

EVENING SITTING

COMMITTEE OF THE WHOLE

Bill No. 55 — An Act to amend The Workers'
Compensation Act, 1979

Clause 3

Mr. Goohsen: — Thank you, Mr. Chairman. Well, Mr. Minister, we will go on to our second amendment. We had just completed the first one. I'm going to try and make sure we don't do the same ones over and over. Just to let you know what we're doing, we want to give a little explanation for why we want to bring a change about in this particular section. Now just as in the new 3(b) — old 2(f.1) delete — not necessary — and could be manipulated or abused by future governments, we have the new 3(c) — the old 2(h.1) — drastically increases the number of medical people billing the Workers' Compensation Board.

This has not been properly costed according to one of our expert diagnostics, or whatever they are. Anyway, by expanding the definition of health care professionals this provision offloads health care costs from the government onto employers. It specifically causes employers to cover medical expenses for things the province has just finished taking out of medicare, such as chiropractors and optometrists. It should be self-evident that if the provincial government is not prepared to cover such costs for the general population then employers should be under no greater obligation than their own government. Now we suggest that basically that we're going to delete that from the Bill by the following motion to amend.

Okay we want to:

Amend clause 3 of the printed Bill:

(a) by deleting clause (e) thereof; and

(b) by re-lettering clauses (f) and (g) thereof as clauses (e) and (f) respectively.

And I would so move, Mr. Chairman.

The Chair: — The hon. member for Maple Creek has moved an amendment to clause 3. Does the minister wish to respond?

Hon. Mr. Shillington: — Just ask the Chair to read the amendment.

The Chair: — The member for Maple Creek has moved to:

Amend clause 3 of the printed Bill:

(a) by deleting clause (e) thereof; and

(b) by re-lettering clauses (f) and (g) thereof as clauses (e) and (f) respectively.

Hon. Mr. Shillington: — I have to confess I am confused by what's happening here. The member's comments related to the number and variety of health care professionals who can invoice the Workers' Compensation Board, unless I misunderstood him, and I invite him to clarify it if I didn't. His amendment refers to a deletion of a definition of labour organization. I am unable to relate his comments to his amendment and I wonder if he's not commenting upon a different amendment than what the Chair is dealing with.

Mr. Goohsen: — Thank you, Mr. Chairman. Just let me check here, Minister, and see. I have three amendments to clause 3, and maybe I did pick one of the other ones and give the explanation to the wrong one.

Okay, the other . . . I think my colleague just ran away with the one I just quoted from, so I'm going to wave him back here. Thank you.

Okay, Minister, I think what we're going to do is I'm going to just read through the amendment again that we are proposing. If I'm going to explain this to you, Minister, I'll have to have my ducks in line, I guess.

Just for clarification, Mr. Chairman, we voted on the amendment to section 3(b), the first one.

The Chair: — The amendment that I have at the table, and I believe this is what I heard the member move, to:

Amend clause 3 of the printed Bill:

(a) by deleting clause (e) thereof; and

(b) by re-lettering clauses (f) and (g) thereof as clauses (e) and (f) respectively.

The effect being to delete clause (e) and renumber the following clauses. And I'll now call on the hon. member for Maple Creek.

Mr. Goohsen: — Thank you, Mr. Chairman. Okay, that was the one that we voted on. Under section 3(c) we proposed . . . Okay we got it straightened out. Okay, An Act to amend The Workers' Compensation Act, 1979, and we are under 55-3(b) clause of the printed Bill:

Amend clause 3 of the printed Bill:

(a) by deleting clause (e) thereof; and

(b) by re-lettering clauses (f) and (g) thereof as clauses (e) and (f) respectively.

That's the one we're on. And I will read the proper note this time.

Defines employer association as it was under a similar provision that the Minister of Labour designated the representative mechanical contractors as the

employer association for almost the entire construction industry. This definition is especially disturbing as it allows recognition of an employer organization made up of people who are not employers at all, whether or not they are employers.

We said we wanted that part deleted, and then we went on to section 3(c) by explaining the definition of the health care professional. Okay, this provision offloads health care, in our opinion, costs from the government.

Now that's the one we're going to be doing next, so I got to stop there and let you comment on 3(b) because I had gone one too far already the first time.

Hon. Mr. Shillington: — Well I am not entirely clear about the member's position, I have to say. Perhaps it would suffice . . . (inaudible interjection) . . . All right. Perhaps it will suffice if I simply set out what purpose the Bill serves as it is now before the legislature.

The definition . . . the member's amendment would delete the definition of labour organization. The purpose of labour organization is that the Muir committee recommended that the Workers' Compensation Board be representative, recommended that two representatives be appointed from the employer organizations and two representatives be appointed from employee organizations. This . . . the only employee organizations are trade unions in effect.

So we are adding a definition of labour organization to mean the labour organization as defined by The Trade Union Act, but the function of the definition is to provide a basis for the amendments — which we'll later come to — which provide that the board must be representative. So that's the purpose of the amendment.

I am unable to relate to the member's comments, I have to say.

Amendment negated on division.

Mr. Goohsen: — Thank you, Mr. Minister. We are looking now at Clause 3(c) and if my amendment corresponds to the memorandum of briefing notes that I have, we may be away here. You never know about these things . . . (inaudible interjection) . . . exactly. But it's a complicated Bill and needs some straightening out, obviously, because even we can't get it straight.

We're looking here at 3(c). It's the new 3(c) — 2(h.1) of the old Bill. And it says it drastically increases the number of medical people billing the Workers' Compensation Board. This has not been properly costed, according to this footnote.

And section 3(c) on this explanation, by expanding the definition of the health care professional, this provision offloads health care costs from the government onto employers. It especially causes employers to cover medical expenses for things the

province has just finished taking out of medicare such as chiropractic and optometrics.

It should be self-evident that if the provincial government is not prepared to cover such costs for the general population, then the employers should be under no greater obligation than their own government. And we have suggested deleting that part.

Now if I'm on the right amendment, I will read it. And it goes, and I move as such that:

Amend clause 3 of the printed Bill by deleting clause (g) thereof.

Hon. Mr. Shillington: — Again the members of the Assembly are going to have to weigh those comments themselves. All I can do, I think, is to relate what purpose clause (g) serves. Clause (g) contains a definition of vocational rehabilitation. The vocational rehabilitation is central to these amendments.

As I explained in the spirited exchange which I had with the member from Saskatoon Greystone, the whole basis of the legislation is that we are setting up a system whereby workers are not compensated, they're rehabilitated. I'm overgeneralizing, but this definition of vocational rehabilitation is central to the changes to the Act which is to rehabilitate workers rather than compensate them. You can't always do that, but that is the centre, that is the core of the system. So I will obviously be recommending, Mr. Chairman, that this amendment be defeated.

Amendment negated on division.

Clause 3 agreed to.

(1915)

Clause 4

Hon. Mr. Shillington: — I will move:

That clause 4 be amended by striking out section 4.

The Chair: — I am going to rule that the amendment is out of order and will refer hon. members to Beauchesne, item no. 698(5) and (6), and I quote:

An amendment to delete a clause is not in order, as the proper course is to vote against the clause standing part of the bill.

And that is from June 23, 1920. Therefore I will rule the amendment out of order and the minister will be advised by the ruling.

Hon. Mr. Shillington: — Accordingly, I will simply urge members to vote against this section and we'll accomplish the same thing.

Clause 4 negated.

Clause 5

Hon. Mr. Shillington: — I will be moving that clauses . . . sections 5 to 9, and I guess this will have to be done individually with each section, but I will therefore move that this section be renumbered as section 4, given the fact that we deleted the earlier section.

The Chair: — If the minister wishes to move, I would accept all sections 5 to 9 be done simultaneously. If the minister would like to move that.

Hon. Mr. Shillington: — I would move:

Sections 5 to 9 of the printed Bill be renumbered as sections 4 to 8.

Amendment agreed to.

The Chair: — Then the renumbered section 4.

Clause 4

Mr. Goohsen: — Thank you, Mr. Chairman. Under the renumbered no. 4, the old section, no. 13 amended, see no need to expand administrative costs of board by an extra two members, especially during these times of fiscal restraint.

Increasing the number of board members from three to five, Mr. Chairman, at a time when we are reducing the number of MLAs (Member of the Legislative Assembly) to save costs, it is inconsistent to be increasing the size of boards and commissions. Under the previous board on the day the members were dismissed without cause, the backlog of cases was only 18. Since that time, the new appointees have actively generated a backlog that we are told exceeds 100 cases.

Now this is not a reflection, therefore, on the need for more members since the previous board was able to cope effectively. Rather it is a reflection of either incompetence or political manipulation. There is simply no demonstrable reason to place this increased cost on the province at this time and we're suggesting that we delete it with our amendment, which clause 4 of the printed Bill, I now move that we:

Amend clause 4 of the printed Bill by striking out the phrase "maximum of five members" where it appears in section 13(1) as being enacted therein and substituting therefor the following: "maximum of three members".

I so move.

Hon. Mr. Shillington: — I will be urging the Assembly to defeat this, although I do so with some considerable caution. I don't entirely disagree with the comments which the member made.

The Muir committee recommended there be five members in order that the administrative problems — to which I think all parties have addressed themselves in the earlier questions — so these administrations

problems can be dealt with. In fact at the moment, we only have three members, and I guess we're simply going to play this by ear as we go along. If we don't need any more than three members they won't be appointed.

We would, however, like the flexibility to increase the number if it's necessary, and we're cognizant of the fact that the Muir committee which spent some considerable time recommending it recommended five. So we're adopting the recommendation of the Muir committee.

If it's any comfort to the member from Maple Creek, I say that I share some of his concerns and if . . . We only have three at the moment. If we can get by with three, that's all that will be appointed.

So I'm going to ask the amendment be defeated but I certainly respect the spirit in which it's put forward.

Amendment negatived on division.

Mr. Goohsen: — It's okay. I'm one ahead of myself.

Clause 4 agreed to.

Clause 5

Mr. Goohsen: — Thank you, Mr. Chairman. The new clause 5(3) — old subsection 14(3) repealed: this will further politicize the board by taking away scrutiny of the chairman's status before the full legislature. We prefer to see the old section retained as it was.

Now we also have the note here that it removes the authority of the Legislative Assembly to determine if there is cause to dismiss the chairman of the Workers' Compensation Board and give the cabinet the power to fire the chairman at its discretion. The provisions giving the Assembly this authority was designated to preserve the independence of the position and protect it from political interference by cabinet.

Given the promise of the Premier to have all major appointments subject to approval of the legislative committee, it is absurd that they are now proposing to eliminate this one modest measure of independence in the system. There is simply no justifiable reason for the provision except purely political motivation.

To argue that the government would not be able to fire an incompetent chairman would mean that the government would not be able to convince even its own members that he is in fact incompetent. Of course the government can impose party discipline and win any vote it wants.

So the only difference is that before the firing takes place there would be an open public debate. Therefore we can only conclude that the government is afraid of open debate about such a matter, and with this provision is insisting it has the power to fire important officers in secret.

And we suggest that we delete this by moving the

following amendment of clause 5 of the printed Bill:

Amend clause 5 of the printed Bill:

- (a) by deleting subsection (3) thereof; and
- (b) by renumbering subsection (4) thereof as subsection (3).

I so move.

Hon. Mr. Shillington: — What the member says is rational but it's not in keeping with the practice of this legislature. What the member says is correct, in a way. If the government has some quarrel with the chairman, in theory it isn't any different than having some quarrel with any other public servant so long as the government maintains its majority in the Assembly.

In fact that's really not been the practice. The practice has been that when a public servant is removable only by a resolution of the legislature, the practice has been that that person is accountable to the legislature and not the government. That's the purpose of making the Ombudsman appointable back to the legislature. That's the function in making . . . that's the rationale behind making judges removable by a motion of the Assembly and so on.

