

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Hon. Mr. Shillington: — Thank you very much. Mr. Speaker, I want to introduce to you and through you to the Assembly, four members of the RWDSU (Retail, Wholesale and Department Store Union) who I see in the gallery. I'm not entirely confident of all the names, so I'm going to excuse myself from that. I know the Assembly will want to welcome these people who are here to bring to the legislature their concerns with respect to their treatment by Westfair Foods.

Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: — Mr. Speaker, it's my pleasure to introduce to you 20 grade 7 and 8 students who are seated in your gallery, from the McNab School in the Elphinstone constituency. They are accompanied today by their teacher, Wendy Tingle. And I want to invite all members to welcome them here today for question period. I look forward to meeting with them after question period for another question period that I know they're going to have with me at that point. So welcome today.

Hon. Members: Hear, hear!

Mr. Martens: — Thank you, Mr. Speaker. On behalf of the member for Rosthern, I want to introduce a group of grade 5 students, 49 in number, from Martensville, and I want to welcome them here today. I hope that you will find the proceedings in the Assembly enjoyable and you will find them informative. Also I'll be meeting with you afterwards for a small visit. And I want to ask you and the members of the Assembly, Mr. Speaker, to join me in welcoming these grade 5 students to Regina today.

Hon. Members: Hear, hear!

Ms. Bradley: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to introduce to you and through you to the Assembly, a friend and a former constituent of mine, Darryl Hovenak, who is sitting in the west gallery. He is now working in Regina at the Sherwood Credit Union. So I'd like members just to join me in welcoming him here today.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Government Shares in Cameco

Ms. Haverstock: — Thank you, Mr. Speaker. My question is to the minister responsible for the Crown Investments Corporation. Mr. Minister, the Saskatchewan government has a significant interest in Cameco, and the Saskatchewan Mining Development Corporation, which owns the government's shares in

the company, has over \$350 million of Cameco's assets.

Will the minister tell us please what plans he has for these investments.

Hon. Mr. Penner: — Thank you, Mr. Speaker. The plans that we have for the investments in Cameco right now is to manage them well and to take care of them for the benefit of the people of Saskatchewan.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Mr. Minister, Cameco shares have increased considerably, as you will note. In light of the significant increase reported by all stockbrokers, it appears that Saskatchewan could make a substantial profit by selling these shares. And given your great concern of the government with the deficit, why does the minister not sell these shares and use the money to reduce the deficit?

Hon. Mr. Penner: — Mr. Speaker, I believe that the member here from Greystone is certainly speaking on behalf of the brokers in Canada. And the brokerage houses would certainly be interested in selling these shares; however there is no substantial profit to be made at this point in the Cameco shares. And if the member will just recall back a very short period of time ago, when Cameco shares were sold, the people of Saskatchewan sustained a substantial loss under the previous government and this government is not prepared to do that.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Mr. Minister, you know it appears that your government would rather raise taxes in the tune of \$193 million on the backs of Saskatchewan people than to sell shares in Cameco to ease the financial burden of this province. Now if you're not going to sell the shares to reduce the deficit, do you in fact have a strategic plan as far as the \$350 million worth of shares are concerned?

Hon. Mr. Penner: — Mr. Speaker, as we hold the shares and if the assets truly do go up, if the value of the shares truly go up, that doesn't mean to say that Saskatchewan people are losing any money; it means we're making money. And I don't know where the member has this idea from that you are losing money by holding the shares. We're making money as the value of the shares go up, and we anticipate that the shares will go up substantially. Therefore we're not interested in selling them at this time.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Mr. Minister, your government preaches about how broke we are in the province of Saskatchewan and how much we must do in order to reduce our deficit. And at the same time, you are trying to tell us that we should not sell these shares even if it would substantially help us to reduce the deficit.

Now are you in fact telling us that you're quite willing to play the stock market — and there are many, many people who are quite aware of what's going on here, who have come to me — are you just continuing to play the stock market with people's monies and raising taxes, or is there actually some kind of hidden agenda for not disposing of them while they're at a profit and using the money to reduce the deficit for Saskatchewan people?

Hon. Mr. Penner: — Well I want to assure the member from Greystone that this government does not play the stock market. We think that we have an asset here which will grow, and we will allow this asset to grow. And at some time in the future this government may decide to get rid of some of the shares, but at this point we are not interested in getting rid of any of the shares that we hold in Cameco.

The fact that we have a deficit and that we have debts would not make any difference whether we sold these shares or not. Because these shares, if there were any profits to be made, would be made by the Crown Investments Corporation. It would not go directly into the General Revenue Fund anyhow, and it would simply reduce the debt load of Crown Investments Corporation. And unless we can make a substantial profit, we would be losing money on these and that would simply make the situation worse. This government's not prepared to do that.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Thank you, Mr. Speaker. Mr. Minister, when Cameco shares were first issued some two years ago, they were at \$12.50. On April 1 of 1993 they were valued at \$18. Last Friday the shares were trading at \$21.25. And today they're at \$20.50 a share.

Now given this particular information, what you're trying to tell us is in fact that either you played around with the numbers as they are on the books. Or in fact, you're saying that something now has changed to say that you're not going to be working with anything that deals with profit, okay? You're saying the book value is one thing, and now you're telling us something else.

Now given all of this information and given the fact that these particular shares are rising in value . . . And some people disagree with you. There are a whole load of different groups that are selling off these shares at this time because they would indeed be making a substantial profit. Why is it exactly that you're choosing not to sell these off now and put the money toward reducing our deficit? Or are you in fact more interested in cashing those in about 1995?

Hon. Mr. Penner: — Thank you, Mr. Speaker. This government has no hidden agenda as far as the Cameco shares are concerned. When the previous government sold shares in Cameco, they took substantial losses and the people of Saskatchewan have absorbed those losses.

