day-care centres tell me that they often don't see an inspector for six or seven months.

Now I want your guarantee, Mr. Minister — and you'll be on record in *Hansard* this evening — that every new facility that is established in this province by virtue of this legislation will receive a quarterly inspection and that you will expand the inspection staff in your day-care division to take account of new commercial centres and other facilities that are licensed, so that quarterly inspections are guaranteed by all day-care centres and child care organizations as defined by this Bill in the province of Saskatchewan.

Hon. Mr. Schmidt: — Well let's go back to the mandate question. The NDP seem to think they won the last election and haven't realized yet that what counts in this province is not the percentage of the vote but who has the majority of seats.

The NDP at one time governed this province with 38 per cent of the vote and imposed socialism on this province with a mandate of 38 per cent. I would say our mandate is considerably higher than that mandate of 38 per cent under which the NDP governed this province.

All of the children at the child cares have a least one parent, and I would submit that in addition to the inspections my department does, the parents do an inspection at least every second day or so. So that if there is a problem in a child care, parents phone us, advise us, and we go out and check it out. I mean, there has to be some responsibility of parents to advise the department if things are not running properly at a child care. And most parents do that. We get very few complaints.

If the member opposite has any credibility at all, if he wishes us to accept his submission that there have been lack of inspections and that some centres have not been inspected, if he will send over the names of those centres, we will check out those allegations and see if in fact that is correct; and if it is correct, we will remedy the situation. But we don't intend to have our inspectors rushing out tomorrow morning in a frenzy because the member opposite says somebody hasn't been inspected for six months. If he gives us a name, we will look into it.

Mr. Prebble: — One more question to the minister, Mr. Chairman. Mr. Minister, you talk about parental responsibility, and what you're basically doing, Mr. Minister, by virtue of this legislation, is you are taking away the important role that parents currently play in terms of controlling the way a day-care centre operates in this province and assuring that it operates for the benefit of their children, Mr. Minister.

And one of the things that I find most depressing about this piece of legislation is that parental control over the running of a day care is being stripped away in the province of Saskatchewan. In the model of commercial day-care centres, Mr. Minister, that you're providing for under this Bill, you know full well that parents will no longer be controlling the decisions that are made in the day care. Yes, there will be a parental advisory board, but that's not the same.

Right now, Mr. Minister, one of the reasons why there are very few violations of the regulations in the province of Saskatchewan is because day-care centres in this

province are all run as non-profit centres with parent control boards where a parent can walk into a day-care centre and know that they have some say in operating it. And if there's something that they don't like about the way it's operating, they don't have to just run to the Department of Social Services and report on it, they have the power right now by virtue of the board members that they elect, or by virtue of being a board member themselves, to change that policy and to change it right away.

With the introduction of commercial centres, Mr. Minister, will come a need for much stricter and more regular inspection by your department officials, and clearly, what you're telling us this evening is that you don't have any intention of doing that. And what you're doing by virtue of that, Mr. Minister, is that you are opening the door to the situation that we see right now in Alberta and in Manitoba.

And, Mr. Minister, the record of inspection in Alberta, as you well know, has been totally inadequate and has resulted in all kinds of violations by commercial day-care centres in the province of Alberta. The parents have not always had the ability to follow up on and correct. And you know that full well, and you're opening the door to that.

(2145)

Mr. Chairman, I want to conclude my remarks on this Bill by saying that this is one of the black days in the province of Saskatchewan — the introduction of commercial day-care in this province is one of the black days because what we have in this Bill, Mr. Minister, is the government that says that parents are not able to determine their own destiny with respect to controlling the operations of their own day-care centres in the province of Saskatchewan.

And the minister, Mr. Chairman, has brought forward this proposal for commercial day care and so-called choice by parents, Mr. Chairman. He's brought it forward under the guise of choice for parents when the reality is, Mr. Minister — and you know it — that there has not been a lobby in this province from parents for commercial day care. I haven't had a single person phone me and say, boy, I wish I could send my child to a commercial day-care centre.

The minister knows that the only reason that this Bill is being introduced is because of his ideological commitment to for-profit commercial day-care centres and that of the PC government opposite. That's the reason for the legislation, Mr. Minister.

As sure as I'm standing here, Mr. Minister, we will see in the province of Saskatchewan that upon the introduction of commercial day care, we will have a system that first of all, inevitably, there will be more violations of departmental regulations, because that has been the record of commercial day-care centres across Canada. There will be lower staff salaries for day-care workers in commercial centres, because that has been the record across Canada. There will be less money available in those commercial centres for things like meals for children, because that has been the record across

Canada.

Mr. Chairman, this is a Bill that basically says that the priority of this government is not children, the priority of this government is profit for their friends, for those with vested interests that they represent in this province. That's what this government has been all about in this session, a session, Mr. Chairman, that has been dominated by privatization, and we see another example of it here, Mr. Minister, we see another example of it here.

So I want to say in conclusion that when it comes to children, we say there is no room for profit to be the primary motive in the care of children in the province of Saskatchewan. And you clearly say that there is room for profit to be the primary motive. Mr. Chairman, on that I'm afraid we will have to fundamentally disagree.

But I want to make one promise to the Minister of Social Services: this Bill will have a life of no more than 18 months, Mr. Minister, because I say to the people of Saskatchewan that, after the next election, if an NDP government is elected — and I believe it will be — that this Bill and these provisions for commercial day care in the province of Saskatchewan and these provisions to exempt day-care centres from all regulations and for all the provisions of your day-care Act will be repealed, Mr. Chairman. It will be repealed. Thank you very much.

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Mr. Chairman, this truly is a black day for Saskatchewan when the NDP stand here in this Assembly and accuse small-business people of being unscrupulous, accuse small-business people of breaking the law. The largest employer in Saskatchewan is the small-business sector, and the NDP consider them to be unscrupulous law-breakers. That is a black day when most of the people who are signing the pay cheques for the people of Saskatchewan are accused of being unscrupulous law-breakers.

That tells you what the NDP think of the employers of Saskatchewan. That tells you how radical and fanatic the NDP are in this province. That tells you what we might be in store for should they ever be a government in this province. That tells you why, for 50 years, the brightest and best people in Saskatchewan, many educated people, have left to that disgusting, capitalist Alberta, that disgusting, capitalist British Columbia. That would explain it, Mr. Speaker, because the NDP have no respect for employers. The NDP reflect that. They glow hatred in their hearts when they speak about employers, Mr. Speaker, or Mr. Deputy Chairman, that is a black day for Saskatchewan that those people should ever be allowed to inflict their policies on this province again.

I do not look forward to such a day. I don't know if I could live under such a totalitarian system again, Mr. Deputy Chairman. I will resist their kind of policies the way the people of the world resist them everywhere, the way they are tearing down the wall in Hungary, the way . . . I met an East German recently, and I said to him . . . He was on business; he travels the world doing business for the Communist government. He likes his job. I said to him: are you a German or are you a Communist? He said, well

you have to be a Communist, otherwise you can't get the job.

I mean the people have to be allowed the freedom of choice. Employers have to be respected so that we don't chase them out of the province. The NDP have to respect the will of parents. The NDP have to be prepared to allow parents to make decisions for their own children. The NDP do not know what is best for my children, your children, or anybody else's children. The parent knows what is best. The parent will make the decision. And the NDP will not be in power for a long time, so there is no need to worry about them right now.

Clause 1 agreed to on division.

Clauses 2 to 21 inclusive agreed to.

Clause 22 agreed to on division.

Clauses 23 and 24 agreed to.

Clause 25 agreed to on division.

Clauses 26 to 28 inclusive agreed to.

Clause 29 agreed to on division.

Mr. Chairman: — I'd like to thank the minister and his officials and ask the minister . . .

Mr. Prebble: — Mr. Chairman, I just want to thank the officials who accompanied the minister here today. I thank them for their presence in the Assembly. I'm sure they didn't have an easy job advising the minister but we certainly enjoyed having them here.

The committee agreed to report the Bill.

Bill No. 7 — An Act respecting the Protection of Children and the Provision of Support Services to Families

Clause 1

Mr. Prebble: — Thank you very much, Mr. Chairman. If you'll just allow me a moment to get myself organized for Bill 7, I would appreciate that, Mr. Chairman.

An Hon. Member: — What were you doing for the last five minutes?

Mr. Prebble: — The Minister of Urban Affairs is asking what I've done for the last five minutes. He knows that for the last four hours, I've been on my feet with respect to a variety of legislation in the Assembly. I'm sure he'll give me 30 seconds to collect my notes for the next Bill.

Mr. Chairman, I would like to just give the minister's officials a chance to be seated, and I would like to raise a number of issues with respect to a very important piece of legislation, The Child and Family Services Act, in the province of Saskatchewan. And, Mr. Minister, the first point that I would like to make about this piece of legislation is that it . . . there are many things in this Bill that are desirable, Mr. Minister; there are many other

things that we take exception to.

But one thing I can assure you is that this legislation will be unworkable if you don't demonstrate some kind of political commitment to increase the resources that are currently available to both your department and to non-government organizations in the field of family services so that this Bill becomes workable. Because right now, Mr. Minister, those non-governmental organizations, and your own department, as you well know, are desperately starved for resources.

And I want to give you just a few examples of that, Mr. Minister, and I invite you to examine your own estimates. Examine, for instance, Mr. Minister, the cut of more than one-half million dollars that you have implemented to family support organizations in the non-government organization sector in this province. Between last fiscal year and this fiscal year, Mr. Minister, a cut of more than half a million dollars.

Examine if you will the cuts that you implemented between 1986 and 1988 to organizations such as mobile crisis services in this province, cut back as you will know by 20 per cent. I'll just use the city of Regina as an example, but every mobile crisis intervention services in the province is being treated the same way. The budget for the Regina mobile crisis in 1986-87, Mr. Chairman, was \$400,100. By 1988-89, Mr. Chairman, that declined to \$326,100. And that's just typical, Mr. Chairman, of the way that non-government organizations, in providing family services to families in crisis in this province, have been treated.

We've basically seen the budgets of the transition houses in this province frozen in real terms ever since the government was elected — in some cases cut back when inflation is taken into account, Mr. Chairman, and no increases to centres that have obviously been having to turn away large number of women and children. I make reference to the . . .

An Hon. Member: — And are there any new ones?

Mr. Prebble: — What's that? The member asks, are there any new ones? And there, yes, the answer is yes. There is a new one in her own constituency for which I commend her for, Mr. Chairman.

But at the same time that the new one goes into Swift Current — and as the member knows, I believe, it's the only new one in the province — at the same time, Mr. Chairman, more than 200 families a year are being turned away from transition houses in centres like Saskatoon. More than 200 alone have been turned away by the Saskatoon Interval House — and the member for Swift Current knows that as well, Mr. Chairman — demonstrating just how inadequate services are.

Mr. Minister, I have frequent complaints about how long it often takes a child protection officer to phone back to someone who is reporting a case of child abuse, demonstrating how understaffed your own department is in this whole area, Mr. Minister. One only has to look at the inadequacy of services that are going to be absolutely integral to the operations of this Act.