So what the member says is rational theory; it is not, however, the practice of this legislature. The practice of the legislature is, as I said, when someone is removable only by a motion of the legislature that they are accountable to the legislature and not to the government.

I just want to explain very briefly why we believe that this is not an appropriate amendment. We have all spoken earlier about the administrative problems which we foresee and which we all agree — all three parties agree — should be corrected. That's very difficult to do if the chairman is not accountable to government. We agree that with respect to the disposition of individual claims, the board should exercise an independence which would be very similar to that exercised by judges.

With respect to the administration of the board and the fund, however, we believe they should be accountable to the government, and I, in turn, should be — the minister — in turn should be accountable to this legislature.

So we therefore feel that this amendment — while I appreciate the spirit of it, I agree it is appropriate that the chairman be independent with respect . . . in the individual claim, it is our view, however, that the amendment as a whole isn't appropriate because the chairman should be accountable to government with respect to administration of the Act and the fund.

Amendment negated on division.

Clause 5 agreed to.

Clauses 6 and 7 agreed to.

Clause 8

Mr. Goohsen: — Thank you, Mr. Chairman, Mr. Minister, the new clause 9 was the old 21.1. Note that the government is not proposing any duty on the board to be fiscally responsible and provide fair and reasonable employer classification or assessment.

With that note having been made — I'm hoping that I grabbed a hold of the right sheet because I have two of them — we are going to move the following amendment:

(a) by adding immediately after the words "The board shall" where they appear in subsection 21.1(1) as being enacted therein the following words:

“, in a fiscally responsible manner”;

and

(b) by adding immediately after clause 21.1(1)(a) as being enacted therein the following new clause:

“(a.1) provide fair and reasonable employer classifications or assessments;”

I so move.

Hon. Mr. Shillington: — I would just be fairly brief here. I can be much more, much more . . . I'm getting different advice here, Mr. Chairman. I'll act on my own instincts and be relatively brief.

I would simply point out to the member that we think this is probably unnecessary. Section 118 now requires the board to be fiscally responsible by maintaining a fully funded system. So we think that's already in the legislation. It's certainly the view of this government that that should be maintained. So I think it's already covered off. I'd urge the Assembly to vote against this as being unnecessary.

Amendment negated on division.

(1930)

Mr. Goohsen: — Thank you, Mr. Chairman. We have another one on clause 8, the new 9(2), and just in reflecting on how we are handling these amendments, I would suggest to the minister that when he makes comments about why he opposes our position, it seems to me that he should do more than think he's got something covered in the Bill with another part of the Bill. He ought to know for sure, and that's the doubt that we have is the reason why we are introducing these amendments because we seriously doubt that these things are covered off in the other sections as he has suggested. And in order for there to be no mistaking the intent or the understanding, that's our purpose in proposing the amendments.

On the 8(2), rather, we recommend the new legislation commitment to have the board make its policy directives public, but there should be opportunity for at least 60 days advance notice and comment. And we suggest that you see sections in Bill 56 which also of course have that same connotation.

Having then made that reflection, Minister, we propose the following House amendment which I'll now move:

Amend clause 8 of the printed Bill by deleting subsection 21.1(2) as being enacted therein and substituting the following therefor:

“(2) The policy directives of the board shall not be effective until a period of time of not less than 60 days has elapsed after it is published in *The Saskatchewan Gazette*.”

And I so move.

Hon. Mr. Shillington: — I think we seek the same goals here. The existing section, subsection (2) says:

The board shall make its policy directives available to the public.

We certainly invite comment on them in cases where the change is substantial. However I think our view is that the suggestion put forward by the member for Maple Creek would be unduly restrictive and unduly awkward in some cases where the changes are minor.

So we'll be urging the Assembly not to adopt it, not because we think it's wrong-headed, but just because it may be awkward in some instances.

Amendment negated on division.

Clause 8 agreed to.

Clause 10

Hon. Mr. Shillington: — The policy here is easy to explain but difficult to actually implement. It deals with workers who are injured for a second time. The policy — which is really not changed — is that workers who are reinjured should be compensated for the aggravation or the acceleration of their injury, but not compensated a second time for the earlier injury.

There was some concern expressed that the words “or combines with” in line 4 and 5 of the existing amendment might have the result that a worker would be compensated twice. I am therefore moving:

That section 10 of the printed Bill be amended by renumbering section 10 of the printed Bill as section 9; and

by amending section 50 of the Act, as being enacted by renumbering section 9 of the printed Bill, by striking out “aggravates, accelerates or combines with” and substituting “aggravates or accelerates.”

I so move.

Mr. Goohsen: — Thank you, Mr. Chairman. We appreciate, Minister, the fact that you have noted concern in this clause. We too had an amendment prepared for it, have decided not to present our amendment in the hope that what you are doing will suffice the needs of the general public who will be affected by the Bill.

And as you have indicated earlier today, this Bill — being very complicated and somewhat controversial, to say the least — most likely it would be back on the order paper for adjustment next year. Noting this commitment from you, that you will be relooking the whole thing over in due course to see how it works, we're prepared to go along with not putting our amendment in and going along with yours for the time being.

Amendment agreed to.

Clause 9 as amended agreed to.

The Chair: — I understand the minister wishes to move an amendment to sections 11 to 24.

Hon. Mr. Shillington: — Yes, this is going to be a continuing problem here. I move:

That sections 11 to 24 of the printed Bill, that the printed Bill be amended by renumbering sections 11 to 24 of the printed Bill as sections 10 to 23.

Amendment agreed to.

Clause 10

Mr. Goohsen: — Thank you, Mr. Chairman. As we get these things all renumbered, I'm sure we'll have it straight in the end.

Under the new now number 10, the old section of 51.1 amended as worded, this may guarantee almost every worker a costly rehabilitation plan as long as they merely prove they are cooperating. Now we think that that has to be changed somewhat, Mr. Minister, and we're going to do it by moving the following amendment to clause 10 of the printed Bill:

Amend clause 10 of the printed Bill by adding immediately after the word “Where” where it appears in clause 51.1(b) as being enacted therein the following:

“, in the opinion of the board,”.

I so move.

Hon. Mr. Shillington: — It seems to me that the member's amendment is really unnecessary. The section states, the worker shall:

. . . where the circumstances require,

co-operate with the board in the development of a rehabilitation plan . . .

The member's amendment would have that read:

. . . where in the opinion of the board the circumstances require, co-operate with the board . . .

It strikes me that, even without the member's amendment, that's a logical consequence of that section. So I think the member's amendment is unnecessary. I think it's already incorporated in the section, and I will urge that the section be . . . this amendment be defeated.

Amendment negated.

Clause 10 agreed to.

Clause 11 agreed to.

Clause 12

Mr. Goohsen: — Thank you, Mr. Chairman. Someone suggested in the background that I'll be recognized a lot more if I don't hurry up. So we will try to get on with this. Or maybe I won't be recognized if I don't hurry up.

It says here . . . dictates what the medical records will be available to the board in considering claims. The problem with this section is in its relationship to other sections. In other sections the Bill provides coverage for pre-existing medical conditions in making a compensation claim. If that is to be the case, then the board must clearly have access to previous medical history of the claimant.

Moreover, access to previous medical history is important to ensure that a claim is not made purely on the basis of a pre-existing condition that had been hidden from the employer.

And we also have a note here that the old sections 54 and 56 indicates that health care professionals can only furnish reports to the board that are relevant to the injury for which the compensation is claimed. How could the board ever get information on pre-existing conditions with this amendment? If this prevents such access, then section 50 as amended becomes truly costly and wide open for potential abuse.

With that need to rectify potential for abuse, Mr. Chairman, I would move the following amendment to clause 12 of the printed Bill:

Amend clause 12(b) of the printed Bill at clause 54(a) be deleting "that are relevant to the injury for which compensation is claimed" and substituting:

"including previous medical history as deemed necessary by the board".

I so move.

Hon. Mr. Shillington: — I'm going to urge the Assembly to defeat this. I think we've already covered off the ill that the member addresses himself to. The current interpretation is that past medical reports, of course, can be requested. We really . . . What other medical reports do you want? You scarcely want future medical reports to be furnished.

This section says they can be furnished if they're relevant. Surely that's a reasonable test by which the board requests medical information. So we think the section is fair and adequate as it is. We think it covers the ill which I believe the member addresses himself, and we therefore urge the amendment be defeated.

Amendment negated on division.

Clause 12 agreed to.

Clause 13 agreed to.

Clause 14

Mr. Goohsen: — Thank you, Mr. Chairman. Now we have a feeling that this section needs amending for basically the same arguments that we gave in the last section. I won't bother rereading all of that but we suggest that we'll have to amend by deleting words, and I think that will be evident if I read the amendment itself. So having said that it basically follows that same argument, I will simply go on to reading the amendment which I will now move to clause 14 of the printed Bill:

Amend clause 14 of the printed Bill at clause 56(a) by deleting "that are relevant to the injury for which compensation is claimed" and substituting:

"including previous medical history".

I so move.

Hon. Mr. Shillington: — I think I am just going to refer members to my comments under the previous section. This was really ancillary to the earlier amendment which the member moved. We defeated it and logically we should defeat this as well.

Amendment negated on division.

Clause 14 agreed to.

Clauses 15 to 20 inclusive agreed to.

Clause 21

Mr. Goohsen: — Thank you, Mr. Chairman. Well, Mr. Minister, section 21. This is the section that eliminates deeming, apparently, and there is no statistical basis to the government's claim that deeming has presented any significant hardship. The appeal process is exhaustive and the end result of the process has meant that something in the order of only 1 to 2 per cent of

cases are ultimately deemed to the dissatisfaction of the claimant. Therefore the current provisions are adequate and this section is not needed, and we suggest that it should be deleted.

(1945)

Questions to raise on this clause include, as I have in my notes here: how many cases were deemed last year as a per cent of the total claims? And how many cases of deeming were appealed? Of those, how many appeals were denied? What percentage of the total claims? And what happened after the first appeal failed, etc.

So I think that the minister will take note of those questions and answer them, perhaps, as we go along. And I will move the following amendment to correct and rectify this situation in the Bill.

I move that clause 21 of the printed Bill:

Amend clause 21 of the printed Bill:

(a) by deleting subsection 21(1); and

(b) by renumbering section (2) as section 21.

I so move.

The Chair: — Order. I think . . . Let me just read the amendment as I have it worded before me, and I'll ask the member to follow through. I think you may have erred in your reading. Just to make sure we have it correct.

Move motion to:

Amend clause 21 of the printed Bill:

(a) by deleting subsection 22(1); and

(b) by renumbering subsection (2) as section 22.

Mr. Goohsen: — That is correct, Mr. Chairman. When I was changing the 22's up above I also changed these, but these have to stay the same as 22, yes.

Hon. Mr. Shillington: — Briefly, this matter was covered briefly in my discussion with the member from Saskatoon Greystone earlier in the day.

We have not eliminated deeming; we have simply returned deeming to its original function as a mechanism for dealing with injured workers who refuse rehabilitation or, having got rehabilitation, are not making reasonable efforts to return to work.

So this section doesn't eliminate deeming. It returns it to original function which we think is appropriate. We therefore ask all members of the Assembly to join us in defeating this amendment.

The Chair: — I'm going to reread the amendment again. I think the error may have been the Chair's. And

as originally worded by the member from Maple Creek is the intention of the amendment in light of the amended numbers of the sections of the Bill.

The amendment before us, as I understand it, is to:

Amend clause 21 of the printed Bill:

(a) by deleting subsection 21(1); and

(b) by renumbering subsection (2) as section 21.

Amendment negated on division.

Clause 21 agreed to.

Clause 22 agreed to on division.

Clause 23 agreed to.

Clause 24 agreed to on division.

The Chair: — Order. Because of the renumbering, the Chair was in error in calling for the vote on section 24. There currently is no section 24. However there is a section 25, and it is section 25 that is before us and the minister wishes to move an amendment to section 25.