This government is going to have to make up for those losses in one way or another, either through taxes or else holding the Cameco shares until there is some profit to be made from it to cover those losses. If the Cameco shares are worth that much and the company is going to produce some revenue, we'll get some dividends and those dividends will flow back into the Crown Investment Corporation. And we'll use those dividends in order to cover the deficits that we have.

Some Hon. Members: Hear, hear!

Purchase of Video Lottery Terminals

Mr. Martens: — Mr. Speaker, my question is to the minister responsible for the Gaming Commission. Last week you finally took the action with respect to the association the NDP (New Democratic Party) government has been fostering with disreputable video lottery companies in the United States. It was amazing, Mr. Speaker, the fact that the government opposite at every turn knew of these companies and the problems which followed their every dealing. The four different ministers knew, Mr. Speaker, the two or three different gaming commissioners knew because we told them.

The current minister said and I quote: We have gone through a very in-depth process to determine that VLC (Video Lottery Consultants) would be a reliable supplier. And as I said again, I concur with the decision of the Gaming Commission. Unquote.

My question is to the minister responsible. Mr. Minister, your directive to the Gaming Commission requested that the security division of SPMC (Saskatchewan Property Management Corporation) review VLC's background, and you have also requested the Department of Justice to review the information. After repeatedly saying, Mr. Minister, everything was checked, double-checked, rechecked, why are you now requesting a second security report? Are you admitting that your government botched the first one, the one you refused to make public?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Well, Mr. Speaker, I want to begin by saying that, as I have indicated in this legislature before, this government does do due diligence. We have done an in-depth security check with respect to VLC. Unlike that administration when they were running around the country dealing with Guy Montpetit and the GigaText operation, we do our homework.

And I want to say, Mr. Speaker, that I'm getting a little tired of the sanctimonious attitude of those crew and that crew that amassed a \$15 billion debt by deals like GigaText.

And I say today that this operation, this government, is doing all that we can to ensure that we are going to have a reputable gaming industry in this province. It will be a clean industry or there will be no industry.

Some Hon. Members: Hear, hear!

Mr. Martens: — Mr. Speaker, and Mr. Minister, I'm wondering why you never included GTECH in your second security check. We informed you over a month ago that the federal grand jury in California is investigating relationships between GTECH, state legislators and lobbyists. We informed you of allegations that GTECH made campaign contributions exceeding a half a million dollars, that they bribed state senators, that they gave the former governor of Missouri an \$800,000 contract after GTECH won a tender, and the list goes on and on, Mr. Speaker.

If you, as you state now, want to ensure the gaming industry in this province is kept clean of the problems that have become well established in the United States, would you today, Mr. Minister, would you not find it necessary to conduct a second security report on GTECH?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker, I want to say to the member opposite that we will do all that is required to ensure that the gaming industry in this province will be clean. And I want to tell you, Mr. Speaker; I say to the member from Morse and I say to all the members opposite that we don't do business the way they do business. We're a different government; we operate in a different fashion, and we are going to do whatever it takes to insure that we have a clean gaming industry in this province, or as I indicated to him before, the will be no gaming industry if it can't be clean.

And I want to say to the member from Morse that . . . I quote from a little newspaper article here: auditor's report reveals Hill deal, signed Shand 2 contract, a \$4.2 million contract signed for goodness' sakes in the dying days of that legislature without authority. We aren't going to do things this way.

I want to say to the member from Morse that we will . . .

The Speaker: — Order, order. Next question.

Some Hon. Members: Hear, hear!

Mr. Martens: — Will the minister responsible for the Gaming Commission and the SPMC also confirm to this Assembly that the same people that did the assessment on Guy Montpetit are the same ones that did the assessment on GTECH and VLT (Video Lottery Technologies Inc.)?

Hon. Mr. Lautermilch: — No, Mr. Speaker, I can't confirm that to the member from Morse. What I can say to him is that we put together an internal team from different elements and different administrations within the government to do whatever could be done to ensure that we're dealing with reputable companies.

And I want to say to the member from Morse: I think it's quite clear that when I found out that there was an indictment handed down and when I was made aware of that, that there may be also two other indictments, I moved rapidly to ensure that we ceased negotiations with VLC until we are ensured that this is a reputable company.

I want to say, Mr. Member from Morse, unlike your performance with Guy Montpetit and GigaText, we have moved rapidly and we have done what we feel is necessary to ensure a clean gaming industry in this province, and I assure the people of Saskatchewan that that's the case.

Some Hon. Members: Hear, hear!

Mr. Martens: — Mr. Speaker, Mr. Minister, if you want to clear your name of all of the allegations, why don't you table the report that Mr. Egan signed? Why don't you table that right now?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker, I want to say to the member from Morse, if he is accusing me or any other government officials of any wrongdoing, I ask him to step outside the legislature and . . .

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

Some Hon. Members: Hear, hear!

The Speaker: — Before we ask the next question, I do want to ask members to please tone it down a bit, particularly the member from Estevan. Next question.

Mr. Martens: — Mr. Speaker, Mr. Minister, would you table that report for the Assembly and all the province of Saskatchewan to see, so that we can decide, as the people of the province who are the taxpayers can decide, that you are doing it right? Would you do that for us today?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker, let me say this. The member is well aware under the freedom of information guidelines and under the process that is in place in terms of having this report released, he knows the process. He knows it well. As a matter of fact, one day I took pains to send over a freedom of access document for him to follow through, but he hasn't even seen fit to do that.

Now I want to say, Mr. Speaker, that the member opposite knows full well that we've been dealing with other jurisdictions who have passed on information, who have asked that that information be kept confidential. And we will honour that, Mr. Speaker. We will honour that because that is the proper way to do business.