Mr. Minister, this Act is just not going to work unless you've got adequate funding for transition houses, adequate funding for mobile crisis intervention centres, adequate funding for counselling services in this province. And you know, Mr. Minister, that you can go to any family service bureau in a city like Moose Jaw or Prince Albert or Saskatoon or Regina, and find that there is a five- to six-week waiting list to be able to access counselling services from those family service bureaus in the cities I just mentioned. And as long as you have that kind of inadequacy of service, Mr. Minister, this legislation is just not going to work.

We talked this afternoon in the Assembly about how Crisis Nursery in Saskatoon is having to turn away an average of 40 to 60 children a month because they don't have the resources available to house those children. That's just another example of what I'm talking about.

(2200)

So, Mr. Minister, with those general comments in mind, I want to ask just a couple of questions under clause 1 before we turn to detailed clause-by-clause examination of the Bill. I want to spend most of the time in Committee of the Whole on this Bill on various clauses of the Bill.

But I want to ask you in general terms: first of all, why it is that you have left it in this legislation only to a child protection officer to initiate the provision of mediation services? In other words, why it is that mediation services only come into play in this Bill, Mr. Minister, after a child has been apprehended?

Why don't you set up a system, Mr. Minister, as part of your family services division, in which parents and children that are having difficulty relating to one another or who think they need help from the department, who are on the verge of crisis, Mr. Minister, can come in and get counselling and get mediation services from your family services division without the matter having to reach the point where a child care officer thinks that a child needs to be removed from the home? Can you explain that to me, Mr. Minister?

Hon. Mr. Schmidt: — The member opposite again can't bring himself to say the word "money." He said we should spend more money. I have done a rough calculation, and during the course of today's debate, all of the requests of the member opposite would cost approximately \$65 million if we proceeded to all of his requests. That would be the effect of raising the sales tax 1 per cent just to pay for the requests of the member opposite today. And the member opposite never can bring himself to use the word "money." He said there should be more funding.

I agree with the member opposite. I would like to, if we had more money, spend more money with respect to the wages of contracting agencies and the amounts of money they received, and that is a goal of my department and a personal goal of mine. And, therefore, this year we raised the budgets for contracting agencies. For those that have the lowest wages, we gave them the largest increase so that they could put that money into raising their wages

and getting up to more of a provincial average.

And I will agree with the member opposite, that should the money become available, that we would like to spend more money on the contracting agencies, and I give him that commitment that when the money is available, we will do that.

However the member opposite fails to recognize that with respect to family violence services, in the last seven years since we became government, we've increased the facilities from 12 to 22; that we've doubled the budget, a 100 per cent increase. Inflation has not doubled by 100 per cent in this province, and I submit that family problems have not doubled in the province in the last seven years.

We have been working hard to catch up on the backlog left by the NDP, and now they complain it's not enough. They had an opportunity to help people. Instead they chose to buy potash mines and paper mills and packing plants, and various other things that didn't do much to help the people. And the money lost through potash mine purchases would have been sufficient, on the interest, to bankroll all of these agencies. The members opposite fail to accept that fact.

In addition, the members opposite say, well we have to have more transition houses. Maybe we do. But that shows that the members opposite don't have any new ideas, have no imagination. They have adopted a concept that developed in the United States that was there to fulfill a need, but I am saying that there have to be other solutions as well.

We need family support centres that are designed to put the family back together again. Family support centres that are designed to put the family back together again. Family support centres are in this particular budget. We will build them as soon as possible.

I don't think the member opposite will have any objection if we build nationalized family support centres operated by my department. I would like to see him find some fault in that, and that is what are proposing to do. So the member opposite, bound by ideology, I now challenge him to say that we should not build government-operated family support centres as we propose to do.

Mr. Prebble: — Well, Mr. Chairman, I'm not going to take the minister's bait with respect to this except to say that he talks about his extra funding to groups like transition houses in this province. Maybe he would ask the Regina Native Women's Association how their budget came to go from 201,000 to zero. Maybe he could ask the Saskatoon Interval House how their budget has managed to for their family shelter from 324,000 in 1986 to, I think, in '88-89, 339,000. They're turning away more than 200 families a year, Mr. Minister. Clearly that's a budget increase that doesn't even keep pace with inflation.

You've declined to answer my letter with respect to providing me with the current budget figures, so I'm not able to cite them, Mr. Minister. But none of the transition houses in the province have been treated any better than that, and you know it, sir.

But I want to turn to just one more general area before we move into clause-by-clause consideration. And that is, Mr. Chairman, with respect to the need for an expansion of family service worker programs at each of the friendship centres in the province.

You know, Mr. Minister, that these friendship centres are providing very urgently needed services to Indian and Metis people. You also know, Mr. Minister, that you have badly cut back funding to those programs. I can list off the funding cuts if you wish, but I don't think that's necessary at this point. Every one of the friendship centres in this province has been cut back.

I'll just use the example of the one in my home city. The friendship centre family service worker program in Saskatoon, the Indian and Metis friendship centre, cut from \$70,190 in 1986-87 to \$54,000 in 1988-89.

Mr. Minister, we also need to see some significant expansion in terms of day care for teen mothers in Saskatchewan with facilities near high schools. And I give the minister credit for establishing the centre at Mount Royal, 10 spaces. I congratulate you for that, sir. I point out to you that there are . . . every year in this province there are at least 1,600 teen mothers who have children, who have babies in the province of Saskatchewan — more than 1,600 teen pregnancies a year — and there are only 22 day-care spaces in this province specifically designed to provide those mothers, those teenagers, with child care for their children near their high schools so that they can go to high school and complete high school and still be close by to their child. And we obviously need expanded services there.

We desperately need a provincial policy with respect to funding for school breakfast and school lunch programs in this province, and again you've declines to give that, sir.

But the question that I want to ask you about now pertains to, I think, what is the most important matter with respect to this Bill. I've given you the amendment in advance, Mr. Minister, and I want to raise the question of the urgent need for a children's guardian in the province of Saskatchewan. We think Mr. Minister, that this has to be an integral part of Bill No. 7.

You will know, Mr. Minister, that there are now children's guardians in the provinces of Alberta and Manitoba and Ontario. In the province of Alberta it's referred to as the children's guardian; in the province of Manitoba it's referred to as a children's ombudsman; in the province of Ontario it's referred to as a children's advocate.

But in every case, Mr. Minister, this is a position that ensure that children will not fall through the cracks in the social services system that is currently in place; that children will have someone who comes to the protection of the interests when the Department of Social Services fails them, Mr. Chairman. And there have been many example of that happening — Bosco Homes is only the latest. There are many other examples in the province of Saskatchewan.

And, Mr. Chairman, I want to comment for a moment on what the children's guardian would do because our vision of the children's guardian is, not only that the children's guardian would investigate cases of alleged child abuse or child neglect for children in care, but the children's guardian would also act as an advocate on behalf of children. The children's guardian, Mr. Chairman, would ensure, for instance, that children in the care of the Minister of Social Services are provided with the services that they need. If they can't get psychiatric treatment or they can't get access to a group home when they need it, the children's guardian would help to ensure that they do get those services. If they're not getting educational or health services that they need, the children's guardian would help to ensure that the happens.

The children's guardian, Mr. Chairman, as we envisage it, would also help to ensure that children's cases, with respect to child apprehension and placement, don't get bogged down before the courts. If the children's guardian, for instance, Mr. Chairman, saw that a child apprehension case was going on at great length and was bogged down in the courts, the guardian could intervene on behalf of the child.

The children's guardian, Mr. Chairman, would make sure that a child's interests were heard before the courts or before the family review panels provided by this piece of legislation. The guardian, Mr. Minister, would ensure, as we envisage it, that a child's voice could be heard before the courts or could be heard before the family mediation panels.

Now, Mr. Minister, you have had two ombudsman under your tenure in office — one originally appointed by us, Mr. Tickell, and one appointed by you, Mr. McLellan, both very fine men. Both recommended to you, based on their experiences as an ombudsman in this province, that there is an urgent need for a children's guardian in the province of Saskatchewan.

We have provided you, in advance, with a specific amendment that makes provision for a children's guardian. If you need more time to study it, Mr. Minister, I invite you to pull the Bill and to bring in your own amendment on Thursday or Friday with respect to establishing a children's guardian in this province as part of Bill No. 7. And we will be very supportive of any amendment that you introduce.

My question to you, sir, is: are you prepared to introduce into the Assembly an amendment of your own that would make provision for a children's guardian in Bill 7? Or will you, alternatively, accept the amendment that we have proposed to you to establish a children's guardian in the province of Saskatchewan?

Hon. Mr. Schmidt: — Mr. Chairman, the member opposite brings in an amendment at 3:08 p.m. this afternoon. He gives it to me, and he tells me that we should have a children's guardian, and now he insists that we have to have a children's guardian immediately.

The member was a member of the former government. They didn't see fit to have a children's guardian. The

member opposite has already criticized his colleagues for their conduct as ministers of Social Services. He's on record as having done that.

Now he wants us to immediately cure the problems that arose when the member opposite and his colleagues were in power in this province. We will give this matter some consideration. I want to point out to the member and to the two ombudsmen who wrote the report that you have to look at the broad view of the world.

Let us look at the proposed amendment. The member proposes an amendment which would be out of order because it costs money to the taxpayers and would be ruled out of order by this Assembly if he didn't word it in a most unusual manner. And he worded his amendment to the effect that we should have a children's guardian who would not be paid out of the taxpayers' money, an office that would not be paid out of the taxpayers' money.

The member opposite is proposing a volunteer children's guardian with volunteer staff, which he submits would not cost the taxpayers any money, because his amendment would be out of order if he really intended to have a children's guardian that cost the taxpayers money.

In addition, the province of Alberta has experimented with a children's guardian. This children's guardian office evolved into a huge parallel bureaucracy at great cost which ultimately did not serve the needs of the children. The children's guardian is now being dismantled and will soon be replaced by a new children's advocate which will function much like an Ombudsman. I indicated yesterday that we have an Ombudsman in Saskatchewan who is responsible for all citizens including children. I would encourage the Ombudsman in Saskatchewan to continue to function, looking after the interests of children.

We will consider the implementation of a children's advocate, but we will also consider other alternatives.

(2215)

Mr. Prebble: — Mr. Chairman, the member's major defence for, or one of the two major defences for why this amendment of our was unacceptable was that because it was a private members' Bill, by way of rules of the House the minister knows that we cannot proposed to spend money by way of an amendment. The minister knows that. That provision in the amendment is only there so that the amendment will be ruled in order and can be debated in this Assembly, because otherwise it would be ruled out of order, and the minister knows that as well. And that's just cheap politics, Mr. Minister, to criticize our proposal for a children's guardian on that basis when you know that otherwise it couldn't be even debated in the Assembly.

Now, Mr. Minister, I'm ready to go into clause by clause on the Bill. Let's get debating some of the specific changes that we want to see in this legislation. I'm ready for a vote on clause 1, Mr. Chairman.

Clause 1 agreed to.

Clauses 2 to 4 inclusive agreed to.

Clause 5

Mr. Chairman: — Amendment to clause 5, House amendment moved by the member for Saskatoon University:

Amend section 5 of the Bill so that the words "the minister may" in line 1 are struck out and replaced with the words "the minister shall."