Clause 25

Hon. Mr. Shillington: — I move that we renumber section 25 of the printed Bill as section 24.

So we can now satisfy our lust for voting on section 24. And:

amend renumbered section 24 of the printed Bill by striking out subsections (2) and (3) and substituting the following:

“(2) Subsection 77.01 is amended by striking out ‘on the anniversary date of his injury’”.

I think the members read that it will be appropriate. It will appear as a typographical change and no change in substance. I'll answer any questions the members may have.

The Chair: — I'm going to reread the amendment and I'll ask the minister to follow. The printed copy I have before me is not precisely as you stated. And I will ask that you confirm that the amendment is as follows:

renumber section 25 of the printed Bill as section 24.

amend renumbered section 24 of the printed Bill by striking out subsections (2) and (3) and substituting the following:

“(2) Subsection 77.01(2) is amended by striking out ‘on the anniversary date of his injury’”.

That is the amendment before us. Are you ready for the question? Will you take the amendment as read?

Amendment agreed to.

Clause 24 as amended agreed to.

The Chair: — I stand corrected. I thank the member from Morse for his help. That's clause 25 as amended, which now makes it clause 24.

And the minister wishes to move an amendment to sections 26 to 32 of the printed Bill.

Hon. Mr. Shillington: — I move that we:

Renumber sections 26 to 32 of the printed Bill as sections 25 to 31.

Amendment agreed to.

Clause 25

Mr. Goohsen: — Thank you, Mr. Chairman. In the new 25 to 28 we have 31-old 82(85)(1)(87) amended. We have no problem with increasing the amount to dependent spouses and children but are concerned about establishing the new precedent of indexing.

We would rather see periodic adjustments based on the ability of the economy or the board to pay. And with view to that concern, we have the following amendment which I will now move to clause 25 of the printed Bill:

Amend clause 25 of the printed Bill by striking out the words “annually in subsequent years by the average percentage change in the Consumer Price Index” where they appear in subsection 82(3) as being enacted therein and substituting therefor the following:

“periodically, based on the ability of the economy and the board to pay”.

I so move.

Hon. Mr. Shillington: — I'm going to urge that this section be defeated, not that we disagree with the approach of the member from Maple Creek. This section however should be understood in its context. This section applies only to burials for which the board is responsible. There were only 40 of them last year.

The amount here involved is so small it would really not be possible or relevant to try to figure out whether or not the board could afford it. The amount of the increase is just too small to be an actuarial concern. We therefore recommend that it be defeated.

Amendment negated on division.

Clause 25 agreed to.

Clause 26 agreed to.

Clause 27

Mr. Goohsen: — Thank you, Mr. Minister. I'm just going to move this amendment. I think that the minister will pick it up as self-explanatory. We have in clause 27 of the printed Bill, I move that we:

Amend clause 27 of the printed Bill by striking out the words “annually in subsequent years by the average percentage change in the Consumer Price Index” where they appear in subsection 85.(1.3) as being enacted therein and substituting therefor the following:

“periodically, based on the ability of the economy and of the board to pay”.

I so move.

Hon. Mr. Shillington: — Again, my comments are the same. The amount involved is too small to be actuarially relevant. There were 94 children involved. We're told by Price Waterhouse that the total cost of this would be \$166,000.

Given the magnitude of the sum and the amount in the fund, it would be almost impossible to determine . . . to make a really . . . a determination in such a small sum as to whether or not it's affordable. We therefore urge this be defeated.

Amendment negated on division.

Clause 27 agreed to on division.

Clauses 28 and 29 agreed to.

Clause 30

Mr. Goohsen: — Thank you, Mr. Chairman. Mr. Minister, I think that this is also self-explanatory, so I will simply go ahead and move that clause 30 of the printed Bill:

Amend clause 30 of the printed Bill by striking out the words “annually in subsequent years by the average percentage change in the Consumer Price Index” where they appear in subsection 87(1.1) as being enacted therein and substituting therefor the following:

“periodically, based on the ability of the economy and the board to pay”.

I so move.

Hon. Mr. Shillington: — I could repeat my comments from the previous section and that is the amount involved is very small. I think, however, I prefer to base my comments under this section on the principle involved. This section applies to children. Surely with respect to children we can put them first and we can assure that the amount of their benefits are indexed to inflation. Surely this is not an appropriate place to be agonizing over whether or not the fund is in balance or out of balance. The sum is too small to be really actuarially relevant. In any event, I think it's

inappropriate to be restricting the benefits given to children based on a concern as to whether or not the fund in its total would be actuarially sound.

I therefore ask and urge members to defeat this amendment.

Amendment negatived on division.

Clause 30 agreed to on division.

(2000)

Clause 31

Hon. Mr. Shillington: — I move that section 30 . . . I'm going to move the following section after the renumbered section 31. I don't know whether or not it's appropriate now or whether it's appropriate after we've passed section 31.

The Chair: — Order. The amendment is in order and appropriate to move with the consideration of section 31 as renumbered. So if the minister would like to move the amendment.

Hon. Mr. Shillington: — At the end of my comments I will move that section 32 be renumbered. I'm not going to read it; I think the members have it for themselves. I will not read it until I actually get around to moving it.

I think it's apparent that the words "\$630 per month" are substituted for the words "the amount that would have been payable to the worker with respect to whom the spouse is entitled to compensation if the worker had attained the age of 65," as I think is apparent.

The increased pensions for spouses covered under the old . . . this increases the pensions for spouses under the old Act from 530 to 630. Doesn't seem like an excessive amount of generosity.

I would therefore move that:

The following section, after renumbered section 31:

Section 98(1) amended

32 Subsection 98.1(3) is amended by striking out "the amount that would have been payable to the worker with respect to whom a spouse is entitled to compensation if the worker had attained the age of 65 years" and substituting "six hundred and thirty dollars per month."

I so move.

Mr. Goohsen: — Thank you, Mr. Chairman. Mr. Minister, two obvious questions come to mind. How many people does this affect on a normal year? You can't predict next year I expect, but of course you could take something from last year, and the year before, and give us an idea of how many people this does affect and how many dollars this \$100 per month

increase will amount to in general terms for the program.

Hon. Mr. Shillington: — If the member wants precise information, I'll have to supply it in writing later on. We do not have the precise number. It is something slightly in excess of a million dollars, I'm told is the cost. And I'm told involves a rather few number of spouses.

I am told that this is something which was overlooked from an earlier report, and we are moving forward with it now. It isn't something that arose with this report. So the best I can do is to say my information is it's something in slightly excess of a million dollars. And it has been calculated by Price Waterhouse and is included within the amount of the 10.5 per cent increase we expected.

Mr. Goohsen: — I would appreciate if you would give us those figures when you have them available, Mr. Minister, because a million dollars of course is not much to a government, I suppose. But here again we see a rather ominous threat to people who are not in the government circle.

In other words, what we're saying is that you've cut back seniors in all kinds of areas with the government cut-backs of every description, even right down to taking away the right of seniors to fish in this province free of charge. You've cut them back in every area where the government pays.

But in this one area where business gets stuck with the bill, it's real easy to be generous and look like a good guy, and I'm sure the folks that are going to get the extra hundred dollars are cheering and they're happy. But there is something that's not quite consistent in the way your government deals with who pays the bills and how much they pay. Obviously we won't be able to convince you not to do this, so I think I'll just simply let it lie there.

The Chair: — The question before the committee is the amendment to clause 31, in effect adding a clause 32. Will you take the amendment as read?

Amendment agreed to.

Clause 31 as amended agreed to.

The Chair: — I now advise members of the committee that the amendment added a clause 32 so the numbers before us are now those that appear in the printed Bill, and that is our numerical system. The question before the committee is clause 33.

Clause 33

Hon. Mr. Shillington: — I am going to . . . at the conclusion of my comments, we'll move that we amend section 104 of the Act as being enacted by section 33. We'll be striking out subclause (4)(b)(iii) — I'll read this precisely when I move it — and we will substitute a phrase which reads:

“(iii) in consultation with the worker, the board has designed and provided to the worker, at the expense of the board, a vocational rehabilitation program, and the worker has been allowed a reasonable time to obtain employment after completing the program”;

Members will recognize in this clause the core of the program to which I refer, and that is that workers are not being compensated so much as they're being rehabilitated. This section, with a fair amount of brevity, sets out that the board shall consult with the workers; shall design and provide a program to the worker; allow the worker a reasonable period of time in which to obtain employment after which the board's responsibility will come to an end.

I therefore, Mr. Chairman, move that section 33 of the printed Bill be amended by:

Amending section 104 of the Act, as enacted by section 33 of the printed Bill:

(a) by striking out subclause (4)(b)(iii) and substituting the following:

“(iii) in consultation with the worker, the board has designed and provided to the worker, at the expense of the board, a vocational rehabilitation program, and the worker has been allowed a reasonable period of time to obtain employment after completing the program”;

I so move. And:

(b) by striking out subsection (5); and

(b) by renumbering subsection (6) as subsection (5).

I so move.

The Chair: — I have the printed motion before me, but it is not precisely the same as read by the minister. Can I just read the words that are substituted to see if we have the same?

“(iii) in consultation with the worker, the board has designed and provided to the worker, at the expense of the board, a vocational rehabilitation program, and the worker has been allowed a reasonable time to obtain employment after completing the program”;

That's your intention? Is that amendment that is before the committee . . . Just stop for a moment.

Mr. Goohsen: — Thank you, Mr. Chairman. Well, Mr. Minister, I think I should read the comment that I had written about the whole section because that may apply to what we're going to do in the attempt to correct your amendment so that it actually will serve the needs that has to be served. Then we're going to suggest and move a subamendment.

Now we believe that under the old section 104 amended . . . still does not provide employers with clear assurances that duration of time on vocational rehabilitation will not be greater . . . or greatly extended or abused, especially if read in conjunction with the new objects clause of the Act. The board may reduce or terminate, rather, payment to a worker, only if the worker can be proven not to be cooperating, i.e., without good reason.

Now this may be very hard to do. Amendment amended 401(4), little two in brackets, should indicate a maximum job search of three months, not a minimum of three months. In other words, change wording from “not less than” to “up to” three months.

And that, I guess, is the suggestion we're making there.

The new 401(5) should be deleted, we suggest, by including this in . . . potentially nullifies any time limits established under 404-4. Now, I would like to move the following subamendment to the amendment:

That the amendment be amended by deleting “a reasonable time” and substituting “up to three months” therefor.

And I so move.

Hon. Mr. Shillington: — I would suggest the amendment's out of order. If the amendment which I proposed passes, there would be nothing there for the member from Maple Creek to amend.

A subamendment's only in order if it amends my amendment. His doesn't. His amends the original section. His amendment only makes sense, I think, if my amendment is defeated. And therefore, I think it's out of order. It has to make sense on the assumption that mine might be passed.

(2015)

The Clerk points out that I may have been in error. I was following the amendment as you had it written. Apparently you have changed it, and it was slightly different as you stated it. We'll accept it as you stated it. I would therefore urge the subamendment be defeated.

The amendment which we proposed provides that the injured worker shall have a reasonable period of time in which to find employment. Three months is probably a rough guide. There might be some who would take less and there might be some who would take more.

My fear about the member's amendment is, everybody will get three months whether they need it or not. That might be overcompensating people who could have found work in less than that, and I suspect might undercompensate some who have more difficulty because their injuries are more serious. So I would urge that this be defeated, acknowledging that three months is probably a rough guide and a rough

average.

Subamendment negated on division.

Amendment agreed to.

Clause 33 as amended agreed to.

Clauses 34 to 37 inclusive agreed to.

Clause 39 agreed to.

Clause 40

The Chair: — And I will ask the Minister of Labour to move his amendment.