And I want to say to the member opposite — and I'm going to repeat this — if he's got any allegations or if

he's got any information that would lead him to believe that any member of this government or any official of this government has been involved in any wrongdoing, I ask him to stand outside the legislature, make those statements, and we'll take the appropriate action.

Some Hon. Members: Hear, hear!

Mr. Martens: — Mr. Speaker, and Mr. Minister, according to your own comments in *Hansard* on the record, the original security report recommended all short-listed companies. Mr. Minister, can you tell this Assembly if Mr. Doug Egan or any other staff or consultants advised your government not to deal with either GTECH or VLC?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker, let me answer this very shortly and very succinctly: the answer is we were not told or instructed not to deal with either of these two companies.

Some Hon. Members: Hear, hear!

Mr. Martens: — Well, Mr. Minister, then we need to see the report to see exactly what Mr. Egan signed so that you had information that led you to take that to cabinet to get the consent of cabinet to do business with those two companies. And we want to see the report. We want to see it in the Assembly, and the people of the province have a right to see it because you are spending 20 million of their dollars to access this opportunity for video gambling. Now would you table that in this Assembly for us, please.

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker, I've been through this with the member opposite no less than a dozen times in the last three weeks, and the answer is the same as it was before. He knows the process, and he knows why I have not . . . I have indicated to him that he should use the process to seek the information.

I want to say to you this, Mr. Speaker, and to the members opposite, that this government has done due diligence on these companies to the best of our knowledge. At the time we did the investigation we were in a position to be able to negotiate the purchase of these machines with them. And I say to you that to my knowledge there is no member of this government who would want to see it happen any other way.

We feel that we have gone through a very fair process. We feel the process has clearly indicated that we were in a position at that time to consider negotiations. And I indicate to you just one more time, sir, that when the indictment came down against the lotteries official in West Virginia, we were also made aware that there was a possibility of two other indictments. Now I don't know who those may be against; we have no way of knowing it.

But to be on the cautious side, Mr. Speaker, I want to

say that we halted negotiations with VLC until this matter is cleared up. And I want to say, at the time when Mr. Egan . . .

The Speaker: — Order, order. Next question.

Some Hon. Members: Hear, hear!

Mr. Martens: — Mr. Speaker, and Mr. Minister, your inaction, your secrecy, your lack of understanding, your lack of investigation has done absolutely nothing to insure that the people of the province of Saskatchewan are getting a value for the dollar they're spending in taxpaying.

And we want to know, number one, the report; number two, we want to know, in the interest of openness and accountability, will you table the proposals, all of the proposals which you received regarding the supply of video lottery terminals. Would you do that for us, please?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker, I want to say to the member from Morse, it's a strange time, after having sat in this legislature since 1986 and having watched the lavish expenditures, that now he becomes the watchdog of the public purse.

I say, Mr. Speaker, when these people spend three and a half million dollars on Giga Text and \$8 million on Supercart and 5.2 on Joytec and a half a million on High R Doors, and Austrak for 700,000; 490,000 on Pro-Star Mills, and if you take the aggregate \$15 billion, I say to the member, shame on you that you would even have the courage to stand up here and pretend to be the watchdog of the public purse.

Some Hon. Members: Hear, hear!

Mr. Martens: — Mr. Speaker, and Mr. Minister, in the interest of openness and accountability, we'd like to have those proposals on the Table so that the people of the province of Saskatchewan can see where the 20 million that you're spending is going to be spent.

Will you table a list to all the companies which supplied your government with a proposal? List them. If you're not afraid of it, list them here so that everybody can see. Will you table a list of the principals of these companies including consultants, advisers, or staff members hired by these companies? Would you include all of that so that the people of the province of Saskatchewan can really see what you're doing?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Speaker, that I want to say what we have here seen demonstrated is an example of not only hypocrisy, but galloping hypocrisy. Mr. Speaker, these now, the watchdogs and the protectors of the public purse who build a \$15 billion debt, shouldn't be asking these; they should be hanging their heads in shame, Mr. Speaker.

I want to say to you that, Mr. Speaker, the appropriate information with respect to this negotiation and these deals will be released at the appropriate time as we do with all dealings.

We are very cognizant of the fact, Mr. Speaker, that people are, since your administration, very much concerned with how governments spend their dollars. And I want to assure the people of Saskatchewan that we will not act as the former administration has done and will be responsible with the way we spend public dollars.

Some Hon. Members: Hear, hear!

Mr. Martens: — Mr. Speaker, and Mr. Minister, will you table also for this big fiasco that you've got with 20 million of taxpayers' dollars being spent, will you table the report? Will you table the information on the proposals that you received? And also, will you table for us who the gaming commissioners were that established that this was a good thing that was supposed to happen?

Would you provide all of those details for this Assembly so that the people of the province of Saskatchewan can make the decision on whether it's a good deal or not — not only you?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Thank you. Mr. Speaker, I think it's probably important to know, and for the member's information, unless he isn't aware — and I'm sure he's more than aware — the money that's been budgeted for the purchase of VLTs (video lottery terminal) has not yet at this point been spent. But I want to say that hopefully we will be able to make these purchases and get this industry on the go soon.

But I want to say, Mr. Speaker, rather than fearmongering and rather than half-truths that the member is so eloquent in spreading, that he may want to assist us in getting this industry on go.

I want to say and I'll say this one more time, Mr. Speaker, that this will be a clean industry in this province; we will get value for the taxpayers' dollars when we finalize the deals and when we finally purchase these VLTs, unlike some of the deals that were made by that administration. And I want to refer the member from Morse to the three and a half billion dollars . . .