Mr. Prebble: — Thank you very much, Mr. Chairman. Mr. Chairman, our intent here is very simple — the provision of family services in the province of Saskatchewan should be obligatory. In other words, Mr. Chairman, it's our view that the minister should have to provide family services as outlined in this legislation and that it should be something that is at his discretion. In other words the appropriate clause here is not that he may, but that he shall.

And that's our reason for moving the amendment, Mr. Chairman, and I might say that that is an amendment that is widely supported by family service agencies around this province. I've consulted with more than 60 of them, something it became obvious to me that the Minister of Social Services hadn't done in the course of preparing this Bill. I hope the minister will accept this amendment.

Hon. Mr. Schmidt: — Mr. Chairman, I cannot accept the amendment. The reason is that the minister requires the authority to provide the services but must have some discretion to determine what services are necessary. It would be irresponsible for a government to shirk its responsibility to the taxpayer and the expenditures of this province, to allow third parties to determine what amounts of money should be spend and what services are required. That is a responsibility of the minister of this department. We intend to leave it that way. In addition, the existing Act uses the word "may," so there's no change from the existing law which was enacted by the NDP.

Amendment negatived on division.

Clause 5 agreed to.

Clause 6

Mr. Chairman: — Amendment to clause 6 moved by the member for Saskatoon University:

Amend section 6 in the first line to replace the word "may" with the word "shall."

Mr. Prebble: — Mr. Chairman, the reasons are the same. I acknowledge that the minister is right when he said that the previous family services Act introduced by the NDP — which I think was a forward piece of legislation in its time; it's now outdated — had this provision. We're trying to improve the legislation, Mr. Minister, and I invite you to consider again the need for the establishment, maintenance, and operation of facilities that the minister considers advisable to provide the necessary shelter, treatment, support, and education of children committed

to your care and custody, be something that is obligatory on your part, Mr. Minister. I'm surprised that you don't seem to think that is. Thank you, Mr. Chairman.

Hon. Mr. Schmidt: — We reject the amendment for the same reasons.

Mr. Chairman: — Order, order. The member for Saskatoon Centre, when we're putting the question, I'd ask the members to be quiet.

Amendment negated on division.

Clause 6 agreed to.

Clause 7

Mr. Chairman: — The amendment to section 7 of the printed Bill moved by the member Saskatoon University. Will the members take the amendment as read?

Mr. Prebble: — Thank you very much, Mr. Chairman. Mr. Chairman, this provision, the effect of it would be to ensure that in cases where poor people have a situation where a child is returned to them by a child protection officer after that officer has obviously had to take actions to protect the interests of the child, but it's returned to the family, the effect of our amendment would be to ensure that the family, the poor family, is not billed for the costs that are incurred for the child protection officer to return the child.

The legislation, as proposed, advocates that the poor family be billed, and I suggest, Mr. Chairman, that this provision for billing a poor family that is already in crisis is simply going to compound their problems. It's not been done to date. I'm shocked that the minister proposes to do it. I can guess what his arguments are going to be, Mr. Chairman, but we find that to be unacceptable, and the amendment would, in effect, ensure that such families were not billed.

Hon. Mr. Schmidt: — Mr. Chairman, we don't have any intention of billing people with no money, but this is not a protection of the child situation where we go in and apprehend the child for its protection. This is a situation where the child is a runaway. So someone's child runs away and there's a cost of returning the child back to the family. We would consider having the family pay for the costs of transporting their child back to them. I suppose it's not a large matter of money, but in some instances, we feel that parents would be prepared to pay the costs and should be prepared to pay the costs of getting their runaway child back.

The members opposite seem to have a philosophy that the taxpayers through the government should pay for everything, and I really don't know where all this money would come from. In a true socialist economy, there doesn't seem to be enough money to pay for these things, and the new vision of what we see for Saskatchewan and Canada, we don't expect there will be as many poor people and therefore, we don't think this will be a big problem.

Amendment negated on division.

Clause 7 agreed to.

Clauses 8 to 10 inclusive agreed to.

Clause 11

Mr. Prebble: — Mr. Minister, I want to give you the benefit of the doubt on this one. I'm presuming this is just a typing error in the Bill. I refer you to section 11, subsection (c), item (ii). It reads:

A child is in need of protection where:

(c) the child is less than 12 years of age and:

(ii) the child's parent is unable or unwilling to provide for the child's needs.

Now surely, Mr. Minister, it was not your intention here not to provide for the needs of 13- and 14- and 15-year-olds whose parents are unable or unwilling to provide for their needs. Surely this is a mistake in your piece of legislation. I'm wondering if you would drop item 11(c) (ii) and maybe make it a separate sub-item in the Bill and not word it the way it's currently worded. Would you bring in an amendment to that effect, please.

Hon. Mr. Schmidt: — Mr. Chairman, it will not be necessary to bring in an amendment. The key word is "and" at the end of clause (c)(i)(B). It's all inclusive, and therefore if the member will read the clause again, he will see that the word is "and"; it's all inclusive. It's not necessary to bring in an amendment.

I can understand that these are very detailed matters and it's possible to interpret them differently, but if he reads it again, I think he will agree that his argument is not a matter of concern because of the inclusion.

Clause 11 agreed to.

Clauses 12 to 15 inclusive agreed to.

Clause 16

Mr. Chairman: — House amendment moved by the member for Saskatoon University. Will the members take the amendment as read?

Mr. Prebble: — Thank you, Mr. Chairman. With respect to section 16, Mr. Minister, this provision for a protective intervention order is a good provision. I've only got one concern about it, Mr. Minister, and that is that providing three days notice to the offending party who's causing violence to a child in the home is simply going to be unworkable, Mr. Minister. If your intention is to remove the parent or some other person in the home who is abusing the child, you're going to have to act more quickly. I suggest one day's notice would be more appropriate than three, Mr. Minister. I would hope that you might accept that amendment.

Hon. Mr. Schmidt: — Mr. Chairman, I agree with the member's submission. If it were legal, I would accept the amendment, however we are advised by our

constitutional lawyers that there is a need for a reasonable notice and the one day would not stand up to a challenge under the Canadian charter of rights, so we've extended to three days. I submit his reasoning is logical; however, I can't accede to his wishes because of the advice I have from the constitutional lawyers.

Mr. Prebble: — Mr. Chairman, hearing that comment from the minister, which I appreciate, sir, I'm going to withdraw our amendment. I did not know that that was a problem, and I respect the minister for his comments there.

Clause 16 agreed to.

Clause 17 agreed to.

Clause 18

Mr. Prebble: — Mr. Chairman, a quick question to the minister here. Mr. Minister, I'm concerned in section 189(4) with the reference that with respect to the provision of services to 16- and 17- year-olds, you're only prepared to provide residential services. What this would mean is that if the . . . often, as you will know, you have a 30- to 50-day wait before cases like this go before the courts. It may be quite appropriate to place a child in a foster home, for instance, for a three- to four-day cooling-off period, for instance. I just use this as an example, Mr. Minister. Let's just say that the department wants to propose that a child be . . . at 16-year-old or a 17-year-old be placed in a foster home for just a three- or four-day cooling-off period. My interpretation of this section is that that would not be permitted. I think that's unfortunate. I'm wondering if you would drop the words "only residential" from this section of the Bill?

Hon. Mr. Schmidt: — Mr. Chairman, because of the emergency nature of these cases with respect to 16- and 17-year-olds, we don't anticipate that there will be much of a demand for counselling to have this child come back to the family, but I can agree to the member's request. I'll just have to have a quick look here at the wording of the amendment. May I have a copy of it?

Mr. Chairman, let me clarify, is the member opposite proposing an amendment? Because I could accede to your request. We could, if you propose an amendment, we could agree to it.

(2230)

Mr. Prebble: — Could you amend the Bill in that way? I will propose such an amendment that the words "only residential" be removed from the Bill. I don't have that in writing, Mr. Minister. I didn't expect that you'd be acceding to it; I appreciate that you are.

Hon. Mr. Schmidt: — Mr. Chairman, I can agree to the member opposite's request to delete from section . . .

Mr. Chairman: — Order, order. I can't hear the minister when he's on his feet. I'd ask the members to please be quiet while the minister's up speaking because I can't hear him.

Hon. Mr. Schmidt: — Mr. Chairman, we can agree to the suggestion of the member opposite to drop the words "or residential" from section 18(4) of the Bill as it appears in the second last line thereof, dropping the words "only residential". And I ask all members to support the amendment.

Mr. Prebble: — I wonder, Mr. Chairman, if it's in order, with leave of the Assembly, while that's being done . . .

Hon. Mr. Schmidt: — Mr. Chairman, with leave of the critic opposite, maybe we can go on to the next matters, and we will file the amendment when it's prepared.

Mr. Chairman: — I would prefer to deal with the amendment on section 18, and then the Chair has to ask for leave to move back to section 12, because the Chair missed an amendment that was to section 12 moved by the member for Saskatoon University. So before we get too mixed up in that, I would like to amend the clause we're on and then ask for leave to move back to section 12.

The question before the committee is the amendment moved by the Minister of Social Services:

Amend section 18(4) of the printed Bill by striking out "only residential" and substituting "family."

Is the committee ready for the question?

Amendment agreed to.

Clause 18 as amended agreed to.

Mr. Chairman: — I would like to ask leave of the House to move back to section 12 of the printed Bill.

Leave granted.

Mr. Chairman: — The amendment being quite long, would the members take the amendment as read?

Mr. Prebble: — This proposal for a children's guardian, we have had the debate on it, Mr. Chairman. I'm ready for the vote if the minister is.

Amendment negated on division.

Clauses 19 to 22 inclusive agreed to.

Clause 23

Mr. Chairman: — The amendment moved by the member from Saskatoon University, would the members take the amendment as read?

Mr. Prebble: — This amendment would simply be to ensure that foster parents who've had responsibility for the care of a child for a significant period of time are recognized as having sufficient interest before the courts. That's the intent of the amendment. I'll say no more about it except that we think it would be a useful addition to the Bill.

Hon. Mr. Schmidt: — Mr. Chairman, we can't accept the

amendment; however, the concept suggested by the member opposite we can accept, and is already provided for in the Bill. Number one, the foster parent is the care provider and therefore it does not ordinarily take a role as an advocate on behalf of the child. However, under the existing provisions of the Bill, the court will be allowed to add foster-parents as a party if the court feels that the foster-parents should be heard. So the foster-parent would merely have to ask the court to be added if the court felt it was at the interest of the child to hear the foster-parent.

So we agree with the principle; we designed that into the Bill, but we wouldn't want to give the foster-parent automatic status because they are not in an advocate role but a caring role.

Amendment negated on division.

Clause 23 agreed to.

Clauses 24 to 39 inclusive agreed to.

Clause 40

Mr. Chairman: — House amendment moved by the member for Saskatoon University to clause 40. Would the members take the amendment as read?

Mr. Prebble: — Mr. Chairman, the intent of this, there are basically two House amendments here. If it's in order, since we're discussing the same section I'll discuss them together. Is that in order, Mr. Chairman, just before I begin? Just for the sake of expediency and time . . . (inaudible interjection) . . . Yes, thank you very much.