Hon. Mr. Shillington: — We're going to add the following section after section 40 of the Bill. We're going to provide a requirement that if the . . . We have stated that we expect the assessments, the average increase in assessments to be 10.5 per cent. Some concern that this figure might be a sham. I think the concern was expressed by people in the business community. This figure might be a sham and a figure to which we have no commitment beyond some verbal passing reference.

In order to assure the business community that the 10.5 per cent figure was real — we expect the board to live within it and believe they can — we've proposed the amendment which I'm now going to read. I would move that section 40 of the printed Bill be amended:

Add the following section after section 40 of the printed Bill:

“Section 135 amended

41(1) subsection 135(1) is amended by striking out ‘The board shall’ and substituting ‘Subject to subsection (4), the board shall’.

(2) The following subsection is added after subsection 135(3):

‘(4) Where, in any year, the board proposes to assess and levy on the employers in a class of industry an assessment that exceeds the assessment levied on those employers in the preceding year by more than 10.5 per cent:

(a) the board shall, before making the assessment:

(i) send a notice of the proposed assessment to the employers in the class; and

(ii) cause the notice to be published in *The Saskatchewan Gazette*; and

(b) the employers in the class may, within 30 days after the date of

publication of the notice in *The Saskatchewan Gazette*, make representations to the board with respect to the proposed assessment”.

Perhaps I'm just going to say this time that I'm reading this and all members have a copy of this. If there's any differences between what I read and what's printed, the printed version shall prevail.

Mr. Goohsen: — Thank you, Mr. Chairman. Well, Mr. Minister, the initial start of your comments had us up in our seats a little because we thought that you might actually be doing something positive with this very, very badly drafted Bill.

What in fact you have said is that you're going to have a maximum per year of 10.5 per cent increase to the business community on their premiums — which means, of course, that in six years that alone could mean 100 per cent increase — at a time when you're telling everybody else that 2 per cent increases in wages and 2.5 and that sort of thing is all enough.

Yet you're saying that increases to business communities' costs should go up by 10.5 per cent. And then you even leave yourself an escape hatch here saying that if you put it in the *Gazette*, you're going to be allowed to increase it even more.

I mean, really if I understood that right, this is not much comfort to the business community, I shouldn't think at least. I don't pay for any workers' compensation in my operation at the moment. But if I did, I think I'd be probably a little astounded at sort of the damage control mechanism that you're throwing in here as a peace offering.

And if that's what it's intended to be, I think you're falling mighty short mighty fast because we're not getting anywheres with this Bill towards alleviating the concerns and the problems of the business community.

So obviously you are going to, with the weight of your majority, pass this and do it, but I suggest to you that if you're going to take any credit for helping anything, you've missed it.

Mr. D'Autremont: — Thank you, Mr. Chairman, and Mr. Minister. Another point in this amendment that you proposed is a possible 10.5 per cent increase in one year. And if you're going to have more than that, your bone to the employers of this province is that you'll notify them that you're going to raise the fees up. You'll notify that class of employers and you'll cause that a notice be published in the *Saskatchewan Gazette*.

And if that increase is, say, 50 per cent in a year, what recourse do the employers have? Well they can make presentations to the board within 30 days. Now that is a very flimsy excuse for claiming that you're giving something to the business community, Mr. Minister. You're giving them absolutely nothing other than the fact that you'll send them a letter that we're raising the

fees. That's all you're doing. That is garbage, Mr. Minister.

Hon. Mr. Shillington: — I'm crushed. My amendment, which we thought so good, has found itself ill-favoured with members opposite.

Let me explain what we're doing here for members opposite. And I think members understand this, but let me repeat that the assessments are based upon the loss record. If an industry has a bad loss record, their assessments will go up because it's as if each industry had a separate fund. If their accident record is bad, the assessment is increased. The fund is kept in balance. Thus in any year, assessments might go up by nothing, they might be reduced, or they might be increased. And given the loss record, they could be increased by more than 10 per cent.

There was some concern expressed that the . . . And I think everyone except perhaps members opposite, but everyone else agrees these amendments are going to cause a one-time-only increase. It's not going to happen every year. These are a one-time-only increase.

We therefore, to give some comfort and assurance to the business community that we were serious about the 10.5 per cent, we've provided something they didn't have before, and that's the legislative right to be notified of any increases over 10.5 per cent. In any given year, any industry might face that if their loss record is that bad. So I would urge members to accept this in that spirit and pass this amendment.

Mr. Goohsen: — I have to rush to get ahead of my colleague; he was so anxious to get involved in that one. And I can readily see why, Mr. Minister.

Mr. Chairman, the minister shall note, I think, that if he is serious about a one-time-only rise in cost as a result of this Bill, I challenge him here and now to stake his seat in the cabinet on that statement. If you're wrong, you resign. Put your money where your mouth is, Minister, because this is really not going to happen.

The very way that this Bill is written absolutely ensures that the costs to the business community have to go up. There is no down and there is no staying the same. And if there is any chance that this could happen only once, the sun won't come up in the East any more. And I challenge you to put your money where your mouth is and commit yourself to resigning from your seat if you're wrong and they go up more than one time.

Hon. Mr. Shillington: — I assume the member will resign his seat if they go up by less than 10.5 per cent. If that's part of the bargain, it needs to be considered. If the average increase is more than 10.5 per cent, I resign. If they're less than 10.5 per cent, you resign.

I want to say to the member opposite, you may get the best of that bargain. I'm not sure that a by-election in Churchill Downs wouldn't be more attractive than a by-election in Maple Creek. So perhaps I shouldn't be

making any bargains on behalf of the Premier.

I just make this . . . not to make a serious offer to you of wager, just to point out that I think your proposal is not well founded if it was seriously put forward.

Mr. D'Autremont: — Thank you, Mr. Chairman. The minister talks of measure of losses within an industry determining what the fee schedule will be. Where do you measure that industry? Is that within the province of Saskatchewan, or just what jurisdictions do you measure?

Hon. Mr. Shillington: — No, it's within the province of Saskatchewan. It is as if each industry in the province had a separate bank account. All of their assessments go into their bank account. All of the losses are paid out of their bank account. The bank account is kept in a zero balance or better.

Now there isn't actually separate bank accounts, but the system is administered and has been administered since time immemorial in that fashion, and it is in every other province.

Thus every three years the assessments are reviewed for any one industry. They're staggered so the board is constantly reviewing assessments, but each one is done about every three years. If the accident record suggests a decrease in assessment, that occurs; if the accident record justifies an increase, that occurs. But it's done in that fashion. So given that as a basis, of course it includes only businesses within Saskatchewan.

Amendment agreed to on division.

Clause 40 as amended agreed to.

Clause 41

The Chair: — Members will note then that this has created a new clause 41, and I'll recognize the Minister of Labour for an amendment to the printed Bill.

Hon. Mr. Shillington: — This came about as a result of some considerable dialogue between myself and members of the business community. As the Bill was originally printed, the Bill would be . . . scheme would have envisioned information flowing from occupational health and safety to the Workers' Compensation Board and that information being the basis of assessments.

The business community made a very vigorous case that their assessment should not be based on information from occupational health and safety when it has not been tried and tested. And they felt their assessments might go up on the basis of some personal dispute with an occupational health and safety officer.

At the end of the day, whether or not they persuaded the government, we kind of came to the conclusion this is their call. It's their money. It's they who pay it.

That's the basis upon which they want to pay it. I think we weren't prepared to sort of shove the changes down their throats.

So this amendment will provide the information can still be passed on to WCB (Workers' Compensation Board) for general purposes, but the information will not be part of their assessments. As I say, this is done in response to quite a vigorous lobby from the business community.

(2030)

The Chair: — Would the minister then like to move the amendment into the record?

Hon. Mr. Shillington: — . . . neglected to actually move it. Once again I add the condition in the event of any discrepancy within what I say and what's printed, the printable version shall prevail.

I therefore move section 41 of the printed Bill be amended by:

Renumber existing section 41 of the printed Bill as section 42.

Strike out section 139.1 of the Act, as being enacted by renumbered section 41 of the printed Bill and substitute the following:

“Forwarding information re accident records

139.1 The board may forward to the Occupational Health and Safety Division of the Department of Labour any information respecting the accident record of an employer or any class of employers that the board considers appropriate for the purposes of improving occupational health and safety”.

I so move.

Mr. Goohsen: — Thank you, Mr. Chairman. Mr. Minister, I certainly wouldn't want to describe myself as any kind of an expert at all in this area, but it seems to me, it seems to me that we shouldn't be mixing The Occupational Health and Safety Act into the Workers' Compensation Act. That in itself triggers me to think that we are definitely going to have a mix that isn't going to serve the purposes of the people involved.

Amendment agreed to on division.

Clause 41 as amended agreed to.

The Chair: — On sections 42 to 47 of the printed Bill, the minister wishes to move an amendment?

Hon. Mr. Shillington: — Consequence of thereof, I move sections 42 to 47 of the printed Bill be amended by:

Renumbering existing sections 42 to 47 of the printed Bill as sections 43 to 48.

I so move.

Amendment agreed to.

Clauses 43 to 48 inclusive agreed to.

Clause 48

Hon. Mr. Shillington: — I move the following amendment — I think as I work my way through this, it will be . . . I think the purpose behind it is relatively clear; it is consequential to earlier amendments — section 48 of the printed Bill be amended by:

Renumber existing section 48 of the printed Bill as section 49.

add the following section after renumbered section 49 of the printed Bill:

“New section 183.1

50 The following section is added after section 183:

“Transitional

183.1(1) In this section:

(a) “amendment date” means the day on which a section of The Workers' Compensation Amendment Act, 1993 comes into force;

(b) “relevant amending section” means, with respect to a section of this Act, the section of The Workers' Compensation Amendment Act, 1993 that amends the section of this Act.

(2) Notwithstanding The Workers' Compensation Amendment Act, 1993:

(a) sections 68, 69 and 104 as they existed immediately before the amendment date of the relevant amending sections apply with respect to injuries that occurred before the amendment date of the relevant amending sections; and

(b) sections 82 and 83 as they existed immediately before the amendment date of the relevant amending sections apply with respect to deaths that occurred before the amendment date of the relevant amending sections.

(3) Where a dependent child is receiving benefits pursuant to section 85 or 87 as those sections existed prior to the amendment dates of the relevant amending sections, the child is entitled to receive benefits calculated in accordance with those sections as amended by the relevant amending sections, but only with respect to the period commencing on the amendment date.”

Renumber existing section 49 of the printed Bill as section 51.

I so move.

The Chair: — I believe that last motion to renumber section 49 of the printed Bill as section 51 is out of order. We're not . . . it's section 48 of the printed Bill that's before us, and what's before the committee is just the amendment as moved to section 48 of the printed Bill.

Amendment agreed to.

Clause 48 as amended agreed to.

Clause 49

Hon. Mr. Shillington: — I move:

this be amended by renumbering existing section 49 of the printed Bill as section 51.

Amendment agreed to.

Mr. Goohsen: — Yes I have . . . I may be one step ahead of myself here; I'm not sure. I have kind of a wrap-up statement that I want to make about the Bill . . . (inaudible interjection) . . . after 49. Thank you.

Clause 49 as amended agreed to.

Mr. Goohsen: — Thank you, Mr. Chairman. Just before we make this into law there's one little statement I think that needs to be put on the record to indicate where we feel this is going to end up.

Given the proposed amendments, Mr. Minister, employers will become resistant to hire people with medical conditions and most particular people who previously have had work-related injuries. Hiring such people will pose an additional financial risk for employers in the unhappy eventuality that an accident does occur to the worker.

Therefore in a real way these proposals work against injured workers who are actively trying to get back into the labour force. This phenomenon will give rise to demands for new Human Rights Code amendments to outlaw asking questions about medical information related to employment and possibly even removing the right of an employer to require a medical exam.