The Speaker: — Order, order. Next question.

Some Hon. Members: Hear, hear!

Job Creation

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Labour. Mr. Minister, the business community and the people all over Saskatchewan in this are asking you to facilitate some job creation in this province. Your government's

response is to completely ignore the problem. Don't worry, be happy, you say.

Mr. Minister, I have some figures here from the Saskatchewan Home Builders' Association. You people remember those, those folks from the home builders' association. The one the Premier said doesn't represent anyone. Well those folks, Mr. Minister, say that based on your own government's calculations, the proposed changes to workmens' compensation will cost residential builders between 217 and \$517 per employee, per year.

Mr. Minister, how can adding 2 to \$500 payroll tax per employee possibly help the construction industry create jobs in this province?

Some Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: — Mr. Speaker, I want to make it clear to the member opposite, that when it comes . . . to the member opposite, that when it comes to job creation across Canada, obviously you'll know that the most recent statistics show that there has been an increase in unemployment in Canada. At the same time, Saskatchewan is bucking that trend, and the unemployment rate is actually going down.

So I say to you . . . I say to the hon. member, clearly get off of this attack of being negative and gloom and doom, in light of the fact that things are improving in the province of Saskatchewan.

I want to say clearly that today's editorial about the issue of a business meeting, or the meeting of business people with government, what they're saying is that the government and business people who are cooperating are in fact on track. That's the only way to solve the economic problems we see in the province of Saskatchewan.

That after 10 years of divide and rule and pitting one group against another, we've seen enough of that. And I ask you, Mr. Member, to come onside, be positive about what's happening in the province and get off of this kick of gloom and doom, because most people do not appreciate it.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Thank you, Mr. Speaker. Well, Mr. Minister, you and the Premier can brag all they like about the employment statistics for the last month, but the relevant fact here is, sir, you have to compare them to last year, not month to month. The reason that employment statistics are favourable for this month is quite simply, Mr. Speaker, because spring seeding has started. The agriculture sector has kicked into gear for another year, and you, sir, can't take any credit for that, I'm afraid.

There are 2,000 more people unemployed than a year ago — 2,000. And there are 11,000 less jobs in Saskatchewan today than there were in April of 1991 under the previous administration. Those are the facts, Mr. Minister.

Mr. Minister, rather than spending so much time trying to twist the numbers around to convince people of your facts rather than the real facts, I wonder if you would convene a meeting with the business community to create some real jobs in this province to start some economic development in this province.

Some Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: — I want to indicate to the member opposite that we meet with business people all the time. Last Thursday we met with the executive of the chamber of commerce in Lloydminster. We met with business communities in Saskatoon, four or five different groups on Friday.

And for the member's information, just so he gets his facts and figures straight on the labour force numbers, when he indicates that there are fewer jobs in Saskatchewan in April of '93 than '92, he is absolutely wrong. And there's something about truth that really escapes these members. There are 2,000 more jobs in the province today than there was a year ago. That's an improvement.

And I say to the members opposite, the gloom and doom that you perpetuate, try to perpetuate across this province, is not doing the economy any good, and I ask you to get off of it.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 70 — An Act to amend The Urban Municipality Act, 1984 (No. 2)

Hon. Ms. Carson: — Mr. Speaker, I move that An Act to amend The Urban Municipality Act be now introduced and read the first time.

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

Bill No. 71 — An Act to amend The Local Government Election Act (No. 2)

Hon. Ms. Carson: — Mr. Speaker, I move that An Act to amend The Local Government Election Act be now introduced and read the first time.

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

Bill No. 72 — An Act to amend The Superannuation (Supplementary Provisions) Act

Hon. Mr. Penner: — Mr. Speaker, I move that An Act to amend The Superannuation (Supplementary Provisions) Act be now introduced and read for the first time.

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

Bill No. 73 — An Act to amend The Crop Insurance Act

Hon. Mr. Cunningham: — Mr. Speaker, I move An Act to amend The Crop Insurance Act be now introduced and read for the first time.

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

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 60 — An Act respecting Condominiums

Hon. Mr. Mitchell: — Thank you, Mr. Speaker. I'm pleased to rise today to move second reading of The Condominium Property Act, 1993.

This new legislation replaces The Condominium Property Act. That Act is 25 years old and predates a substantial increase in the number of people choosing to purchase a condominium unit as a home. In recent years condominium owners, realtors, and condominium developers have asked the government to update the legislation to deal with problems arising in the development and operation of condominiums. Several individual condominium unit owners and developers have also requested changes.

In some cases the problem areas which have arisen are not covered by the current Act. In other areas difficulties have been encountered in the interpretation and administration of provisions in the current Act.

Buying a condominium is very different from buying a house because of the necessary interaction between owners for the purpose of maintaining the common property and making decisions respecting the administration of the corporation.

The major thrust of this new legislation is to incorporate some significant consumer protection features governing the sale and administration of condominiums. There are virtually no consumer protection provisions in our current legislation. In this respect, Saskatchewan's present Act does not compare favourably to legislation in the provinces of Alberta, Manitoba, Ontario, and British Columbia. All of these provinces include provisions such as a requirement for developers to give prospective purchasers information about a condominium.

The legislation I'm introducing today will require developers selling a new condominium unit in Saskatchewan to provide the purchaser with a disclosure package. The disclosure package will have to include a description of the by-laws of the corporation, any management agreement respecting the care of the property, any mortgage that affects the title, any units intended for non-residential use, the number and type of parking spaces or other exclusive

use areas included in the purchase price, and the dates when the owners will be required to contribute to the common expenses and reserve funds.

Accompanying the provision for disclosure to a prospective purchaser is a provision for a 10-day period within which a purchaser may rescind the agreement. Provisions are also included to provide a remedy where a developer fails to complete the common property.