Mr. Chairman, there's three points that we'd like to make here that I'd ask the minister to consider. One is that with respect to section 40, we find it particularly disturbing that you are proposing to appoint members of a family mediation panel who in your opinion are representative of community parenting standards. I don't think, Mr. Minister, that that is a very adequate way to describe the qualifications of the people who are needed to sit on these very important family review panels. And therefore, Mr. Minister, I am suggesting that instead, your appointments ought to be based on the list of names that are submitted to you by community organizations and agencies in the field of family services on the basis of the recognized expertise of those persons in the area of family services. That, it seems to me, would be far more appropriate. We'd get much better quality people on these family mediation panels.

Secondly, Mr. Minister, the legislation does not require that there be a family review panel in every region of Saskatchewan. I would suggest to you, sir, that there ought to be. This should be one of the basic principles of the Bill, that every region in the province will have a family review panel operating actively in it. I think that's the only way that people can be assured adequate services by these panels.

And finally, Mr. Minister, I want to propose to you that at least one member of every family review panel ought to be a person of Indian or Metis origin and that you ought to

provide for that in the Bill, because the majority of children in care, unfortunately, Mr. Minister, the majority of children whose cases come before the panels in terms of child apprehension cases, are children of Indian and Metis ancestry. And it only makes sense that persons reviewing that case and reviewing whether or not the apprehension was in order and appropriate should at least in part be people of Indian and Metis ancestry themselves. So I ask you to examine those three amendments and consider whether you wouldn't be prepared to accept any of them, Mr. Minister.

Hon. Mr. Schmidt: — Mr. Chairman, with respect to the regions, I understand your concern, but there may be a region, for example the Swift Current region, where it is not very busy, that we don't need a panel and the adjoining panel could go over and cover that area. So we will try to set them up, but we don't want to be bound to have a panel in a region where there is rarely a need for this panel. You understand this is a new experiment to allow a mixture of judgement by judges, judgement by your peers, to try to streamline the process. So we can't go with that amendment, although I accept your advice on that particular point.

With respect to the adding of an Indian or a Metis person to every region to the panel, I would say that we intend to have Indian and Metis people on the panel, but we wouldn't want to get into a specified particular races in the Act because in such certain regions you might want to insist that you have a German on the panel, and in certain regions you might insist that there be a Ukrainian on the panel. We don't want to get into that kind of a situation. We realize that the majority of these cases involve Indian or Metis children, and we will have Indian and Metis people on these panels.

Amendment negated on division.

Clause 40 agreed to.

Clauses 41 to 46 agreed to.

(2245)

Clause 47

Mr. Prebble: — The question here I have, Mr. Minister, and it's with respect to voluntary committal and the provision stating that a parent may seek advice from an independent third party before making voluntary committal, the question here, Mr. Minister, is: first of all, who pays for the legal advice? We believe it should be the Department of Social Services.

And secondly, Mr. Minister, lacking from this clause is a provision that the person should also be able to get independent counselling advice, not just independent legal advice. And in other words, Mr. Minister, they should be able to go to an agency like a family service bureau in this province, get counselling on the matter before they make the decision with respect to voluntary committal. And again there's no provision for this in the legislation. I wonder if you'd be prepared to make a commitment that the Department of Social Services will pay for the independent legal advice and consider our

request to have provision for independent counselling advice paid by the department as well.

Hon. Mr. Schmidt: — Well, Mr. Chairman, for the reasons I've stated many times today, we don't feel the taxpayers should bear the burden of advising parents who are about . . . who are in danger of losing their children because of their conduct. Those parents who can't afford legal advice will qualify for legal aid. Other parents will have to pay for their legal advice, as they do in other cases. And the department, on behalf of taxpayers, has no intention of purchasing legal advice for everyone in this situation, only those who are in need.

Clause 47 agreed to.

Clauses 48 to 51 inclusive agreed to.

Clause 52

Mr. Prebble: — Mr. Chairman, just a very quick point here on clause 52 and that is, Mr. Minister, I think this is the appropriate area to raise the question of the need to examine a children's code of rights for the province of Saskatchewan. I'm talking about a code of rights of course for children in care.

I've had the opportunity to examine the Ontario code of rights which I think would be a good model for the government to look at. I'm not proposing here tonight, Mr. Minister, that we implement a children's code of rights as part of the Bill tonight. What I'm asking is for a commitment from you that you would be prepared to undertake public consultations and public hearings with a view to examining whether or not a children's code of rights should be part of this Bill in an amendment that you might introduce in the next session of the Assembly. And I'm wondering if you would be prepared to give such a commitment.

Hon. Mr. Schmidt: — Mr. Chairman, let me advise the people of Saskatchewan that the General Assembly of the United Nations is to introduce a convention on children's rights this fall. Canada will be asked to ratify this convention when it is approved. The provinces of Canada will then study the provisions of that convention of the United Nations and be asked also to ratify that particular convention and implement it.

I would say to the member opposite that let's not get ahead of the United Nations; let's not do the work at cost to our taxpayers that the countries of the world will be doing. So let us see what they develop. And I can say to the member opposite, I would be pleased to go to New York for two or three weeks and study this matter if he so believe that's important. But let us wait and see what the results are.

So it's not something I dismiss. I'm saying that the entire world is working on this situation. Let's take the benefit of their labours.

Clause 52 agreed to.

Clauses 53 and 54 agreed to.

Clause 55

Mr. Prebble: — Mr. Minister, I'm concerned about this because this is a clause that allows you to discontinue your responsibility for the expense of providing services to a child 16 years of age or over.

What's lacking in this Bill, clearly, Mr. Minister, is any sort of standards that are to be followed when such expenses are to be discontinued. My fear, Mr. Minister, is that it will be financial concerns rather than the child's best interests that will determine whether or not this will happen.

So I just want to put that concern on the record. I'm ready to vote on the provision.

Clause 55 agreed to.

Clause 56 agreed to.

Clause 57

Mr. Chairman:— There's a House amendment on clause 57 moved by the member for Saskatoon University. Will the members take the amendment as read?

Mr. Prebble: — Mr. Chairman, this is a very important amendment, perhaps the most important one, apart from the children's guardian, that we're proposing.

I want to read this provision, Mr. Chairman. Section 57 says:

The minister may:

(b) designate as officers (in other words, child protection officers) any persons who:

(i) in the minister's opinion are qualified, or

(ii) meet any qualifications that may be prescribed in the regulations.

Mr. Minister, it is appalling that you propose to appoint as child protection officers any persons who you think are qualified. I want you to note the word "or" here, Mr. Chairman. This means that the Minister does not have to follow the regulations with respect to the qualifications specified for child protection officers. He can appoint anyone that he wants to this sensitive position. This clearly paves the way for patronage appointments of child protection officers under this Bill, Mr. Speaker. That's what this section is all about, and we are strongly opposed to this section. I urge the Minister to reconsider, to pull this section of the Bill, or to at least to adopt our amendment. Thank you very much, Mr. Chairman.

Hon. Mr. Schmidt: — Mr. Chairman, 63 per cent of our child protection staff have University degrees now, which is a number that has increased since I've become minister and since this government has taken over. We still have 37 per cent of people who are child protection officers who do not have degrees. We wouldn't want to endanger their positions; they are adequately filling those positions.

So therefore, the current wording allows us to keep our existing staff, and in addition there may be special cases where in a remote area you have to appoint somebody on an interim basis, or you may want to designate an Indian chief as a child protection officer under new Indian child care agreements, and to accept your amendment would exclude the chiefs of bands. It would exclude other people that may be required from time to time. So therefore I trust you will understand that we want to keep the wording as it is so that we can be flexible enough to do what has to be done in different parts of Saskatchewan.

Mr. Prebble: — Mr. Chairman, I understand what the Minister is saying, and if he was to bring in an amendment that would attempt to accommodate that, we would look at it happily. But given the record of patronage in this minister's own department and in this government, Mr. Chairman, we can't accept this amendment. There are just too many other examples of patronage already in the public service. We can't afford to get into the business of patronage when it comes to the appointment of a very sensitive position such as a child protection officer. And for that reason, Mr. Chairman, we insist that the amendment be adopted.

Amendment negated on division.

Clause 57 agreed to on division.

Clauses 58 to 60 inclusive agreed to.

Clause 61

Mr. Prebble: — There is clearly lacking from this whole Bill, Mr. Minister, a provision for a child native welfare policy in the province of Saskatchewan. We support the provisions in section 61, but we urge you, Mr. Minister, to bring in amendments next year that will lay out clearly a child native welfare policy for this province. We've debated this on previous occasions. I won't belabour it now except to say that we consider it to be extremely important.

Hon. Mr. Schmidt: — Mr. Chairman, when I took over this department, I discovered that there was no child welfare policy, and that the federal government, who's responsible for treaty Indian children, they don't have contracts in Saskatchewan with the bands for child welfare policies and protection. I changed the management of this department because the former management was not interested in pursuing that particular goal. We are pursuing that goal with the federal government. Right now we are negotiating. They want an arm and a leg for us so that we can get a toe-hold in this matter, and the negotiations are being long and difficult, but as the member opposite knows, treaty Indians are the responsibility of the federal government. We can't afford to take those obligations off of their hands, and therefore we can't bring in such a policy at this time. We have already signed some child welfare contracts with bands in Saskatchewan. However, the federal government has not seen fit to pay for the costs of those, so they're held in abeyance pending these negotiations. So it's not that we're not trying; we've done everything possible for two and a half years to get this going.

Clause 61 agreed to.

Clauses 62 to 71 inclusive agreed to.

Clause 72

Mr. Prebble: — Mr. Chairman, just a point here. It's my final point in terms of intervention in this Bill. I'm very concerned about this section with respect to the delivery of subpoenas, Mr. Minister. I just want to read it. I'm looking here particularly at section 72(2), subclause:

(b) if the person to whom it (meaning the subpoena) is directed cannot be found, by leaving it for that person at his or her last or usual place of residence with a . . .

Well what this bill in effect does — I'm sorry I'm having . . . the reading of the subclause alone, unfortunately, doesn't make a great deal of sense by itself. But what this provision does is it allows the person to leave the subpoena with someone who appears to be a resident of the place where the subpoena being left, is and appears to be at least 16 years of age.

Now to deliver a subpoena, Mr. Minister, and to be unable to locate the person to whom it's being delivered, and then to leave it with someone who appears to be a resident of the place where it's being left and who appears to be at least 16 years of age doesn't seem to be very adequate to me, Mr. Minister, given the significant consequences of the subpoena.

And I'm wondering if you might consider an amendment to this section, which would firm it up a bit by making it clear that the person who the subpoena is left with has to be resident there, and that it has to be clearly determined in writing that that person is at least, I would suggest, 18 years of age, Mr. Minister.

Hon. Mr. Schmidt: — Mr. Chairman, this is a standard law on subpoenas as it applies to all Acts in the province of Saskatchewan, and this is a normal practice. I don't intend to change it in the Social Services department.

Clause 72 agreed to.

Clauses 73 to 83 inclusive agreed to.

Clause 84

Mr. Prebble: — Just one comment before that clause comes into effect. If I may just say, Mr. Chairman, on balance, while there are a number of positive things in this Bill, Mr. Minister, we don't condemn you for the Bill outright.