I want you to take that into account, Minister, because I think the effect of your Bill will be very much against the working people of our province in the way that we have expressed it. The Bill we believe was poorly drafted although some of the changes are always necessary. We're not saying that we don't have to keep up with our times and remodel things, but we feel that this Bill really has missed the target, and we want to encourage members to defeat it and send it back to the drawing board.

Hon. Mr. Shillington: — I want to make a general

comment and then a specific comment.

An Hon. Member: — Oh no.

Hon. Mr. Shillington: — I see the members welcoming my comments, and I gather from the member from . . . I gather the more extensive they are the better they would like it.

The general comment is that we do not believe that this Bill, which strikes a balance between injured workers and employers, will make it any more difficult for employers . . . for employees to be hired.

I want to say specifically with respect to injured workers where we're going to be encouraging injured workers to . . . we're going to be encouraging employers to rehire injured workers. It's one important way we'll be trying to keep assessments down, and we really . . . we'll be looking forward to cooperation from employers in rehiring injured workers.

Some Hon. Members: Hear, hear!

The Chair: — The question before the committee . . . Order. The question before the committee is to report the Bill with amendment.

The division bells rang from 8:41 p.m. until 8:42 p.m.

Motion agreed to on the following recorded division.

Yeas — 23

- | | |
|--------------|-------------|
| Van Mulligen | Serby |
| Lingenfelter | Whitmore |
| Teichrob | Sonntag |
| Kowalsky | Flavel |
| Carson | Cline |
| Mitchell | Wormsbecker |
| MacKinnon | Crofford |
| Penner | Stanger |
| Cunningham | Carlson |
| Lautermilch | Langford |
| Calvert | Jess |
| Murray | |

Nays — 6

- | | |
|---------|-------------|
| Neudorf | D'Autremont |
| Martens | Goohsen |
| Boyd | Haverstock |

(2045)

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 55 — An Act to amend The Workers' Compensation Act, 1979

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

Motion agreed to.

Hon. Mr. Lingenfelter: — Mr. Speaker, by leave 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.

COMMITTEE OF FINANCE

General Revenue Fund Economic Development Vote 45

The Chair: — At this time I would ask the minister to please introduce the officials who have joined the committee this evening.

Hon. Mr. Lingenfelter: — Thank you very much, Mr. Chairman. I want to introduce two of my staff who are with me here today: Frank Hart, deputy minister of Economic Development, and Peter Phillips, who is seated on my left, associate deputy minister of policy for the Department of Economic Development.

Item 1

Mr. Boyd: — Thank you, Mr. Chairman. Mr. Minister, we have a number of questions that we want to deal with this evening and in a number of specific areas. As well, we'd like to welcome your officials here this evening and the help that they'll be able to offer you, I'm sure.

First of all, Mr. Minister, I'd like to deal with the Piper Aircraft deal and all of the information surrounding the Piper Aircraft deal, or lack of information more to the point, I guess is what it is. Mr. Minister, just a quick question to start off the Piper Aircraft situation. Is it the view of the government that the deal is still possible or is it finished?

Hon. Mr. Lingenfelter: — Well I think more importantly than the view of the government is the view of our private-sector partner, Mr. Paul Hill, who indicates that he would like to keep the embers alive, let's say, of the deal. In the event that the present bidding process that's going on in Vero Beach at the present time doesn't prove successful by the Pilatus Group that are bidding for Piper, then at some time in the future there may be an opportunity for Saskatchewan and the Hill family to be involved in a purchase.

So I have to say, first of all, that as time goes on I suppose you might say it gets less and less likely. I think that on that you are correct.

But there is still some slim chance, and I'll put it that way. And I've said this publicly last week, and I say it again: there is some slim chance that the present bidding process in Vero Beach may not be successful and then there would be an opportunity for Saskatchewan and Mr. Hill to be involved again.

Mr. Boyd: — It's my understanding that Mr. Hill has withdrawn his bid on it, and he has said that at a future time he may be interested in resubmitting his bid. Is that your understanding as well?

Hon. Mr. Lingenfelter: — Yes, that's exactly the point, that we are not involved in the bidding process at this time; our bid has been pulled back.

But it's fair to say that in these processes they often go on over a long period of time, and especially when it comes to trying to purchase a company in the United States that's in chapter 11 bankruptcy where the courts are involved; where the creditors, both secured and unsecured, are involved; where the whole issue of product liability, a very huge issue in the United States, is involved.

A lot of legal work necessarily has to be included in this process; it is a very complicated arrangement. So we're not involved in the bidding at this time.

But Mr. Hill says that if this bidding process collapses and no deal is made at the present time, there may be an opportunity in some months to get back involved.

Mr. Boyd: — What would you estimate the cost to the Saskatchewan taxpayers has been to this point for the Piper Aircraft . . . trying to attract Piper Aircraft to Saskatchewan?

Hon. Mr. Lingenfelter: — Well I can't give you an estimate. This arrangement is not being worked out of Economic Development. SEDCO (Saskatchewan Economic Development Corporation) is the lead government agency involved in arranging a loan if the deal were to be completed.

I will, however, make the commitment again that once the deal is concluded one way or the other, successfully or unsuccessfully, we'll be making all of the financial arrangements, the studies, the analysis, the legal work that went into the deal public in a proper format.

Mr. Boyd: — Thank you, Mr. Minister. I would imagine there's been a number of consulting firms that have been associated with the bid — presumably anyway. And I'm wondering if, Mr. Minister, if you could provide us with the details of the consulting firms' consultations that you've had with them as well as the names of the companies and everything associated with them — any reports they may have prepared or anything of that nature.

Hon. Mr. Lingenfelter: — Well I don't want to get into this because it's not part of the Economic Development estimates. I mean, we don't have . . . there's nothing in Economic Development *Estimates* as it would relate to contracts or the consulting fees.

I will tell you this though that off the top of my head there's only one very large . . . by comparison to anything else in the arrangement is consulting fees — the analysis and study that was done by Ernst & Young, a Toronto-based firm.

But I don't have the details here, but when we get the deal concluded — successfully I say, or unsuccessfully — I'll be making all of that public through SEDCO through the Crown corporation.

Mr. Boyd: — Well, Mr. Minister, it certainly was, initially anyway, one of the things that you were promoting as an economic development project that your government was really quite proud of. And if we just think back to the day when you made the announcement on it, there was a great deal of fanfare about it. And I recall you making the statement that the Piper Aircraft company would soon be relocating shortly after the court decision to Saskatchewan and that there'd be a number of job opportunities and indeed be building planes in Saskatchewan before very long.

Now, Mr. Minister, I think it's fair to say that that was a program and an important economic development platform that you people had initiated, and I think it's within the responsibility of you in the Economic Diversification and Trade to be able to provide us with information on it, on the deal.

There was a number of opportunities for the deal to be put together. They didn't seem to come together and we're wanting detail of the information on that Piper Aircraft deal. And I think it's important that the taxpayers of Saskatchewan know that the deal is not likely going to happen any more — very, very slim chance by your own estimation. I'd say it's slim to none, and Slim's riding out of town.

There isn't any chance of it happening any more and I think everyone recognizes that, Mr. Minister; probably Mr. Hill as well. And I suspect that Mr. Hill, the only reason he suggested that he might be interested in another bid opportunity is because he never likes to close the door on any opportunity that might be available to him.

So, Mr. Minister, I think it's important that you provide us with detail of the Piper Aircraft deal so the people of Saskatchewan can determine for themselves whether this was an opportunity that was missed or an opportunity that was not handled properly by your department.

Hon. Mr. Lingenfelter: — Well I want to say again that it was neither handled properly or improperly by the department because it wasn't handled by the department. Mr. Chairman, I'm having a bit of a difficult time explaining to the member that this deal was not arranged through the Department of Economic Development.

I just want to clarify for the member that the bid that was put forward — and I say again by the private sector; this was not a bid that was put forward by the government — was a very small part of the economic development strategy of the then new government. In fact, the economic renewal package that we initiated along with the private sector was not released until November of 1992, long after the Piper deal was gone

after by the private sector with their partnership with the government.

(2100)

And I say again, these arrangements, some of them work and some of them don't. It's no . . . there's no certainty when you go after trying to relocate a company to Saskatchewan that you're going to get all of them. Obviously, that's not how it works.

And some of them you shouldn't relocate, because they're just too expensive. And in our private sector partner's mind, obviously this is the case here, that the cost of buying the company and relocating it, the bottom line wasn't there. And having said that, I think there are many deals that were worked through the previous government that the taxpayers of Saskatchewan wished hadn't been concluded, and the province would be much better off financially if those deals hadn't been concluded.

So it's simply not accurate to think that every deal that a private sector company goes after, or the government along with the private sector goes after, should be completed. Some of them should, like Sears, like AECL (Atomic Energy of Canada Ltd.), like the Royal Bank relocating their call office to Saskatchewan.

And I think the unemployment numbers in Saskatchewan will clearly indicate that when stacked up against the other provinces, that Saskatchewan is doing not badly. When you look at the unemployment rate and you see that we have the lowest unemployment rate in Canada by two full percentage points; also the population in Saskatchewan in the last two quarters has actually started to grow again after six years of decline, out-migration has slowed considerably — many of the leading indicators in the economy, like housing starts, consumer spending, machinery manufacturing, oil production, uranium production, all of those are now headed back up again. And I dare say that there is a pleasant amount of positive attitude in Saskatchewan in the business community.

Now you may come back and say, well that's not what we hear, that there are some who are going broke, and there is disappointment. But even at that level the bankruptcies — the business bankruptcies in Saskatchewan — are down and down considerably.

So I say again that while it's not perfect, when you get the unemployment rate at 7.3 per cent — I believe that was the May statistics — while the national average is 11.4, and you look at some of the provinces around us with as much advantage as we have, and their unemployment rate is much higher . . . I say again it's not perfect. And we're going to work very, very hard and diligently to bring that seven, seven and a half per cent rate down below 7 per cent. I think we are now headed in the right direction.

Mr. Boyd: — Thank you, Mr. Minister. Well, Mr. Minister, I'm not sure that there would be too many

people would agree with your contention that the Piper Aircraft deal was something that was just a small bit player in your overall strategy. I think it was . . . in your mind you were trying to promote it as the flagship, an opportunity that Saskatchewan would be bidding on and an opportunity that Saskatchewan would be trying to bring to Saskatchewan.

It was something that you people felt would show the business community that you indeed had some agenda for business. And now that it has fizzled, it's little wonder that the business community is beginning to doubt your economic development strategy.

The information that you put together looks to the business community that I have opportunity to talk with and by evidence of the advertisements that they're taking out these days, I think it's fairly clear that they don't believe what's in the glossy brochures any more, Mr. Minister.

The information that you were providing at the time showed that there was going to be an improved business climate, a business climate that would be welcomed by business all over Saskatchewan. And yet now we see business groups — Canadian Federation of Independent Business, the Saskatchewan Construction Association, all kinds of business groups and advocacy groups around this province — saying to you and your government that your policies are not working, that they are to the detriment of the economy of Saskatchewan.

The economy is slowing, Mr. Minister. The headlines indicate in a number of publications around the province and throughout western Canada that Saskatchewan's economic growth predictions are not very good, Mr. Minister. And they also show that the types of things that you're doing with your union-only policies and Bill 55 and 56 are the types of policies that will be regressive towards business, Mr. Minister, will hurt business. And that's exactly what they're telling you.

And yet, Mr. Minister, you've shown absolutely no willingness to listen. You are taking credit for a lot of things that you and your government have no business taking credit for. Seasonal change simply does not . . . simply is not something that you can hold up as an example of the initiatives that your government is putting forward.

Mr. Minister, I would suggest to you that the change in the business climate in this province is in spite of your government policies, not as a result of your government policies. And, Mr. Minister, I think the business groups are telling you that on every occasion when they get an opportunity to do exactly that. And I'm wondering, Mr. Minister, what effect on business confidence in this province do you think there is when you and your government brings forward things like Bill 55 and 56?