The developer will be able to choose from a number of options to be established by regulation. These options may include obtaining a bond or a letter of credit or putting a percentage of purchase money in trust. This amendment will protect purchasers and also address developers' concerns about the present stringent requirements respecting bonding.

Bonding is currently the only security option and it only applies to phased developments. In the new legislation some security options will be available to protect consumers whether the development occurs in one stage or several phases.

Another provision in the new legislation will require developers to hold the first annual meeting of all condominium owners within the period of time provided in the legislation. Presently the Act has no requirements for a first annual meeting to be called by a developer, or subsequent annual meetings to be called by the board of directors of the corporation. This change will ensure that unit owners are aware of how the corporation is being run and will have a voice in decisions.

This Act will also require developers to turn the following documents over to the corporation within a certain period of time. Those documents are warranties relating to the real or personal property of the corporation; structural, electrical, mechanical, and architectural working drawings and specifications; plans showing the location of underground utility services; written agreements that the corporation is party to; and certificates and permits issued by the municipality.

The present Act does not require owners to ever receive this information even though it is required to operate their condominium corporation. Management contracts entered into by a developer will be able to be terminated by the board of directors of the corporation after the agreement has been in force one year. This will address situations where a developer has one of his own companies managing the property at an unreasonable price which is paid by the owners of the units.

Parking in condominium developments and the lack of clarity in the legislation respecting the developers' responsibilities relating to parking has been a source of numerous problems for condominium owners. It has in fact resulted in litigation in Saskatchewan. This new legislation provides that unless a municipality's zoning requirements are such that fewer parking stalls than condominium units are needed in a particular

development, each unit will be entitled to a designated stall. Appropriate exceptions to this general rule are included in the Bill.

Other changes will recognize that a condominium is also a corporation. The present Act does not adequately reflect the fact that condominium corporations are also businesses that enter contracts, make investments, and in some cases manage very large sums of money. Protection for the unit owners, who are comparable to minority shareholders in a business corporation, are included to provide guidance and additional consumer protection for unit owners vis-a-vis the corporation. For example, the board of directors is required to hold an annual meeting. The board is required to prepare an annual financial statement and present it at the annual meeting, and the board members are required to comply with the conflict-of-interest provisions to be included in the Act.

The new legislation also provides for minimum standards for by-laws to be set out in regulations under the Act. The by-laws govern matters such as election of boards, voting rights, quorum, proxies, banking, and similar matters. A number of issues in the existing legislation relating to the operation of the corporation will be addressed. Corporations will be required to establish reserve funds to provide for major repairs and replacements so that unit owners are not faced with massive assessments when a major item must be replaced.

This Act will also clarify that corporations are able to buy real property. Thus a corporation could buy an available unit as a caretaker's unit, or buy adjacent land for a tennis court.

A corporation will be able to place a caveat against a unit owner's title when condominium fees are in arrears. Such fees pay for management expenses such as lawn mowing and snow clearing, as well as utilities, insurance, and reserve fund contributions. If one or more unit owners do not pay their share, this places an additional burden on other unit owners. Presently a board can only enforce payment of fees through a court action.

There's nothing in the present Act, Mr. Speaker, which addresses the relationship between a corporation and a tenant who occupies one of the units. The new Act, or the Bill before us, specifically deals with the issue of tenants and provides corporations with some ability to handle problems relating to tenants.

Condominium living frequently gives rise to disputes between the corporation and an owner, and between owners. Provisions previously referred to will deal with many of the issues that give rise to disputes such as parking, arrears of condominium fees, and financial reporting.

The current legislation does not provide for a way of resolving a dispute. For example, if a corporation wants to enforce a no pets by-law, they must make an application to court. As many of the disputes are fairly

minor in nature, a faster and cheaper method of resolving disputes is necessary. The new Act includes a provision permitting the parties to submit to arbitration. This is a more appropriate procedure in circumstances where the parties must continue living in the same condominium complex and cooperating in the future.

This new legislation is the product of a considerable amount of consultation on a broad range of interests in relation to condominiums. Consultation took place with condominium owners, developers, and managers, realtors, mortgage lenders, municipal assessors, surveyors, and land titles registrars.

This legislation focuses on balancing the interests of developers on the one hand, and condominium unit owners on the other. The consumer protection focus of the legislation is acknowledged and generally approved of by the interest groups who provided advice and assistance in producing this legislation.

Mr. Speaker, I move second reading of An Act respecting Condominiums.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, I'll be very brief in my comments about the Bill. We're very pleased to see that the government is bringing this forward. When the minister mentioned that there was broad consultation you forgot one very important player in it, which was the previous administration.

I understand this Bill has been some five years in the making and has been brought about by a great deal of consultation by all parties, including the previous administration which played a large part in formulating this legislation. It's a continuation of the direction that the previous administration was taking with respect to condominiums and we're very pleased to see that this is coming forward.

So while there has been a great deal of consultation, Mr. Minister, as we said, we have basically no problems with it and we would address any of the concerns we may have in committee. So we would have no problem in moving this forward to that stage.

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

(1445)

COMMITTEE OF FINANCE

General Revenue Fund Labour Vote 20

Item 1

The Chair: — I would ask the minister, at this time, to please introduce the officials who have joined us today.

Hon. Mr. Shillington: — Thank you very much, Mr.

Chairman. Seated to my right is the deputy minister, Merran Proctor. Immediately behind her is Janis Rathwell, associate deputy minister. Behind me is Pat More, who is the director of administrative services. On my left is Terry Stevens, the acting executive director of occupational health and safety.