As you can see, we've supported a number of provisions, but there are two provisions that we just cannot accept. The one that I most want to note, Mr. Chairman, is we cannot accept the provision for patronage appointments of child protection officers. We also, Mr. Chairman, find unacceptable the provisions that the minister plans with respect to the mechanism for appointment of persons to the family review panels. We don't disagree with the concept of the panels; we don't

support your provision with respect to the limited qualifications that are required before people can sit on these panels. We think that there needs to be a community-based method of selection. For these reasons, and the number of others that I've outlined, we will be opposing this legislation, Mr. Chairman.

Clause 84 agreed to on division.

The committee agreed to report the Bill as amended.

(2300)

Mr. Prebble: — Mr. Chairman, I want to thank the minister for the discussion on this Bill, which I think was productive. I want to thank him for accepting at least one of the House amendments that we proposed, and I want to thank his staff most sincerely for their endeavours during the discussion of Bill No. 7.

Hon. Mr. Schmidt: — Well, Mr. Chairman, in this particular case the officials of the Department of Social Services are in for particular praise in that they . . . (inaudible interjection) . . . There seems to be some discussion here. Mr. Chairman, the officials here worked for over a year in preparing all of the legislation we passed today. It's a complete revision of the family services legislation, child care legislation, many things that these officials have done, and then today they will rest easy. But I want to thank them very sincerely for the work they've done over the last year. Thank you.

Some Hon. Members: Hear, hear!

Bill No. 56 — An Act to amend the Human Resources, Labour and Employment Act

Clauses 1 to 3 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 45 — An Act respecting Personal Care Homes

Mr. Chairman: — Would the minister introduce his officials.

Hon. Mr. McLeod: — Thank you very much, Mr. Chairman. On my immediate right is Mr. George Peters, who's the executive director of continuing care branch in the Department of Health. On my left is Mr. David Babiuk, associate deputy minister of Health.

Clause 1

Ms. Smart: — Thank you, Mr. Chairman. Mr. Minister, I mentioned many of the points that concerned me in second reading. I'd like to discuss the definition of the personal care homes that's in the legislation. You said that you saw this Act as being part of the continuum of the health care facilities and services for people in Saskatchewan, and I wanted to know why you can't be more specific in this legislation regarding the definition of a personal care home; specifically, how many clients you expect to have in the facility and what levels of care they'll be taking care of.

Hon. Mr. McLeod: — Mr. Chairman, just for the hon. member, the reason there isn't a definitive number in the legislation . . . I'm not sure if that would be appropriate to put a definitive number, but I would say to the member that the paper that was widely distributed as a discussion paper on this used the number 15 residents as a maximum, although we are also aware that there may be some homes which will come under this category, personal care homes out there now, who have more than 15 residents, and if they're up to standards, the standards that are provided, they may well be acceptable. So we're not going to be more than 15 residents, and if they're up to standards, the standards that are provided, they may well be acceptable. So we don't want to be tied to that number, but that would be when you develop legislation, you should be looking at what would be optimum if we were all in a perfect world, let's say.

As it relates to the levels of care, most of the homes out there that would fall into this category are in the 1 and 2 levels. There may be some that are providing care at a higher level of care. The thing that we must consider here is the care and safety of the patients or the residents, and that's the, you know, that's got to be what we're talking about. And so we won't tie it directly to levels 1 and 2, but it, for the most part, it will be probably level 1 and 2 people.

Ms. Smart: — Well at the moment, my understanding is that there's a lot of level 3 care people in these personal care homes, and that some of the proposals you made were to restrict the level of care to 1 and 2. And if the proposal is to restrict it, then that should be spelled out, and if it isn't, then there's a major concern about what the role of the personal care homes are going to be, because if they get into level 3 and 4 care, as they're bound to do anyway as people age in those homes, you're going to be into great difficulty in terms of providing the specialized care that people need at those levels, and I think that that should be spelled out in the legislation, what your intention is regarding the personal care homes and the level of care.

Mr. Minister, I want to mention the fees and the issue around the fees. The personal care homes are going to have the rights to set their own fees, and you could have different fees for different clients, as some of the critics of the proposed regulations have pointed out. The fees are not required to be published or to be made public to people as the licence is, and the fee structure is an important issue if these homes are going to be part of the government's overall plans for continuum care in health.

If the fees can be negotiated with specific clients and be different for different clients, if the homes have the right to set their own fees, and if those fees don't have to be made public, then it even more means that these homes are going to be homes for people who can afford them. And so I have a question around why you don't specify something more specific regarding the fees, that they will be in regulations rather than just open. And also I have a concern about Social Services rates for personal care homes. Now I realize this is not your department, but I think you should have something to say about this. The non-approved homes have a very much lower rate of subsidy from the government than the approved homes,

and I want to know whether your intention is to increase the amount of money that's available to personal care homes from the Social Services department. Are you going to be making a recommendation that that be increased when these homes are licensed?

Hon. Mr. McLeod: — Two things: first of all your second question. I'll deal with first of all the one regarding our relationship with Social Services, and that is Social Services is aware of this and we've had discussions with them about that. They're very aware that as these homes come into what we'll call the approved category, that that will have some impact on their . . . or, you know, certainly a potential impact on their budget and so on. So they're very aware of it; we've been discussing it with them. I can't in this forum right now say what Social Services will do, but I believe that they'll respond according to the approvals given by this Act.

Second question regarding the fees and whether or not we should, or frankly whether we can, specify fees. Remember we're coming into this in an after-the-fact sort of way. There are many of these homes out there now that have arrangements with their residents, and so on. We recognize that. We recognize that there are and there may be, that we don't even know about, wide ranges of fees, and so on. We say and we believe that we have to be right into the operations of those homes in a much greater way than we intend to do through this legislation in order to be able to specify what the fees shall be. So we chose not to deal with fees in a direct way either here or in regulations.

Ms. Smart: — Mr. Minister, regarding the people in the homes and the level of care — just to get back to that for a minute. What's going to happen to residents if you try to keep these homes at levels 1 and 2? What's going to happen to residents as they age and need more care? What do you see happening there? And will these homes be co-ordinated through an agency like the district co-ordinating committees? Will they become part of the continuum of care, in the sense that they'll be organized and co-ordinated through them? And if you're going to keep the homes at levels 1 and 2, what kind of priority will people in those homes have to get into other institutions vis-a-vis other people?

Hon. Mr. McLeod: — Yes, that's a good question. The reason, the very reason for this legislation and to bring into the umbrella somewhat the homes that are out there that are not now regulated in any way, is to know of their existence, what their levels of care, what they're capable of, what sort of care is taking place, if they're up to certain standards — all of this sort of thing, as I know you're well aware of that.

They will be required to have a pre-admission assessment done by the district co-ordinating committee or by someone in the community so that there is a . . . And the district co-ordinating committee will have more of an awareness of their existence, as well as pre-assessment, all of that, and they'll be into the bigger mix to go along with that continuum that I talked about earlier in second reading.

(2315)

Ms. Smart: — Obviously some of the homes are going to have to upgrade to meet the regulations that you're coming in with. Will the onus be on the owners to finance the upgrading, or are you prepared to provide something like low interest loans for upgrading, or if they don't . . . if they aren't able to upgrade, will they be closed?

Hon. Mr. McLeod: — Well it will be . . . I think, frankly, one would be dreaming if we didn't realize this will be an evolutionary bit of a process. They will have to live up to certain standards, if they aren't at those standards now. I mean, we won't be going in with a heavy hand; it will be a helpful role that we'll be in. The specific question about who will be responsible for the upgrading, it will be the owners that will be responsible for the upgrading, but we won't be giving them deadlines that are too stringent, anything like that.

So we expect that we will have to be and we should be . . . Oh, I don't know what the word is here; this time of the night they seem to escape me. But we have to be patient with them and bring them on over a period of time, remembering that we're not starting in a perfect world where we're just beginning now. We're coming into the scene quite a bit after the fact, and many of these homes have been in existence for a good, long time.

Ms. Smart: — I've had a concern brought to me from someone whom I think is living in one of these personal care homes, asking that the legislation or the regulations accompanying this Act provide for smoke-free environments in the personal care homes. Has that been something you've considered, and would you do that?

Hon. Mr. McLeod: — We haven't contemplated that in this legislation, but I would say that, like is the case in other long-term care facilities, it will be a decision of the operators of the home. But certainly the resident moving into the home will know prior to moving into that home whether it is or is not a smoke-free environment. And I understand the basis of the question and that it can be very important to people who are moving into this kind of circumstance. So we're not contemplating putting it into the legislation, but it would be something that people will know as they . . . and more and more of them are smoke free.

Clause 1 agreed to.

Clause 2

Mr. Chairman: — A House amendment moved to clause 2, a House amendment moved by the member from Saskatoon Centre. Will the members take the amendment as read?

Ms. Smart: — I just want to explain the reason for the amendment. I think that legislation from now on — and I don't know if there's any reason why this amendment can't be put forward — but there's a definition in the amendment in clause 2 of "relative" and "relative" doesn't include a term that would mean spouse, and I'm thinking of the need to include in this instance husbands and wives, but also common-law relationships. And I think that that should be recognized as being something

that is a form of relationship in our society, and that when we define relative, we should make it broad enough that people don't get left out or hurt by the legislation.

And I'm also proposing that relative . . . that the clause 2(e) include relative or friend of a person who operates a facility, in order to recognize that there might be two older people living together who are friends but not relatives, and one caring for the other.

Hon. Mr. McLeod: — Mr. Chairman, I discussed this with the member prior to coming in, and I believe the explanation of the two amendments in the same section were in reverse order. So as we go through the clause, Mr. Chairman, we'll start with your suggestion that we include the words "or friend." And as I indicated to you, and I have it confirmed here now by the officials, that that would be a very difficult, very broad, wide-ranging type of term to use because it's not . . . But I did say to you before, and I know what your intention is here in the case of, you know, two elderly ladies who live together, whatever, for a long period of time, that kind of thing.

So what I will undertake to do, I won't undertake to accept the amendment as you suggested here because I think there are more problems created by it that what we solve by the intention that you bring forward. But I will undertake to pursue this and see if we can come up with something that will accommodate what you're saying. If we can, we'll bring in an amendment, that's number one. So we won't accept that.

And on the second one is "to add a spouse." We will accept that amendment. We don't think it's necessary. We didn't think so in the proposals, and I'm still not sure that it is, but it doesn't do any harm, so we'll put it in.

Mr. Chairman: — Order. We'll split the amendment into two. The first amendment is:

- (a) by adding the words "or friend" after the words "who is not a relative" where they occur in clause (e).

Amendment negatived.

Mr. Chairman: — The second part of the amendment is:

- (b) by adding the words "a spouse" after "'relative' means" where they occur in clause (f)

Amendment agreed to.

Clause 2 as amended agreed to.

Clauses 3 to 21 inclusive agreed to.

The committee agreed to report the Bill as amended.

Bill No. 46 — An Act to amend The Ophthalmic Dispensers Act

Hon. Mr. McLeod: — I have with me on my left, Mr. Drew Johnson, senior health professionals analyst, and on my right is Dr. Roy West, associate deputy minister of Health.