Hon. Mr. Lingenfelter: — Talking about unemployment or the employment strategy of the

government and whether it's working or not, I just want to comment to the member opposite that the May labour force statistics report indicated that the employment, that is the number of people employed in the province, increased by 6,000 between May of '92 and May of '93. This is Statistics Canada, so this is not seasonal. This is as compared to the same month a year ago. That's an increase of 6,000 people being employed.

I might add that much of that is in rural Saskatchewan. In fact, employment increased year over year in agriculture by . . . in fact most of that increase was in fact in agriculture, which tells you that there's some encouragement and some optimism in certain parts of the agricultural sectors.

When it comes to certain Bills that are being passed by the government, obviously labour will push the government to have more labour legislation, and business will lobby to have limited amounts of labour legislation. And this a healthy tension that exists in the province. And labour is never going to be happy with us in terms of having enough labour legislation, and business is going to argue that we've got too much.

The key is is to try to find some sort of a compromise situation where you meet the health and safety circumstances for workers because that's very, very important in terms of attracting workers to the province of Saskatchewan. But on the other side, you're right in a sense to be concerned that you don't pass so many laws or have so much red tape that you shut business off.

And in fact the ads that you're talking about being run by the business community, two weekends ago the ad had a list of 10 items that they would see the provincial government do. Seven of those items were in fact strategies that the government had already agreed to. Three of them, one which was harmonization of the PST (provincial sales tax), the other one was more privatization, we have not agreed with at this time. But clearly seven of the ten points we have agreed to and are actually in the strategy paper for economic development.

Mr. Boyd: — Mr. Minister, you've brought up the topic of harmonization. And it seems to me that your government is indeed doing exactly that with the harmonization of the tax for the Sears deal and for IPSCO and for others, I suspect, that you are like to take credit for. So on one hand we see the government saying that the harmonization that the previous administration was doing was all wrong, and yet now we see selective harmonization coming in through the back door for companies that you like to hold up as examples of the economic development strategy that your government has.

And I'm wondering, Mr. Minister, how you can complete that circle. Why on one hand was it bad and on the other hand, when you promote it and when you put it forward for situations like Sears, all of a sudden is it a good deal? And, Mr. Minister, I wonder if you could just care to elaborate on that a little bit for us.

Hon. Mr. Lingenfelter: — Well I don't want to be argumentative with the member, but I think you have your definition of harmonization a little bit confused because what we did for Sears was eliminate the PST on 1-800 calls. That is very much different than harmonization. We simply eliminated it. It's gone; it doesn't exist. And so when you call that harmonization, I tend to disagree with that.

We're also looking at other areas, obviously in the area of taxation where we can nudge the tax system because obviously we don't have very much money with a \$15 billion debt that was left by the previous administration. It is very difficult to have serious cuts in taxation when you need 800 million or so a year to pay the interest on the debt.

And I wish that debt weren't there, and I wish we didn't have to take \$800 million of taxpayers' taxes every year to pay the interest; however we do. And that was left by the previous administration. It is like a millstone around the neck of the taxpayers of the province.

But I want to say clearly that what we did with the removal of the PST on 1-800 numbers is not, by definition, harmonization.

Mr. Boyd: — Well, Mr. Minister, it may not be by definition harmonization, it's certainly by all cause and effect certainly is harmonization. It's the removal of the business tax or the PST, as you've referred to it as, removal of the PST on 1-800 numbers. Right. What was harmonization? Would it not have done the exactly the same thing, Mr. Minister?

If they were being charged the PST on it and they were rebated it back, they would be able to recover that cost. Is that not correct?

Hon. Mr. Lingenfelter: — Well the member is . . . this will get more and more confusing because he seems to not to realize what we're talking about here. There are certain items in Saskatchewan that don't have sales tax applied to them: children's clothing, for example, food in restaurants, now 1-800 numbers. That does not mean we have harmonization for those items. It means that there is no sales tax at the provincial level. So it's not harmonization.

Mr. Boyd: — Mr. Minister, we could probably debate that for a long, long time about that because I think that you are incorrect. I think that indeed the harmonization is exactly what we're talking about, Mr. Minister. With harmonization, if we're to remove the tax on all companies in Saskatchewan, not just Sears, or not just some of the others that you may be looking at, Mr. Minister . . .

And I want to deal with 55 and 56 and the effect on business competence in this province. We have heard from a number of groups all over Saskatchewan about what the cost of it will be to the businesses, various businesses, around this province and the effect of opportunities that they will have as a result of that.

They are . . . business groups around this province are telling us that it will cost them tens, if not hundreds, of millions of dollars in increased costs to them as a result of that type of legislation, Mr. Minister.

And I'm wondering how anyone in Saskatchewan could feel if those kinds of pieces of legislation would be conducive to a good business climate in this province, Mr. Minister. The cost is going to be overwhelming. The amount of liability potential . . . liability under the workers' compensation is extremely high. That is why, Mr. Minister, I think we are seeing that business groups, and virtually business — both public and private business as well, Mr. Minister — are saying to you that the legislation is inadequate and therefore is the type of thing that has a very detrimental impact on business. And we wonder if you could just speak about that for a moment.

Hon. Mr. Lingenfelter: — I just want to say to the member opposite that when it comes to Bill 55 and 56, there are certainly areas that improve the legislation when it would apply to working people in the province. Safety is a very, very important issue for this government.

We were very concerned about some of the slackness in the legislation that the previous administration had allowed. We witnessed the terrible accident at Shand and the problems that workers had with the situation that occurred there, and the families of workers. So improving the safety in the workplace is not only important to government, it's important to families in Saskatchewan and I dare say most business people don't mind as long as it isn't exorbitant and it's not improving the situation in the workplace.

When it comes to the Workers' Compensation Board and the fees that are being discussed here, there was some concern by business people that the fee would be increased by 100 per cent or 200 per cent. There were statistics that high. We have had a great number of meetings with Dale Botting and people in the business community, the new president of the chamber of commerce, Mr. Mel Watson, who I've met with on several occasions to discuss amendments to the Bills that would help lighten the load on business. We have now guaranteed that the maximum fee increase will be 10.5 per cent without a very, very rigorous review and consultation taking place.

(2115)

So I think we've gone a long way to mitigate some of the problems that business identified for us. One of the issues raised by certain people in the business community was the issue of testing in sensitive areas of work, and those provisions are now in place where companies have certain rights in the area of testing where situations warrant.

Now we're going to be taking this list of amendments that we just went through here today as it would relate to Bill 55 and once we get through Bill 56, and we will be consulting extensively with business to make sure that they understand the exact ramifications that will

result from these amendments.

I think in the end you're going to have a situation, I think and I believe, that labour isn't totally happy with the government because they obviously had wanted more to be included in these pieces of legislation. Business probably won't be as pleased as they could be because we probably didn't make all the amendments they wanted. But at the end of the day I think we have two pieces of legislation that will be stronger, that will meet the needs of business and workers, and I think overall they will be two excellent additions to our legislation in the province of Saskatchewan.

Mr. Boyd: — Thank you, Mr. Minister. Mr. Minister, not only are Bill 55 and 56 retarding growth in this province and restricting growth in this province, Mr. Minister. Your union-only policy is restricting growth in this province as well, Mr. Minister. We have seen examples, Mr. Minister, where contracts that have been let in this province by your government, one here that we have will cost the taxpayers, potentially cost the taxpayers of Saskatchewan over \$1 million in higher costs to the taxpayers as a result of your excluding non-union companies.

And, Mr. Minister, in this day of fiscal responsibility as you people like to talk about and how you're going to promote a government that is doing what is best for the taxpayers of Saskatchewan, one can only wonder why you would want to restrict companies from bidding on projects that are under the government's purview by only allowing for union-only contracting.

Mr. Minister, do you not feel a union-only policy for the Government of Saskatchewan is a very wrong-headed direction that this government should be going, particularly when we see examples of costs coming in at \$1 million more on a project that is only about \$3 million to begin with?

Hon. Mr. Lingenfelter: — The member will know from question period, Mr. Chairman, that in the Saskatchewan government there is no policy of union only. We have let a number of projects out of SaskPower in the past few months that have been non-union.

Obviously our objective in the procurement policy of the government, though, is to have a balance between union and non-union. We have a number of union companies that work in the province and we're proud of them, and we have a number of non-union companies. And at the end of the day what we would like to have is a perfect world where there's a balance between union and non-union. But we do not have a policy of union only. I think that would be impossible to manage. But nor do we have a policy of totally non-union, and I don't believe your government had that policy either.

We will probably try to have a better balance than there was in the past, but it will be done in a sensitive way, protecting both union and non-union companies and union and non-union workers. I think

that's only fair and it's trying to arrive at some reasonable situation where both of these entities are able to work and be comfortable in the province.

This was certainly the case in the 1970s, in the years when there were a number of big projects going on in the province. The government at that time had a very, very close working relationship with both union and non-union contractors. And obviously that's what we would like to establish here in the province at the present time in the 1990s as well.

Mr. Boyd: — Thank you, Mr. Minister. So essentially you're saying to us — and you can provide examples, I'm sure, and we'll accept that — that you have a policy in your government where you would promote both union and non-union companies for government-tendered projects.

Well I don't think that anyone has a great deal of problem with that, Mr. Minister, if indeed that's true. But is it true also that the union contracting costs are in a lot of cases substantially higher, and I'm wondering if your government's policy is . . . Like how do you determine what your policy is anyway?

It doesn't matter whether or not there's a higher cost; you're going to allow this project to go to the union. Or are you saying to us that you have the lowest-cost bidder gets the job regardless of whether they're union or non-union. Is that the policy?

Hon. Mr. Lingenfelter: — No. There will be times when the lowest bid is not the best bid. And as you will know in many cases when you were in government that simply taking the lowest bid is not necessarily in the best interest of the taxpayers or of the business community or of the workers.

Obviously if you were in the area of aerospace and you were designing a rocket to fly to Mars, having the lowest bid is not necessarily the most important issue. The most important issue would be whether the spacecraft would get to Mars, and that may not be the lowest bid.

So to simplistically say that what your policy should be is lowest bid is not what anyone in the world would accept as a reasonable operation for all of the procurement we do. It is just more complicated than that, and I'm sure you know that because your government certainly did not always accept the lowest bid. There are many other criteria that go into the bidding process.

Mr. Chairman, I see that we have two new people joining us. And I'd like to just take this occasion to introduce Sharon Roulston, the executive director of internal operations who is seated directly behind me, and Leona Stengler, the associate deputy minister of Tourism and Small Business.

Mr. Boyd: — Thank you, Mr. Minister. Mr. Minister, I just kind of remind you we're not building too many spacecrafts to head off to Mars these days. We can't even get a small little single-seat aircraft engine

manufacturer to relocate to Saskatchewan, let alone building any aircraft to head off to Mars.

Mr. Minister, I find it interesting that while in opposition over here, the opposition of the day, you folks in the NDP (New Democratic Party) were suggesting that the lowest bid was the bid that you were going to go with. Open tenders, lowest bid, no matter what the circumstances are, that's going to be the circumstances that you people follow.

It seems ironic now, Mr. Minister, that you can stand up and say that you're going to be building things to head off to Mars, and therefore you're going to need a policy that allows you the flexibility to be able to choose a company with a higher bid. Mr. Minister, on a contract that has a total cost of \$2,942,292, an additional cost could be added on to that of \$1,028,512.

So you're saying to me and the people of Saskatchewan that you can justify an expenditure of over \$1 million on a simple pipeline up to Melfort, on a \$3 million bid, total bid to begin with. What possibly more could cost \$1 million in that bid that would allow for you to look at that kind of an expenditure?

Hon. Mr. Lingenfelter: — Well the member talks about the example of a spacecraft. Let me use something more close to home that you would understand, and that is a dam built down near Estevan where we had like tens of millions of dollars put into the Rafferty dam.