Mr. Goohsen: — Thank you, Mr. Chairman. Well, Mr. Minister, we are going to take a look at the way you're spending the taxpayers' money this afternoon in the Department of Labour. And we have several areas that we want to cover. I think we'll just delve right into some questions, though, and go from there.

I noticed in the *Estimates* that under the Labour Relations subvote no. 2, a couple of numbers have jumped quite significantly. One is personal services. And when I say significantly, I mean in the personal services it went up by \$108,000. Could you please define exactly what personal services are, and why the jump in the funds?

Hon. Mr. Shillington: — I take it the member meant salaries when you referred to personal services.

Mr. Goohsen: — Do you want to explain that a little further, what it was?

Hon. Mr. Shillington: — In past years we've used the phrase personal services for a long time, which has generally referred to salaries. In the new *Estimates* book, the term disappears and we have salaries and operating expenses. Do I take it when you meant personal services, you were referring to salaries?

Mr. Goohsen: — Okay. Whose salaries would these be? Could you give us a list of the people that would be involved?

Hon. Mr. Shillington: — Okay. And if I could clarify it again, you referred to subvote 1 and 2. There are no salaries in subvote 2. Do I take it the member meant subvote 1?

Mr. Goohsen: — Likely we did.

Hon. Mr. Shillington: — Okay. There are three additional positions that are shown, but they're only shown. The three are the ministerial assistants working in my office. These are in fact not new positions, but we no longer squirrel those people away in the Crown corporations, and they're shown. So the three additional positions are in fact three ministerial assistants.

One option for the member which might assist you . . . there's a list of standard questions which you've asked all of the departments. I could give you a copy of that now . . . contains some of this information. All right. I'll ask the page to take to the member the answers to the standard questions.

Mr. Goohsen: — Thank you, Minister. That was going to be one of our questions as we got along here anyway, so we appreciate that. We'll peruse that as soon as we get a chance here.

Also under the "Labour Relations" is a more than hundred per cent increase in other expenses. Mr. Speaker, this category has jumped \$152,000 from last year's 316 — or two three hundred and sixteen thousand three hundred this year. Just what exactly is considered other expenses, and why has this category received more than hundred per cent increase, and would you provide the detailed breakdown of this vote?

Hon. Mr. Shillington: — Perhaps the member could identify the subvote you're referring to. We're just having trouble finding it here.

Mr. Goohsen: — I have reference to subvote no. 2.

Hon. Mr. Shillington: — Yes, thank you. That is not an increase in costs. That is a change in the way that SPMC display the cost. There used to be a rebate went back to the departments; that no longer goes back.

Thus the way in which the information is being displayed has changed. It actually is no more . . . places no more material, nothing more from SPMC. It's just a difference in the way SPMC bill us and the way we disclose it.

Mr. Goohsen: — I think you lost me there. Are you suggesting there's a different accounting procedure used?

Hon. Mr. Shillington: — Yes. Up until last year there had been in place something called the participation credit, and it was a controversial affair, but did not really assist members of the Assembly in understanding the true costs of SPMC.

As a result of recommendation in the Gass Commission and elsewhere, the participation credit has been done away with. We now display the information in a more accurate fashion, and thus the figure has increased. But we are not being billed for any more services or any more space or any more supplies. It's just an accounting change.

Mr. Goohsen: — Thank you, Minister. I probably was asking questions about a different page than you were on because I got my notes kind of mixed up here.

Anyway we've got some need, Minister, to talk about exactly where your portfolio is leading the general direction of the province in terms of things like job creation. I know that that will fall in a more general way under the jurisdiction of Economic Development than those kinds of things, but the Department of Labour of course makes some very critical determinations in the types of legislation that control our province and our workforce and our unionized friends and the business community in general. What happens in your department affects many, many possibilities of potential for job creation or the lack of it.

Could you explain to us what you are doing to assist in the job creation through your programs?

Hon. Mr. Shillington: — I say to the member from Maple Creek, that this department really does not have any responsibility any more for job creation. Those matters are now handled exclusively by Economic Trade and Development. And you will note that the questions in question period are fielded by that minister.

We do keep some statistics with respect to the labour force, the size of the labour force. We really do not bear responsibility for job creation. That is really done by Economic Trade and Development. I'd encourage the member to ask his questions of that minister.

The short answer for this department is very little. That's not our responsibility. It's done by Economic Trade and Development.

Mr. Goohsen: — Okay, thank you, Minister. The other day in question period, I recall the Premier . . . I guess the term that some people have used . . . he in some people's view declared war on the business community by making the statement that went something along the lines that the Canadian Federation of Independent Business and the chambers of commerce did not really represent business in the province of Saskatchewan, that they really didn't know what was going on, and that business in general agreed with the policies and the direction that the government was taking.

I want to get on record, Minister, the fact that these organizations are paid for in their total existence by the memberships that they represent. As far as I know — and you can correct me if I'm wrong — no government dollars go to sponsor or to finance either one of these two organizations. And if that is true, would it not also then be true that if they weren't representing business fairly, the people that pay their way, would those businesses not withdraw that financial support, and wouldn't they disappear if they didn't properly represent them? What is your opinion on that?

Hon. Mr. Shillington: — I wasn't present in the Assembly on Thursday, I think, when that exchange took place. I doubt very, very much that the member from Riversdale declared war on the Saskatchewan business community. I suspect that that is a characterization of the member from Maple Creek and not a fair characterization at that.

With respect to organizations such as Canadian Federation of Independent Business and the chamber of commerce, one must remember to some extent these are lobbyists. It is their responsibility to come to government and to get as good a deal as possible. And they will therefore ask for as much as could conceivably be given.