Clause 1

Ms. Simard: — Thank you very much, Mr. Chairman. I have consulted with the ophthalmic dispensers, and they appear to be in agreement with the Bill. I was unable to find any difficulty or they didn't express any concerns, so the Bill can go.

Clause 1 agreed to.

Clauses 2 to 10 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 77 — An Act respecting the Licensing and Operation of Medical Laboratories

Hon. Mr. McLeod: — Thank you, Mr. Chairman. On my immediate left is Wynne Young, manager of legislation policy branch in the Department of Health, and on her left is Dr. Linda Strand, executive director of the lab and disease control branch. And Dr. West is still with me.

Clause 1

Ms. Simard: — Mr. Chairman, on second reading I advised the minister of some of our concerns with respect to the legislation. I want to say initially that we agree with the need to monitor and regulate labs in the province. However, we're very concerned in particular that this legislation does not protect labs in rural Saskatchewan and may make them vulnerable to the new regulations such that some of our rural hospital labs will be shut down, in effect, under this legislation which then, Mr. Chairman, would lead to more people going into the cities and not going into their rural hospitals, which eventually has a very substantial impact on rural Saskatchewan.

So I would like to ask the minister whether or not there is any protection in the legislation for rural hospital labs, and what he proposes to do to make sure that the regulations and guide-lines that will be established and enforced under this legislation do not operate to the detriment of our rural hospital labs.

Hon. Mr. McLeod: — Well, yes, the member kindly put those questions in second reading and we have the . . . You know, we've been preparing for them.

Mr. Chairman, the question of the rural labs . . . And whether it's in the laboratory area or any other, it's an area that we all must be concerned about, of whether or not the viability is maintained of what is out there for health care services. We don't believe that this legislation will have any detrimental effect on rural laboratories.

By ensuring that the labs meet approved standards of practice, the small labs out . . . and many of them are in the rural . . . They improve their accuracy and reliability of the lab results, and because of that, the labs in the cities and in the large centres will more readily rely on the lab tests which are taken in rural areas, which is not always the case at present. It's important to make that distinction.

So what this quality assurance will do if labs are licensed to operate, regardless of where they are, rural or urban, those labs and the tests which are done in those labs will be more readily acceptable wherever they are needed, the large centres or otherwise. So we don't believe that it has a detrimental effect; in fact, it can be a positive thing for those labs which are up to standards and to standards which are proposed in this legislation. If they are not up to the standards, you nor I or anyone else would want them to be in operation.

Ms. Simard: — Mr. Minister, as I understand, the standards will be more stringent under the legislation. So if the rural hospital labs are not up to standards, what is your department going to do to assure that they meet these standards and they're not closed?

Hon. Mr. McLeod: — We'll have a remedial education program in place. We're certainly not . . . The last thing we're out to do is to close labs. We're out to be sure that the labs are up to standards, which surely must be expected by our citizens. So we're already in the planning stages of having a remedial education program in place.

(2330)

Ms. Simard: — Mr. Minister, can you assure us that there will not be any labs closed?

Hon. Mr. McLeod: — Labs that do not meet the standards that are proposed will be given chances to upgrade themselves — several chances, probably, to upgrade themselves and then through this remedial education program, and so on. But it would be irresponsible of me to say, in an unequivocal way, no lab will close if they don't live up to those standards, because I wouldn't say that, and I don't think you or anyone else would want that to happen. But they will be given several chances. And the role and the goal in all of this is to bring the labs of the province, regardless of where they're located, up to acceptable standards.

Ms. Simard: — Mr. Minister, with respect to the provincial lab, I made the comment, I believe, in second reading that over the long term I saw the role of the provincial lab deteriorating — or diminishing is probably more accurate terminology. I don't see that happening immediately, but I think over the long term the role of the provincial lab could diminish inasmuch as you begin to rely more and more on the large, out-of-province lab corporations that are coming into the province, as I understand, and buying up labs in Saskatchewan, and you will rely less and less on the provincial lab. So I am a little concerned that the status and the role of the provincial lab will diminish over a period of years. Could I have your comments on that please, Mr. Minister.

Hon. Mr. McLeod: — First of all, the commitment is strong to the provincial laboratory; it continues to be. You look at the blue book over the last three years; you'll see that there have been significant, in fact large increases in the funding of the provincial lab over three years, and three years running. So that commitment remains there, and it's been there for a number of years now.

The provincial lab will continue to provide screening

programs and to fulfil its mandate as a provincial reference laboratory, and that's important that we have that provincial reference lab here.

In several of the other provinces where these lab licensing programs have come into place, provincial labs have been very viable, have been very important in the overall operation of laboratories, and that's what we foresee here in this province as well. So there's no . . . no one should feel that there's any threat to the provincial lab or look for anything like that, because it is certainly . . . number one, it's not the intention; and number two, it certainly won't happen.

Ms. Simard: — Mr. Minister, the information I have is that ordinarily when these large, out-of-province labs come in and take over, costs will increase because the fee for lab services in Saskatchewan is lower than it is in many other jurisdictions. And as a result of large corporations coming in, fees will inevitably increase because they'll want them standardized with other parts of the country. That means a greater cost to the health care system, Mr. Minister.

And my question to you is: rather than bringing in out-of-province corporations at a greater cost, why wouldn't we spend that additional money to upgrade the provincial lab to play the same role that these out-of-province corporations are going to be doing.

Hon. Mr. McLeod: — First of all, in this legislation there are what can be termed "need" clauses, clauses where the government through this legislation will determine if there's a need for further lab facilities, you know, especially in the larger nature, so that this will control that.

As far as the fee schedules and so on, the large labs that may be there, that are not the provincial lab, will be paid according to the fee schedule which is set by the department, and that fee schedule is set for labs, wherever they might be, in the MCI (medical care insurance) regulations.

Ms. Simard: — Mr. Minister, with respect to the fee schedule being set, that rather begs the question. My point is that fee schedule will increase, and it will increase as a result of pressure from large, out-of-province corporations that are charging more fees in other provinces for similar tests in Saskatchewan, and it will lead to a rise in the cost and an increase in the fee schedule. So your response . . . that doesn't answer my concern. And I'd like to ask you also to clarify what you mean by "the government determined" if there is a need for further lab facilities. Could you just describe that in more detail please.

Hon. Mr. McLeod: — Okay, the need clause is . . . just an explanation of that is there will be powers for the provincial, for the department to determine if in a geographic area someone is proposing to set up a lab, or to operate a lab in an area, or set up a new one, that we would have the power in this legislation to say that there are enough in the area and there's no demonstrated need, and so that can be curtailed in that way.

As far as your comment about the fee schedule going up

as an inevitability, I think you stated it is inevitable that the fee schedules will go up, and I believe that you intimate at least that they'll go up at a faster rate than what would be the case if this legislation wasn't there. I don't think there's any evidence in any other province; in fact I don't think there is evidence in other provinces where they have this lab licensing provision that the fees have gone up as a result of this. I don't believe that that's the case. And I don't think that you will be able to demonstrate that.

Just on the need clauses, I think some of the purchasing of labs that has been going on in very recent weeks, I would submit, is anticipating this legislation, knowing that once this legislation is in place — and that's why it's important we get it done before midnight tonight — knowing that when this legislation is in place they will have more difficulty in coming in to buy up labs or to set up in areas. So this legislation will have regulations involved in it that, you know, many of the lab owners may not like, and so they're trying to get in under the . . . prior to the legislation being passed.

Ms. Simard: — Mr. Minister, with respect to the fees once again, I just want to explore that a bit more. I am not suggesting that the fees have gone up because of the legislation. I am saying fees in other jurisdictions are higher. They are higher because you have large corporations who are doing the work, as opposed to the small labs we have in Saskatchewan. That's basically why they are higher. I am suggesting, when these large corporations come in, it will result in higher fees inevitably because they'll want to standardize them as they are charging in other provinces, and I think that's a fairly reasonable assumption to make.

Mr. Minister, with respect to labs coming into the province and buying up, big labs coming into the province and buying up our small labs, I understand that there are two companies that have already come into Regina from British Columbia. And can you tell me what the names of those two companies are, and how many labs they've already boughten up?

Hon. Mr. McLeod: — First of all, on the subject of costs, I think your worry is that fees will go up and therefore the cost to the public through Department of Health expenditures will go up. I would submit that in the absence of this legislation and the provisions here that you're talking about, there's more potential for more and more labs and burgeoning costs because of the mushrooming. And I think that's why the important of this.

Secondly, as far as giving you the names of who has bought which labs, and so on, we don't have a list of that, and I'm not sure that it's up to me to give the names of which labs have been purchased and who bought them and all of the rest of it. I would just say that once they have labs in the province and they are operating here and this legislation is passed, they will fall under the jurisdiction of this legislation, and they will be up to the standards and they will receive the fees that are paid for all labs in the province.

Ms. Simard: — Mr. Minister, can you advise me whether

a study is in the process of being completed or has been completed with respect to . . . whether a study has been completed or is in the process of being completed with respect to this legislation, and what will be happening with respect to the regulations under this legislation?

Hon. Mr. McLeod: — In terms of a study, once the legislation is passed, there will be the labs that are in existence in the province who will all need an initial licence. The study — I don't know if you can term it a study, necessarily — but the survey that we will do with each of the labs that are in existence will be: who they are; what is their location; how many people do they employ; what type of equipment; what standards they are living up to in terms of the kinds of tests that they do. And all of that information will become a baseline for that first licence, and any expansion that they take on after that they will need to apply to the department for a licence to expand beyond what they have been at that initial stage.

Ms. Simard: — Who is conducting that study, Mr. Minister? Can you give me the names of the people who are involved in it?

Hon. Mr. McLeod: — The lab licensing unit in the Department of Health, the disease control branch, and in conjunction with the College of Physicians and Surgeons.

Ms. Simard: — I wonder if you could provide me with a detailed list of the names of the individuals from outside of the department who will be performing that study.

Hon. Mr. McLeod: — The only people will be people within the department in the branch that I referred to, and then those who are appointed by the college — you know, their quality assurance committees of the college of physicians and surgeons. So I can't give you the names of who they will be, but they will be appointed by the council of the college.

Ms. Simard: — Okay, Mr. Minister, will some tests continue to be done by the provincial lab only, and I'm thinking of things like Pap smears for example and HIV (human immunodeficiency virus) testing. Will that continue to be done by the provincial lab, as opposed to these private corporations coming into the province?

Hon. Mr. McLeod: — The Act allows for sensitive tests to be done in a particular place. For example, HIV testing will be done only by the provincial lab, and that will continue — HIV testing. Pap smears, I'm informed, is not now done by the provincial lab necessarily; not exclusively; in fact they don't do any.

Mr. Chairman: — The Chair is asking leave to go page by page.

Leave granted.

Pages 1 to 9 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 79 — An Act to amend The Medical Profession Act, 1981

Clause 1

Ms. Simard: — Thank you very much, Mr. Chairman. Mr. Minister, of course the most important problem to us that we foresee in the legislation, which I spoke to you about on second reading, is what appears to be a broadening of the power of the college of physicians and surgeons that could have the effect of closing the door to applicants for registration under the Act, and I'm referring in particular to the proposed section 6, where section 29 is being amended.