It's not whether the bid was the low bid or not, but it's whether the dam is built where there's water flowing down a creek. And you would understand that, that the tens of millions of dollars that we wasted on that project had very little to do whether the project was union or non-union. It simply was a huge waste because your government made a bad decision based on some very, very faulty information. I might add most of the information you based it on being political and attempting to try to keep your premier in power over a longer period of time.

So I say to you that the issue of union versus non-union is one whereby most governments in Canada, and I would expect all Conservative governments, both federally and provincially, have a policy of having both union and non-union. Our policy in Saskatchewan is a policy of having union and non-union, which obviously we will try to balance out so that both those corporations and companies that are union and non-union have work in the province.

When it comes to the water pipeline to Melfort, I think you were asking about, I'm not sure of that, about that bid, but I don't think any contract has been let there so I wouldn't get too excited about that.

Mr. Boyd: — Mr. Minister, while you wouldn't get too excited about it, the taxpayers of Saskatchewan are plenty excited about it. When they see information provided to them by the Saskatchewan Construction Association in quarter-page ads in their local

newspapers and daily newspapers in this province showing the kinds of things that your government is about to do, the only reason they might stop it is because you got caught doing it, Mr. Minister. Had the opposition or the Saskatchewan Construction Association not realized what was going on on that, this deal would have been done and you know it.

You wanted to implement a policy that would allow for a pay-off to a few union friends of yours that would amount to a million-buck shot in one go, Mr. Minister — \$1,028,512 in one fell swoop is what would have been measured against the Saskatchewan taxpayers had no one picked up on the deal that you were about to implement.

Mr. Minister, you suggest that the previous administration never did anything good, never did one thing good. And yet we see organizations like the independent dealers association of Canada suggesting that investments, and I quote: Investments in items like the dams at Rafferty and Alameda, the Saskatchewan fertilizer plant, and the upgrader at Lloydminster helped to drive up capital spending in Saskatchewan by 17 per cent, Mr. Minister. That's the kind of initiatives that were put forward by the previous administration. That's the kind of things that the business community realized were good for the province of Saskatchewan, Mr. Minister.

And they look at these kinds of things and they say they are not good for Saskatchewan when they realize that it's going to cost over a million dollars more on one project that only had a total cost of \$3 million to begin with.

Hon. Mr. Lingenfelter: — Well there's no doubt that spending 9 billion or \$9.5 billion, which is what the debt went up between 1981 and 1992, created some jobs. I mean I'm not arguing that there isn't some benefit from spending money.

But if you're trying to say that building dams like the one at Rafferty . . . and you're still holding out and saying that that's a good project even though a couple of weeks ago when I was down there during the spring run-off, you could have walked across the Rafferty dam probably without even standing on your tiptoes and not got your chin wet. There is no water there. There was no water there last year. There hasn't been any water there. And the previous government is the laughing-stock of Canada. People come there and take pictures of this boat launch up on the side of a hill. And there's no water within miles of the boat launch and there probably never will be. And yet you today stand here and say that that was a good investment because it created some jobs while the dam was being built.

But all of the objectives of the project — one, you talked about tourism, you talked about irrigation, you talked about water to cool the Shand power station — none of those real objectives that the tens of millions of dollars went towards is being fulfilled. And I just don't know how the member opposite would stand in his place and defend that project.

I mean you weren't even there at the time. I would think that if I were in your position, I'd be distancing myself from that project. I'd say look, I wasn't around, so don't blame me for that Rafferty dam. Some of these people in your front benches, they made a bad decision. That's what I would say if I were you: I wasn't there; I couldn't help that decision.

(2130)

But no. Instead, he stands there and says the tens of millions of dollars put in the Rafferty dam was a good investment because it created some jobs for some cat operators when they piled the dirt up. Well that's not what economic development is about.

In fact, we did some quick numbers here and the number of people employed in 1982 in Saskatchewan was 426,000; in 1991 it was 449,000, or increase of about 23,000 in that nine-year period. At the same time the debt of the province went up by \$9.5 billion. If you translate that into a job creation project, it's \$412,000, or close to a half a million dollars for every job that was created.

That is not good performance when you're talking about job creation and investment. Now not only that, but the debt on that \$9 billion will go on and on and on. And I say again, for governments in the future for many, many years, that debt will be like a millstone around the necks of working people and of businesses in this province for many, many years to come.

Mr. Boyd: — Thank you, Mr. Minister. It's nice to know that you finally acknowledge that the debt at the outset of 1982 was \$6 billion, and the debt currently is \$15 billion, for a \$9 billion difference that you . . . like you folks like to go around and slam the previous administration for a \$15 million debt when indeed there was \$6 billion of that debt was there before the previous administration ever took office, Mr. Minister. And I think that's fairly clear. The previous administration went to the wall for things like agriculture, and that's why the debt was associated . . . driven up the way it was driven up, Mr. Minister.

The premier of this province pledged the treasury of Saskatchewan to help Saskatchewan farmers. And each and every farmer in this room ought to know that by the amount of support that was provided for him during that period of time. And one can only wonder if there's any support even remotely equal to that today, Mr. Minister. The Minister of Agriculture himself over there knows very darn well that there hasn't been one sou, not one penny of help from this administration when it comes to agriculture in this province, Mr. Minister.

You look at projects like the Rafferty-Alameda, and he likes to hold it up as an example and say that there's no possible way it'll ever fill up with water. Mr. Minister, you don't know whether it will ever fill up with water or not. People in this province believe that there is an opportunity for that dam to fill up. The people down in Minot wouldn't have handed over \$60 million, I don't

think, if they thought there was no opportunity for that dam to fill up and provide flood control for them, Mr. Minister.

Not only that, Mr. Minister, but the project is overwhelmingly supported by the people of the area who know the area, Mr. Minister. And I find it ironic that you can stand up and say that everyone down in the south-east corner of this province and all of the good folks in the United States in the community of Minot don't know what they're talking about.

Mr. Minister, it's interesting to note, whenever there's a bit of a controversy the two things that you hark back on are things like the \$15 billion debt, but then in a moment of weakness when you're not thinking perhaps as clearly as you ordinarily would, when you're trying to stick to the party line, it's only \$9 billion, Mr. Minister. Fifteen billion dollars on one hand when you give the New York-type speech, and \$9 billion when you're cornered on an issue that you know is incorrect, Mr. Minister.

Mr. Minister, that type of labour agenda that you are promoting in this province is costing the province a great deal of money, and people all over the province of Saskatchewan realize that. That's why . . . Why do you think that they're taking out advertisements suggesting that? What possible agenda could people like the Canadian Federation of Independent Business, the Saskatchewan Construction Association, and all other of those types of advocacy groups, what possible agenda could they have that they would want to go against government initiatives and government programs if they realized that your initiatives were going to work? Why would they do that, Mr. Minister, when they, I suspect, are trying to cooperate with your government the best they can to help out the members that they're associated with?

Hon. Mr. Lingenfelter: — I explained earlier why labour will, from time to time, run ads putting forward their ideas that were maybe contrary to what the government was doing and why in this case business is running ads. They are lobbying the government to try to get legislation that's more in line with their needs or their perceived interests.

So I'm not surprised at all that the business community would try to get amendments to Bill 55 and 56, and I add again that when we went through the Bill tonight, Mr. Chairman, you may know how many amendments were moved and accepted that business had put forward to us. But I can mention a few that we've jotted down here.

Section 4, the objects clause — they wanted it out; we took it out. Pre-existing conditions of workers, section 10 of the Bill, we amended that to take into consideration the wording that business wanted. I believe it's 33(1) which is the cost of rehabilitation programs; we used the wording of business there again. Performance-rated adjustments, section 41, we dealt with that. The new 41 section which capped the fee at a 10 per cent increase per year as a limit, we did that. I think business people are going to be, while not

totally satisfied, will feel relatively positive about the amendments that were moved here to that Bill.

The member says that we refer only to Rafferty when we talk about the legacy of debt. And I want to remind the member that the *Public Accounts* of the day and the Crown Corporation reports in 1982 when we left office clearly indicated that there was something in excess, slightly in excess of \$3 billion of debt in the Crowns and a surplus of 139 million in the Consolidated Fund. Everybody knows that.

There's no debate about this and what the debt was in 1982. It wasn't 6 billion, it was a little over 3. And the numbers are there. If you want to go to the library and get the books, we can go do that. I'm not denying there was no debt nor has anyone in the government ever said that there was no debt in 1982. There was a little over 3 billion in the Crown sector which was a self-liquidating debt.

We had a potash company. We owned Saskoil. We owned Power Corporation, insurance company. And it was paid for out of the fees that people paid when they paid their power bill and paid their gas bill, paid their insurance. They paid the interest on that \$3 billion debt and were paying it down.

The interesting thing is the debt went from where it was at 3 billion to 15 billion or a \$12 billion increase when you include the interest which is what you're forgetting about here — a \$12 billion increase when you add in the interest. I'm talking about 9 billion that was put in directly into projects.

So let's not be confused about where that \$12 billion in new debt came from. It came from the 9.5 billion that went in directly plus the interest charges that were added on because by the magic of compounding interest this is where we're at today. So one would have expected that there would be many, many more jobs in the province than the meagre number that we have referred to here of, I believe it was 26,000.

But I just want to quote from *The Globe and Mail* of February 6, 1993 in a column that is written by Stevie Cameron of, "How the gravy train went off the rails." And it certainly isn't only the Rafferty dam that is referred to in this article when it comes to where the money was wasted at. They refer to the NewGrade Energy Inc., and we all know over the past week the \$600 million that the taxpayers of the province have been exposed to there in a deal that has left many, many analysts just with their heads spinning as to how a government could sign a deal that would expose the taxpayers to \$600 million in debt and get no return for it.

Stevie Cameron mentions here Sask Property Management Corporation, and they go into how:

... (Mr.) Otto Cutts (and) former security chief Harry Stienwand (once head of the RCMP's Saskatchewan intelligence unit) and Robert LaPorte, a Regina police officer now under suspicion, have been charged in connection

with the purchase of \$66,000 in bugging devices for a private security owned by Mr. LaPorte. Mr. Cutts' unauthorized use of a police computer at SPMC was criticized by the Gass commission.

That's another one.

Dome and Roberts & Poole — you remember those folks and how they were using the taxpayers' money. CIC (Crown Investments Corporation of Saskatchewan), Saskatchewan Diversification Corporation, you remember that secret corporation that set up the infamous Trinitel up in Melville to build telephones, and when we were elected there were rooms full of telephones, and you made telephones to beat heck to create a few people . . . leading up to the election, but the only problem was you hadn't sold one phone. And worse than that, when they hooked them up after the election and tried to use them, no sound came through the phones; they didn't work. And so that had to be shut down.

And that's what Stevie Cameron is referring to here when she talks about the Sask Diversification Corporation, is the telephone company.

Promavia International. Remember the \$2 million we were going to put into the fighter planes up in Saskatoon? These people made off with the \$2 million and the taxpayers are still looking for that money.

"GIGATEXT". She says here:

In 1988 Tory party pollster Ken Waschuk introduced (Mr.) Guy Montpetit, owner of Montreal GigaMos Systems Inc., to the Saskatchewan cabinet. With help from the Montreal Senator Michel Cogger . . .

And many will know him from the court reports out of Montreal, and the legacy of Michel Cogger go on and on. And how:

Deputy premier Eric Berntson arranged a \$5-million grant to set up GigaText. Mr. Montpetit loaned \$150,000 of it to Mr. Waschuk, who put it in a new Bermuda holding company. Mr. Montpetit also spent \$2.9-million on a \$39,000 worth of second-hand computers.

Just listen to this for a minute, Mr. Chairman. This is Mr. Montpetit, spent \$2.9 million — remember, that's taxpayers' money — on \$39,000 worth of used computers.

And by the way, those were his own computers. He didn't go out and buy them. They were sitting in a warehouse. He had obviously used them; they were worn out. And he took \$2.9 million of taxpayers' money from Saskatchewan and bought the computers from himself. And the story goes on and on.