What I think the member from Maple Creek . . . or the member from Riversdale, rather, was saying was that we believe we have struck a reasonable compromise in the area of labour law, and we think that most business people in the province see it as a reasonable

compromise. We don't necessarily expect lobbyists such as CFIB (Canadian Federation of Independent Business) and the chamber of commerce to acknowledge that; rather it is their responsibility to get as good a deal as they can on behalf of their members. I'm not being critical of them. I'm just saying one shouldn't necessarily take their comments and assume that those are the views of all business people.

I think Mr. Romanow was saying is that we think we've struck a reasonable compromise. We think most business people in the province see it as a reasonable compromise. I think that's what he was saying.

An Hon. Member: — Mr. Chairman, he can't use the Premier's name like that.

Hon. Mr. Shillington: — If I used the proper name of the member from Riversdale, I apologize.

Mr. Goohsen: — I'm sure the Chair will accept your apology. It kind of slips out sometimes when we're talking about friends.

In spite of your explanation, which if taken by itself would seem a fair and reasonable approach, the reality is that these are people that represent business, that we're talking about, you may identify them as lobby groups, and that could be fair enough. I mean I suppose that's a good enough term to use.

But the reality is that everybody in our society has someone that represents them. The teachers have a teachers' federation; the workers of our province have their unions. Everybody has a professional group that they pay for that tries to get them a fair deal in society. And so you can hardly fault these people for doing their job, and I think that's what they're doing.

(1500)

As far as your comments about being fair and reasonable and compromise and all that, I suggest that there's very precious few people in the business world that would agree with you on those explanations of what we are about to see in changes of legislation.

In fact I think radical, extreme, unworkable, destructive, creating of unemployment, destruction of business, chasing away of economic diversification, and probably the demise of our province as a business community, other than to be the hewers of wood and drawers of water — that might be a better explanation according to some other people in the province.

So I think you should take a closer look, Minister, at whether your programs are in fact creating jobs, whether they are helping labour. You represent the labour force in our province, and if what you're doing is counter-productive, then you are not doing your job well. And I'm suggesting to you, because you brought it up, that what your measures are doing is very counter-productive to the job that you're supposed to be fulfilling, which is to help labour to fulfil its needs, which is to have better working conditions, better

social and economic base from which to work.

If we lived in a state-owned and state-controlled society, then the measures you are taking might work because the government would be the employer. And the government would of course have to fulfil the mandates of all of the legislation that you are bringing in.

Unfortunately for you, we don't live in a communist state. We live in a free state where business works and operates independently through what you would hate to hear said, but the capitalistic system is the reality of the world that we live in, and businesses are a part of that free enterprise system.

Businesses in the free enterprise are the key creator of labour positions and jobs in our society and in Saskatchewan. And if you create an atmosphere where business can't work, if you're not in a position to take over everything as a government state-owned entity, then you will have to find ways to provide businesses with the opportunity to be able to be competitive, not only in Saskatchewan with one another, but from province to province and from country to country, because we are in a competitive market position and businesses have to be able to compete. If we're not in that competitive position, we can only have enough businesses to serve our own immediate needs, which become very close and narrow.

Anyway, the narrowness then means that we become nothing but the suppliers of raw products to the rest of the world. We can never, ever create the secondary industries that would promote increased labour needs and increased prosperity and diversification. And so, Minister, I think you're way off track in your judgement of how the system can work. You can comment on that as we go. I'm going to throw in another question so that you can also consider it.

I have here in my hand a copy, from the Saskatoon *Star-Phoenix*, of the paper. It says:

Effective December 1, 1992, the minimum wage for Saskatchewan will be \$5.35 per hour . . .

And it goes on to give some numbers and all kinds of stuff. That was an ad that was carried in the major newspapers — an ad which your department paid for.

I'm wondering what productive game can there be to the taxpayers of Saskatchewan for you to spend a whole large sum of money advertising that the minimum wage in the province went up. As soon as that became law, would that not automatically mean that every employer would be notified by some direct form and that they in fact would be compelled to pay that minimum wage and that this advertising in fact was nothing but a waste of government money?

Hon. Mr. Shillington: — The short answer to the member's question is we wouldn't necessarily write all employers, wouldn't necessarily have the names of

all employers. Some of the arrangements are fairly informal, shall we say. We don't have all the names. We do not write them all directly.

We spent \$5,000 on an ad just simply as a means of informing the employers and the employees that the minimum wage had gone up and that they ought to rearrange their affairs accordingly. Indeed I think, if I may say so, this is the kind of way I think government advertising is justified, when one's giving out information about government programs. We were simply giving information in the ad. I don't think it was political; I think it gave information. It gave information to employers and employees.

Sometimes we have a feeling when we're in this Assembly that the whole world measures its existence by what goes on in this Assembly. There are, as I'm sure the member will be aware coming from Maple Creek, there's a good percentage of the population don't follow these proceedings very closely, or at all. And so we took the opportunity with the ad to inform all Saskatchewan people that there had been this change in the minimum wage.

But it was purely informational and it was the only monies I think we spent informing people of this important change.

Mr. Goohsen: — Well you didn't wreck my day by suggesting that everybody doesn't watch what we're doing here because I'm quite aware of that fact. I haven't been here all that long and I can remember a very short while back being just an ordinary Joe Citizen out in the community and rarely ever paid any attention to the immediate happenings of this Assembly, and I guess I was probably about average.

The reality is though that important things are covered and the minimum wage increase was broadly, very broadly covered by the media in its own right and I rather doubt that you would be able to live in Saskatchewan without having heard when it went up; it was carried that extensively by the media.

And so the advertising campaign may have been stretched a little bit, but even granting that you can justify having done it, your government did campaign that you were going to do so much better, especially in the area of advertising and promotions and those kinds of things.