Under the old section 28(d) and (e), there were specific criteria, Mr. Minister, for registration of applicants. This very specific criteria is now being eliminated in favour of phraseology to this effect:

“any other requirements in that respect that are prescribed by the bylaws of the council . . .” (and so on).

Okay, so in other words the specific criteria for registration of applicants has been removed, and instead, the council of the college is being given power to draft its own laws with respect to what sort of criteria will apply for the registrant of graduates coming from out of province or even from within province, Mr. Minister.

(2345)

The potential there is as follows: under the present legislation there is an appeal to the court, and the court would therefore look at the specific criteria and determine whether or not the college was within its powers when it reviewed the application for registration and whether it followed the specific criteria. When the power is broadened to give the college wholesale discretion, the power of the court to review the decision of the college becomes limited because the discretion is no longer the discretion of the court; the discretion becomes the discretion of the college, Mr. Minister.

So I guess what I'm concerned about is the fact that this is being left to by-laws, and I think it should be in the legislation. I think that if they are going to prescribe it by by-laws, why don't they prescribe it in the legislation because it's very important to the province. It should be important to the government to know under what circumstances an applicant will not be registered, Mr. Minister. And, okay, I just want to continue my comments on that.

What it may do, Mr. Minister, what it may do is preclude foreign graduates from being registered in the province, because I don't know what this criteria is now. I haven't seen these by-laws, and I'm not sure that you have. And if there are graduates who would otherwise be registered under the old legislation who will not be registered under the new legislation, it will have a serious and grave impact on rural Saskatchewan, Mr. Minister.

So having said that, I would like you to explain why you want to proceed in this fashion and leave it up to by-laws to be. . . and I don't think it's good enough to say that you get a chance to look at those by-laws. It should be in the legislation.

Hon. Mr. McLeod: — Prior to this and in the prior legislation . . . the present legislation, Mr. Chairman, it was in the legislation, as the member . . . the registration requirements were in the legislation, as the member suggests. What we have here is that it will be in by-laws but the by-laws will be approved by the minister. That was not the case in those registration areas. Before that the minister had the power to approve the by-laws. And that's a new provision which is for just some of the reasons that you outlined, as it relates to the importance of being able to recruit from elsewhere for the needs in rural Saskatchewan, for example, which has been part of our history for a long time and will continue to be in some of our locations for just that reason. And so that sort of public policy — that may not be the right term — but the needs of the province which can be then represented by whoever occupies the chair of the Minister of Health is provided for just in that way.

I think it's also fair to say, and I think it would be unfair to suggest that either the college or the government or anyone wants in any way to preclude foreign physicians. As I said, we rely on them, but we also have to know there's a balance there and that there will be a need for the college to have, you know, to carry out certain tests and have certain requirements. And I don't think anybody's going to argue about that. We know that there must be some requirements about who is going to practise medicine in our province. So we both have a responsibility, the college and the government in this sense, but we also both take that responsibility seriously in terms of having the physicians that we require across the province and spread as much as we can.

Ms. Simard: — Mr. Minister, will the public be able to make submissions with respect to these by-laws before they're approved? Is there a mechanism for input with respect to the by-laws?

Hon. Mr. McLeod: — The one that you're familiar with, and that's public representative on the council of the college of which I believe you were one of those once.

Ms. Simard: — But the minister approves it, okay. Does it go to a committee of the legislature and require some scrutiny and perhaps submissions to that committee, because the situation you refer to simply isn't going to be adequate?

Hon. Mr. McLeod: — You know, in a theoretical sense that opportunity would certainly be there and that's, you know, that's what one of the responsibilities of the minister . . . in that it would be to . . . if there's an issue of controversy or whatever, or questionable sort of by-laws, well then it would be something that would be discussed in a wider sense than just between the minister and officials of the department. For the most part we would scrutinize it for the purposes of the provision of health care across the province, and in the case of the rural example we've been using. And if it fits that, then the by-laws would be approved.

Ms. Simard: — I had in mind, Mr. Minister, a little more formal procedure. Maybe something like the regulations committee which allows input from people outside the

department and from people outside the legislature even.

Mr. Minister, however, I want to move on to talk about the section of the Bill, section 17 in particular, which gives the council, the executive committee, and the competency committee the power to suspend for 90 days.

Presently I understand the council and competency committee can suspend for up to 30 days, and so I have two questions — and I also understand that the council meets more frequently than every 90 days. So two questions: why are you now giving the executive committee the power to suspend for up to 90 days? And why 90 days, Mr. Minister? If the council meets before then, shouldn't the council be reviewing the matter when they next meet as opposed to leaving it for 90 days?

Hon. Mr. McLeod: — I think the first thing is that the council tries to deal with these immediately or as soon as they can, so the 90 days is the provision on the council . . . the 90 days is there as a provision for if the council does not meet, or if several of their members are out of the province, or whatever for a period in one month in the summer and 90 days could go by. That's the only reason for the . . . that's changed from 30 to 90 for that reason.

Thirty days was not seemed to be long enough to deal with it. There's some debate about whether it should be 60 or 90. We determined it would be 90. It's not unusual in other medical Acts for 90 days to be the number there, and several of the other Acts have no time limit at all. So, you know, I know it's a point of some discussion certainly, but we've discussed it for a good long time with the profession and in developing this Act and determined that 90 days . . . When it is the fact that they do deal with these cases expeditiously, in any case, that 90 days was fine.

Ms. Simard: — Mr. Minister, with respect to 48(1.4) — that's new section 48(1.4), section 20 of the Bill — the registrar is given the power to suspend up to seven days. My question to you is: why would this power be lodged — and I'm not casting any dispersions on the present registrar under any circumstances, I'm talking in terms of the office — why would this power be given to one individual when there has to be consultation with the executive committee or the president of the council in any case?

It appears to me that the decision to suspend would be more fairly placed in the hands of a group of people such as the executive committee, rather than in the hands of one person, particularly when that one person is required to consult with the executive committee. Why isn't the executive committee making this a seven-day suspension, Mr. Minister?

Hon. Mr. McLeod: — First of all, the provision is that the registrar must get the executive committee's permission, or it's an emergency — one of those two things. For the most part, for most cases it would be the executive committee's concurrence. And then the other — if there's an emergency situation — and that's left in the hands of the registrar.

The registrar already has that in the case of mental health issues, and they already have that in the present Act and that will continue. So this is a . . . Once again this is a situation where it's only in a case of an emergency where the registrar would have that power on his own.

Ms. Simard: — Thank you. Mr. Minister, with respect to section 22 of the Bill, section 50 (5.2) of the Act, there is a suggestion that after a committee starts hearing the evidence, it can amend the charge and change it for the purposes of meeting the evidence that it has heard, or it can even in effect adjourn the hearing for any length of time it considers sufficient to give the member an opportunity to prepare defence to an amended charge, for example.

In other words, if the member . . . if the doctor decides to come forward and testify, he or she does so at her own risk. And I think that's very onerous from the point of view of a member trying to defend himself or herself, because this person then has to worry about incriminating themselves with respect to some other charge they may not even have thought about, Mr. Minister. And the point has been made to me that this is unfair and goes against natural justice, Mr. Minister. Could I have your comments on that please?

Hon. Mr. McLeod: — Well the provision the member . . . (inaudible interjection) . . . I'm being told by my colleagues, it should be brief comments. The discipline committee can amend or add new charges. This provision is found in The Registered Nurses Act. It's found in The (Certified) Nursing Assistants Act. It's found in The Ophthalmic Dispensers Act that we just passed a matter of minutes ago. It's found in the medical Acts of Alberta and British Columbia.

The idea here is that they don't want charges which . . . and you, I know, appreciate the charges that come forward under this Act are very serious in nature, and they don't want these charges dismissed for very minor technicalities or flaws in the wording. And they don't, as well, want other wrongful acts that may come to light just to be ignored. So that's the concept behind this and it's the same in the other professional Acts that we have in the province.

Ms. Simard: — Mr. Minister, with respect to proposed section 43.1(1), it has been pointed out to me that in the seventh and eighth lines of the Bill it says "the college" — the Bill has the college investigating and then says that the college can direct the council to have the matter investigated, and there seems to be some inconsistency according to the comments that I have here. It says:

Where the council receives an allegation in writing that a person registered under this Act:

(a) lacks the skill . . . (etc.);

the college shall investigate the allegation.

And:

"(2) The college shall inform a person making an allegation mentioned in subsection (1) . . ."

Could you just take a look at that because I have been advised that that should read differently, and that “council” and “college” has been reversed in there. I’m just wondering if that’s accurate.

(2400)

Hon. Mr. McLeod: — The provisions that you talk about, as I understand them, put the onus on the college to investigate if an allegation is made by anyone. I believe that’s right in the first part, and then in the second part the college . . . This is a new section now that was not in the former Act:

The college shall inform a person making an allegation mentioned in subsection (1) of the disposition made by the college of the allegation.

In other words . . . and that was not in the former Act and it’s really for the public. If someone makes an allegation, they would like to know just what happened with it or what was the disposition of that charge or whatever and that’s been new and that’s for the public’s benefit.

Ms. Simard: — Okay, as long as you’re satisfied in your own mind that’s correct. Mr. Minister, with respect to cost recovery, it has been pointed out to me that the increase in the fine from 5,000 to 15,000, and also the fact that, as I understand from the old Act, that costs can be recovered under any circumstances whereas under the old Act it was limited to situations where the doctor was struck from the registrar, was suspended, or the right to practise was evoked. So now even if the doctor is simply reprimanded, these costs can be recovered in total, Mr. Minister.

Now first of all I want to know if that’s correct and if that’s what’s intended. And secondly I want to point out the fact that this has been raised with me by the SMA (Saskatchewan Medical Association) and that in their opinion this produces an undue hardship on members of the profession.

Hon. Mr. McLeod: — Well the provision to assign costs to the physician in this case is the same provision that’s in the other professional Act, it’s in the nurses Act, it’s in other Acts in other provinces as well as here.

As far as the other provision, which is a common one, but I think what you’re referring to the increase in the fines from 5 to 15,000; you say it’s an undue hardship, 15,000. The college . . . Is that what your question was — that it’s undue hardship to raise the fines to that extent?

Ms. Simard: — No, my point is that the cost recovery only took place in very severe situations where the doctor was struck from the registrar, where he was suspended or she was suspended or the right to practise was revoked. Now it applies to every situation of discipline, the way the section’s drafted. Okay? So if the doctor’s reprimanded or simply made to go and do some extra services, for example, the power is there to claim complete costs, Mr. Minister.

In addition to that, we have the fine increased from 5 to

15,000. And I’m suggesting to you that this still causes concern with the SMA, and I just want your comments on that.

Hon. Mr. McLeod: — Okay, I hear what you’re saying now. I know that, and you will know as well, there was a long discussion between SMA and the college on many provisions in this Act, or several at least. This was one where there was . . . I think the best description of it would be that there was an agreement to disagree on this; it was sort of left hanging. And it was an agreement to disagree; they knew that it was coming forward in this forum, SMA is aware of that. Probably if they had their druthers, they would’ve like to have it another way. But the decision was made this way, and both of them, both bodies knew that it was coming forward in this forum.