So when you say it's only Rafferty that we keep referring back to, it's just that we usually don't have

enough time in the day to list out all of the misappropriation of money that went on that led to the increase of \$12 billion in debt in Saskatchewan.

Mr. Boyd: — Mr. Minister, the groups around Saskatchewan, and they're numerous, Mr. Minister, they don't agree with a lot of your economic development strategy. And one of the areas, as I mentioned, was the union-only policy. And they're writing letters to municipalities and groups all over this province to try and urge them to become aware of the initiatives that your government is taking, taken, and also to try and bring some sense to the government by writing to their MLAs and discussing it with their MLAs in various parts of the province, Mr. Minister.

And I just want to read you a part of one of the letters that went out from the Saskatchewan Construction Association. The president of the Saskatchewan Construction Association, Jim Chase, said in Regina today that the association is strongly opposed to the provincial government's union-only policy. The membership of the association is made up of both union and non-union contractors, and both groups have consistently voiced strong opposition to union preference in every survey conducted on the subject.

Mr. Minister, so we see that not only are union companies and non-union companies opposed to this type of thing. I think that the people of Saskatchewan would also be opposed to this type of thing, Mr. Minister.

Mr. Minister, I wonder if you would give us the commitment this evening that, on a job like this Melfort job that has been tendered — and you say the tenders haven't been let, and that may well be the case — I wonder if you could give the Assembly the assurance tonight that we will not see this type of thing happening, where a contract comes in at a million dollars higher from a union company than a non-union company and the tender be awarded to that union company.

I think the people of Saskatchewan want a few basic things from their government, and one of the things that they want from their government is to know that they're getting good value for their money on things like projects like that, a 53 kilometre pipeline that has a cost of \$3 million and could be run up over a million dollars higher if the union-only policy truly does exist. Will you give the commitment to the people of Saskatchewan in the Assembly tonight that your government will not be accepting that \$1 million higher bid for this project?

(2145)

Hon. Mr. Lingenfelter: — The member says that there is problems with our economic development strategy and that some people are finding it not as positive as they would like, and I guess that will always be the case with any government policy. But having said that, there are many people who think the economic development strategy in Saskatchewan is a very good

one.

I want to say, and I want to quote from *World Business*, a magazine that deals with economic development in Canada. And in their February 1993 edition, they say that under awards that they're giving out, they say:

For industrial and economic development organization, our 1992 award in this category goes to the Government of Saskatchewan under Premier Roy Romanow.

And it says that:

The Government of Saskatchewan has done a remarkable job of encouraging industry to locate in the province and in supporting industry that is already there.

This is in the article in the magazine *World Business*. It does an analysis of economic development strategies across the country.

And I can, if you like, get a long list of letters, and I'll read them here, from business people who think we're on the right track. Now obviously you can get another list of people who think that we're having problems. And this debate could go on for a long time and I don't know who would win in the end.

But all I'll say is that the trend lines, in the major statistical trend lines on things like housing starts, out-migration, the population which has started to grow now in Saskatchewan for the first time in six years, the job numbers in Saskatchewan which are very, very positive in May . . . Now they may not hold; we hope they do, and I'm sure you hope they do. The lowest unemployment rate in Canada by a full two percentage points — now lower than Manitoba Conservative and Alberta Conservative — we're two full percentage points lower. Remember out-migration has slowed considerably from where it was during your administration. The population is now starting to grow, however slightly; at least it's back growing again. That those indicators would tell you that there is at least some hope that the economy is turning around.

When it comes to your request that we not have a union-only policy, I can tell you quite clearly, that there is no one that I know of in our caucus putting forward a union-only policy. I have not heard a discussion by any members. There may be — and you may want to do a survey of our members — there may be someone who's promoting union-only policy. But I have not heard.

Not only don't we have a union-only policy, which you keep saying we have, I have not even heard a discussion in our government about a union-only policy. So is it going to be a union-only policy? Obviously not. We've never had one in the past, in the 1970s. Your government didn't have a non-union-only policy. It's always been a mix and a blend of union and non-union. I think that's what it

should be, and we'll continue to work with our business partners to try to achieve some balance between union and non-union workers and corporations.

Mr. Boyd: — Mr. Minister, it's not only me that is saying you have a labour-only agenda. You like to point to us and say that we're the only ones that are opposed to your strategy and we're the only ones that are saying that there's a union-only policy, and that's simply patently not true, and you know it, Mr. Minister. Groups around the province, the Canadian Federation of Independent Business, the Saskatchewan Construction Association and others all agree, Mr. Minister, and all suggest, not necessarily the opposition, but groups like them, that we are getting dangerously close to a union-only policy.

And you just have to look at some of the contracts that have gone out from your government, Mr. Minister. And we have a number of them here where they state a union-only preference in them. And it doesn't . . . and the minister gets up and he says to the Assembly, well that's fine. And it is fine, Mr. Minister. I don't have any problem with it being . . . if the union company can do it as cheaply and as good as a non-union company, I don't think anybody has any problem with that.

What we're concerned about, Mr. Minister, is not whether you have a union-only policy or a non-union-only policy or any policy at all, what we're concerned about, is there going to be a higher cost associated with letting a company do the job simply because they're union over non-union? If they're competitive, give it to them, by all means. If they're lower cost, if they have a lower bid than the non-union companies, give it to them, by all means, Mr. Minister.

What we're saying to you and what business groups are saying to you is they see, by evidence of contracts that have been let or contract tender calls that have been . . . gone out, that there is a substantial cost associated with some jobs and union companies, Mr. Minister. And what we are asking for is simply value for the dollar for the Saskatchewan taxpayers.

When we see these types of things happening where there's a million dollars on a \$3 million project, Mr. Minister, it can only lead one to conclude that the types of policy that you have is not in the best interests of the Saskatchewan taxpayer.

Hon. Mr. Lingenfelter: — Mr. Chairman, I have a difficult time understanding the union phobia that we're seeing here over and over again by members of the Conservative caucus. There is nothing to fear from unions in Saskatchewan. Unions have been here ever since I can remember. And what they are is organizations of men and women who get together to form unions. I can't image what the members opposite are fearful of.

You were in government for nine years and many unions worked in the province and had some sort of a

relationship with your government. It may not have been perfect or it may not have been good. But to continually beat up on the men and women — because that's really what it is. I mean you say union almost with vehemence.

And union is nothing more than men and women with little kids at home, who go to work in the morning, many of them take a lunch bucket and go to IPSCO and by the sweat of the brow, they earn their living. These are just ordinary folks. I can't understand for the life of me why the despise and anger when you talk about unions. These are pretty ordinary people. They belong to all political parties.

I've known a number of union people who pack a PC (Progressive Conservative) card. I hope and would like to think that more of them support the NDP than the Liberal or Tory. But they are really ordinary folks and I don't understand why you continue to run at them.

You used union contractors when you were in government on a number of occasions. We intend to do the same. We do not have a union-only policy. There will be those tenders where we will say there's a union preference, which is not union only. It says union preference. That means that unions will be included as one of the criteria.

But to go on and on in an attack on the men and women who have decided to unionize, to get together to pay a fee and try to improve their lot in the world, I mean the next thing you know you'll be out after the doctors for having a medical association to try to get better working conditions in their association.

But no, there really is nothing to fear about this. There's nothing to fear about our government's approach to having a mix of union and non-union contractors. It's in the best interest of the province. And it certainly, I believe, is in the best interest of working men and women in the province.

Mr. Boyd: — Thank you, Mr. Minister. Mr. Minister, how you could come up with that kind of logic out of the questions that we ask is beyond me. We simply are saying that the people of Saskatchewan, I don't believe, are willing to accept the cost of \$1 million on a project that is only \$3 million. Never said anything about me not liking unions or liking unions or anything at all about that, Mr. Minister.

Mr. Minister, there are lots of people in this province that belong to unions, and we recognize that and more power to them if they can get better working arrangements with their employers around the province. I have no problem with that whatsoever, Mr. Minister.

If they want to be unionized — fine. I don't have a problem with that whatsoever. I have no particular bias for unions or against unions.

The only bias that I have and the only bias I think the Saskatchewan taxpayers have, Mr. Minister, is that

there's good value for the dollar at the end of the day. That's the only criteria that I use when I look at projects, Mr. Minister.

And one can only conclude, when you look at a project like this and when there's tender calls that go out and come back, that there is a reason why in this application that a union contractor should not be given . . . awarded the job — because it's a \$1 million cost. That's why. End of story. That's it, Mr. Minister. That's what the Saskatchewan taxpayers are telling us in the official opposition. That's what they are saying to you, Mr. Minister. It has nothing to do with union over non-union or anything else like that.

It's like going, Mr. Minister, going down to your local garage and negotiating a deal on a car. Look at it this way. You go into one garage and the guy tells you that the car is going to cost you \$10,000. You go to the next garage and it's going to cost you \$12,000 for what you consider to be both the same thing — \$10,000, \$12,000.

So you look at it and you say to yourself, well it appears to me the best interests of myself here would be to buy the car from the guy for \$10,000 rather than handing another \$2,000 to the other gentleman because he has higher costs. And that's all that people are asking, Mr. Minister. Why . . . and you say you have no union-only policy. Well that's fine.

We don't have a problem with that in the opposition, Mr. Minister, no problem with that whatsoever. What we have a problem with is a \$1 million additional cost on a project that could have been awarded to a company for a \$1 million less. That's what we have a problem with, Mr. Minister. It's not a problem with anything whatsoever to do whether that company is non-union or union. If they were two non-union companies bidding, Mr. Minister, and there was a \$1 million difference, my guess is on the same project you would take the lowest tender on that.

Why then, Mr. Minister, on a project that the same criteria has to be met by those two companies, why then would you be willing to accept the \$1 million higher cost on that project? Why would you do that to the Saskatchewan taxpayers when you can see quite clearly that a company, regardless of whether it's union or non-union, has come in with a contract substantially lower, Mr. Minister? Why would you want to subject Saskatchewan taxpayers to that additional cost, Mr. Minister?

And that's the type of questions that people all over this province are asking. They look at the type of fanfare that you went through when you were trying to bring the Piper project to Saskatchewan. They look at that, Mr. Minister. They look at it and they say, here's a minister who's trying to promote a project for Saskatchewan; trying to bring in a project into Saskatchewan through a great big bunch of fanfare, Mr. Minister. And then the project fizzles right before the Saskatchewan taxpayers' eyes.

And the minister who has promised this, his

government has promised to be open and accountable and provide all kinds of detail on all these things, he says, no, there's a remote chance this thing will still be able to be put together.

It's those type of things, Mr. Minister, that the business community doesn't like. It's those kinds of things that the taxpayers of Saskatchewan don't like, Mr. Minister. Bills like 55 and 56 are other examples of why the business community in this province doesn't have any confidence in your government, Mr. Minister.

That's why, Mr. Minister, that the business community is taking out large advertisements saying that your government is on a policy that is regressive — saying, Mr. Minister, that your policies will hurt business confidence; will hurt the economy of Saskatchewan, Mr. Minister. And, Mr. Minister, that is why business groups around this province are calling for an economic summit.

That is why, Mr. Minister, business groups all over Saskatchewan are saying they need an opportunity to have a chance to sit down with you, Mr. Minister, to sit down and talk to you about your agenda, your business agenda. They simply want an opportunity, Mr. Minister, to have a chance to say to you: we think some of the things that your government is doing are wrong, Mr. Minister.

Some of the things that your government is trying to promote in this province — awarding tenders . . . or about to award tenders of a \$1 million cost simply because you have a preference for one company over another and simply because that preference is best based on whether or not they are a union-affiliated company or not, Mr. Minister. That's why . . .

The Chair: — Order. Order. Order. It now being near 10 o'clock, the committee will rise, report progress, and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 10:01 p.m.