Ms. Simard: — Okay. Well the point made by the SMA, Mr. Minister, is that the payment of costs and fines — because these costs can be astronomical. We can be talking about tens of thousands of dollars by the time we’re done — the payment of costs and fines plus any time under suspension could financially cripple a physician. If a physician is suspended, for example, and can’t generate income to pay these astronomical costs plus the fine, the SMA is of the opinion that it could financially cripple a physician. And that’s the comment that I wanted to bring to your attention.

Another concern that has been brought to my attention is the fact that section 45(4) authorizes a competency committee to suspend a physician whom it deems should be suspended, and section 48 gives the discipline committee the similar power. And the position of the SMA is that investigative and punitive functions should be kept separated in order to protect the credibility of the investigative processes. A competency committee, for example, should confine it’s thinking to assessing competence and not be concerned with penalty.

Now the point has been made that these provisions have been in the Act previously, Mr. Minister, but no competency committee has ever exercised the power, and I don’t believe a discipline committee has ever utilized it either, but I’m not sure about that. In any case the changes in powers of the executive to suspend when urgent situations arise should be sufficient, according to the SMA, to protect the public, and that these other two committees should no longer require this power. Could I have your comments on that, please?

Hon. Mr. McLeod: — Well I know it was in the former Act and you’ve said that it’s a standard provision in medical profession Acts. What they’re saying is that the competency committee, when it’s constituted, is made up of those who are in the best position to make those decisions, and it gives that competency committee the right to temporarily suspend. And I think in terms of the protection of the public, which is what the college is concerned with here, I believe that it’s in the government’s best interest to agree with them on that — the government, on behalf of the people, to agree with them on that provision and that’s what we’ve done.

Ms. Simard: — Mr. Minister, the powers of search and seizure in the legislation — this is something I didn’t raise

in second reading, but it has been brought to my attention since then. The college is being given powers to apply to an *ex parte* application to provincial court judge to be able to go into the offices of a doctor and enter the premises and to search and to seize documents, Mr. Minister. Now this is not an unusual section; it does exist in other professional legislation, as I understand. However, but there are other mechanisms by which the college can get access to documents, other legal mechanisms in the general sort of legal process other than search and seizure.

The point has been made to me, the following point has been made to me, and that is that it's different in the situation of doctors because many doctors have group practices and medical records are highly confidential. For example, if the law society exercised powers of search and seizure, they would be going in and seizing financial records of a lawyer. In the case of the medical profession, they would be going in and seizing medical records, which would go beyond the financial records but go into confidential client records.

And let's assume, Mr. Minister, that there's four or five doctors in practice together but only one doctor is the one that's being investigated. What are the limits on the person who's seizing this documentation to prevent them from seizing documentation of all four or five doctors? And once they do that, even though it may not be able to be used in the case because it's not relevant, somewhere somebody's got access to somebody's medical records, and there may be things on those medical records that people don't want third parties to know.

And so in the situation of the medical profession, giving them the power to search and seize, walk into a doctor's office and, as I say, there's several doctors in group practice, and search and seize all the records, it becomes very questionable and it could be unconscionable. So my question to you, Mr. Minister, is: what are the limitations on this power? What are the limitations on the exercise of this power, Mr. Minister?

Hon. Mr. McLeod: — Well first of all, just to put this into context, in every case the physician would be asked for the records voluntarily, to provide the records voluntarily. That's without question. And as you know, in terms of the relationship between physicians and the college of physicians and surgeons, that's a very serious matter and is seen as very serious by individual physicians. The whole concept of search and seizure is very much a last resort thing. In fact the relevant words in the clause here in section . . . what is it, 4(b) — where it says, entered a business premises of the person examined books, records, documents and things relevant to the investigation. So it would be those things which are relevant to the physician under investigation, to use your example.

The other point is — and I'm interested in the comments here because the SMA's position early on in this negotiation was there should be no right of the college to go in or the college agents to go in without a court order, and we agreed with that and the court order provision is here and that's as it is. And so we thought we had that covered; in fact I was surprised that there are others in the

SMA with that concern.

Ms. Simard: — Mr. Minister, that concern was not expressed to me by the SMA. Now that's another individual who was concerned about that. Mr. Minister, with respect to the by-laws that I raised in second reading — the by-laws that are not directly by-laws under these new amendments but do become by-laws of The Medical Profession Act, as amended, once the amendments are approved — and I was talking about surgical procedures in community clinics in particular. Now I have had some discussions with the college of physicians and surgeons and with the community clinics, and it's my understanding . . . my most recent discussions with the college that this matter may be sorted out. What I would like to know is whether you have communicated with the college with respect to those concerns, and what status are these by-laws at this point and will the concerns that were expressed be rectified, Mr. Minister?

Hon. Mr. McLeod: — I should say, and this will clear up another point that we made earlier in discussing by-laws and the power of the minister to approve by-laws, and it's relevant to this point as well. By-laws of the professional association go before the Regulations Committee of the legislature, and the Regulations Committee, as you know, are representative from all side of the House. So that is the provision whereby the public can scrutinize and so on. Okay?

Ms. Simard: — Mr. Minister, my question . . . That answers an earlier question of mine with respect to the by-laws respecting registration. But my specific question is the by-laws that we talked about back at second reading, that were passed by the college on May 12, and I understand had some interim consent from you, that dealt with non-hospital surgical facilities and set out certain restrictions with respect to surgical procedures in non-hospital surgical facilities. Do you recall that, Mr. Minister. Okay.

Have the concerns that we expressed, which was that it would have the effect of limiting some of the surgical procedures that are now being performed quite adequately in community.

(0015)

Hon. Mr. McLeod: — I know what you're talking about now. I believe I talked to you and the member from Prince Albert one evening about that, and it refers to a concern that's been expressed by the community clinic at Prince Albert. And I right in saying that? Okay. The medical adviser in the Department of Health, and others in the department, don't feel that there has been a restriction placed. They don't think that there's been a restriction placed on any . . . you know, as has been suggested. They suggest that there's been a restriction placed on small surgical procedures which they have done heretofore and which may not be able to do, but I don't think . . . you know, our people don't concur that that has been result of what these by-laws will do.

Ms. Simard: — Well I believe they've taken the position that it will be restricting them with respect to item 2 and 6, which is:

The following procedure should not be performed in a non-hospital surgical facility.

Now if indeed they are, they may take the position they are a hospital surgical facility and there may be a judgement on record to support that position. But if indeed they are not a hospital, then they will be restricted and could not perform procedures such as within the contents of the thorax, which could in effect preclude some endoscopic procedures, or D&Cs (dilation and curettage), diagnostic and/or therapeutic, would be . . . they would be prohibited from doing those. And, Mr. Minister, they were quite clear, I think, that this may have the effect of restricting some of the procedures.

Hon. Mr. McLeod: — Well the first thing we should clarify here is that these by-laws that you're referring to are before the Regulations Committee now and have been referred there. The best way we can solve that is to discuss them there, and I will be sure that Dr. MacDonald or some relevant competent person from the Department of Health is there to go through this discussion in that context rather than in the context of this Bill.

Ms. Simard: — Can you assure us then tonight, Mr. Minister, that they will not . . . that you will make sure that these by-laws do not prevent them from doing any procedures that they've been doing competently and adequately to date.

Hon. Mr. McLeod: — Well I will only . . . I'm not in a position to assure anything except to say that it's not the intention, certainly not my intention, and you know that the by-laws are coming from the college. I will look at them carefully, we'll hear the arguments, the relevant arguments, and at the right committee, and we'll have a physician from the Department of Health, not a representative of the college, and we'll hear what the arguments are made. And that's really all I can say about it just now.

Ms. Simard: — Well, Mr. Minister, if they've been performing procedures competently and adequately, do you believe that they should continue to perform those procedures?

Hon. Mr. McLeod: — It's difficult for a layman, who's a boy from Meadow Lake and not a doctor to know that . . . (inaudible interjection) . . . No, and I'm not trying to be . . . I'm just saying that in the context of the committee where we can have the relevant and the competent physicians there who are not necessarily carrying forward the view of the college of physicians and surgeons, who are looking at this in an objective way on behalf of the public that they serve in the Department of Health, is the best place for us to determine that. And I'm in no position to say, I believe this should be done in the clinic, this should be done in the hospital, and I never have been in that position nor would I adopt such a position as minister.

Ms. Simard: — Mr. Minister, the fact of the matter is, is these by-laws are being put forward for the purposes of quality control, as I understand. If quality is not the issue, what is, Mr. Minister? If quality is not the issue, what is?

And I would think that as a minister acting in the public interest that you have an obligation to stand up and say that if quality is not an issue with respect to these particular facilities and these particular operations, these by-laws don't meet any public interest, Mr. Minister. They don't meet the public interest unless they're for the purposes of quality control. And if quality is not the issue, and you don't appear to be willing to agree that if the procedures are quality procedures being conducted competently, that they should continue, then what you're suggesting is that quality's not the issue. There's some other reason for limiting these procedures and I'd like to know what it is.

Hon. Mr. McLeod: — I think the point to make here is that I'm not suggesting anything. I didn't suggest that quality isn't the issue or that quality is the issue. But I said in the context within which this discussion should take place is in the Regulations Committee when we have the appropriate staff there, and we will deal with it there.

And I would never take the position as the minister — a layman Minister of Health — to determine what by-laws should come forward as it relates to the quality of where procedures will be able to take place.

I understand that the college and its by-laws, and the reason for the college is to refer its by-laws to the minister for approval is for in the public interest and quality being one of the major issues and all of that. I understand that well. I just say to you that I don't have a closed mind on this, and I don't have a preconceived idea about where these regulations should go. I'll just say that we'll deal with it in that context, in that Regulations Committee.

Mr. Chairman: — The Chair is asking leave to go page by page.

Leave granted.

Pages 1 to 20 inclusive agreed to.

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 8 — An Act to Promote the Growth and Development of Children and to Support the Provision of Child Care Services to Saskatchewan Families

Hon. Mr. Hodgins: — Mr. Speaker, I move that this Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 7 — An Act respecting the Protection of Children and the Provision of Support Services to Families

Hon. Mr. Hodgins: — Mr. Speaker, I move that the amendments be now read the first and second time.

Motion agreed to.

The Speaker: — When shall the Bill be read the third

time?

Hon. Mr. Hodgins: — With leave now, Mr. Speaker.

Leave not granted.

**Bill No. 56 — An Act to amend The Human Resources,
Labour and Employment Act**

Hon. Mr. Hodgins: — Mr. Speaker, I move that the Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

Bill No. 45 — An Act respecting Personal Care Homes

Hon. Mr. Hodgins: — Mr. Speaker, I move that the amendments be now read a first and second time.

Motion agreed to.

The Speaker: — When shall the Bill be read a third time?

Hon. Mr. Hodgins: — By leave now.

Leave not granted.

**Bill No. 46 — An Act to amend the Ophthalmic
Dispensers Act**

Hon. Mr. Hodgins: — Mr. Speaker, I move this Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

**Bill No. 77 — An Act respecting the Licensing and
Operation of Medical Laboratories**

Hon. Mr. Hodgins: — I move the Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

**Bill No. 79 — An Act to amend The Medical Profession
Act, 1981**

Hon. Mr. Hodgins: — I move the Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

The Assembly adjourned at 12:26 a.m.