Now having said that, I recall also in the election campaigns that you suggested you could save anywhere up to 80 per cent of the taxpayers' dollars in those areas. So if that were true at that time, could you suggest to me some places where you should be saving some of these dollars that you said you could do?

Hon. Mr. Shillington: — Well the government has done a pretty fair job of saving dollars in areas such as this. We have cut back very extensively in terms of advertising. The period prior to the election was characterized by a lot of ads which did not give much information but which some detractors of the former

administration said were somewhat self-serving and were an attempt to promote the government as distinct from providing information.

We've cut back on almost all of these and almost all advertising now is informational in nature. We have I think, if my memory serves me correct, the former government was spending some \$20 million a year on advertising. We spend a fraction of that, almost all of it in this form which is simply providing information.

Mr. Swenson: — Thank you, Mr. Chairman. Mr. Chairman, I just want to ask the minister a few questions here on clause 1 pertaining to some comments that the Premier made last week, and the minister has informed us that he wasn't here and he thinks the Premier said such-and-such.

Mr. Minister, even though your department isn't directly related to job creation *per se*, you are absolutely right in the fact that what your department does has a very large effect on employment levels in this province, in the number of people that leave our province, the number of people that come into our province for various reasons. Because North America today is a very competitive market-place for most things that we do. Our labour market, our job market, is as competitive as the people that invest money daily on the stock exchange. So what you do, Mr. Minister, in your department has a very large effect on our ability to compete.

But the open letter to the Premier last week said, was that in a number of areas you are impairing the ability of people to invest and do business in the province of Saskatchewan, which is counter to your own document.

They were simply saying, we would like to discuss your own document which laid out certain parameters — which everyone heartily endorsed, by the way, Mr. Minister, when it was released eight or nine months ago.

Now what the business community is saying is that there is some major betrayal going on from what they were told when the document was released when they all signed on, and what is actually happening. Part of that betrayal, Mr. Minister, is the area that you are in charge of, the two Bills that are before this legislature, and some ancillary areas attached to Labour.

Now, Mr. Minister, if the Premier succumbs to the pressure of a business summit in this province — and I believe that he should — that means that your role in this exercise is going to be under a very fine microscope. It's going to be visible to the public in a way that it hasn't been in the present.

And I would say to you, Mr. Minister, and I'd like your comments on this, the numbers which you use in this legislature pertaining to the two Bills and the amount that they will . . . the cost of doing business that will be associated with them, are you absolutely firm on those numbers, that those are the maximums? Or is there a

potential under certain circumstances for those numbers to in fact go higher than what you used in the legislature today? Are those bottom-end numbers, are those average numbers, or are you standing hard and fast and saying to the legislature in Saskatchewan that over the next five or six years those numbers will not change?

Hon. Mr. Shillington: — I don't mean to be flippant to the minister . . . or the member from Thunder Creek when I say that I am absolutely certain about two things: that I was born and I will die. The rest is I guess a matter of probabilities.

Let me tell you what . . . well taxes is somewhere pretty close to that. Let me tell you what we've actually done. We have hired the best advice we could get which was the senior managing partner of Price Waterhouse in Saskatoon. We worked with . . . the individual's name is Don Rosten. I don't think he would object to me using his name in this Assembly. We worked with him from the very beginning. We're assured by him that our estimates as to the cost were as good as they could be.

I want to say to the member from Thunder Creek that I think if we are out, I think we have erred on the conservative side. I think if we're wrong our costs, we will have overestimated the costs and not underestimated them. If you say are you absolutely dead certain? The answer is no. I'm quite confident though if we're wrong, we will have been overly conservative and not overly liberal in our approach to estimating the costs.

Mr. Swenson: — Okay, Mr. Minister, did your consulting firm provide all of the numbers that you have used or are some of those numbers that your own department has provided as part of that study and the analysis?

Hon. Mr. Shillington: — No, Price Waterhouse provided them all. They had access to all the information in the department. But all of those figures were theirs and their name went on the bottom underneath all those figures.

Mr. Swenson: — Well the part the public and particularly the business community is having trouble understanding, Mr. Minister, is that they also have had fairly detailed analysis at great cost to their own membership done which show a different set of numbers. And that's why I asked you, are we at the bottom end or are we in the middle or are we at the average? You tell me that you're conservative with the numbers that you use.

They have analysis which seems fairly in depth that shows that they have a high-end number. And it's a number that you're familiar with, okay, that we're talking about close to \$200 million. Now given that they can be so high, I think that you should be able to tell the Assembly and the taxpayers of this province that you in no way could possibly be near that level because of certain factors and that you could outline those factors for us which then would maybe give the

business community some confidence that you aren't . . .

I mean, who knows who the next minister of Labour's going to be and what the policy's going to be. And Finance may change their mind on certain things. And instead of the employer simply picking up the health costs, he may be asked to pick up something else next budget; meanwhile you've had your legislation through and the numbers go all wonky.

So I want you to give us a more in-depth explanation about certain factors that would go in and would prohibit those costs from going up.

Hon. Mr. Shillington: — All actuarial studies are based on assumptions. An actuarial study is no better than the assumptions. So I just say the obvious, that the assumptions upon which that study was outlined are set out in the very beginning of the study.

I want to say for the benefit of the member opposite that some confusion has occurred, and it is regrettable. What happened was that the Workers' Compensation Board did a review of the Muir report or the at least of the Muir report as they understood it. And that report done by the Workers' Compensation Board by William Mercer and company, produced a rather startling increase in cost.

(1515)

To some extent that report was premature. It was premature because the government hadn't adopted the Muir report in its entirety. It was also premature because I'm not sure the WCB (Workers' Compensation Board) understood the report properly, although I don't want to put too fine a point on that. The question of deeming, I think they misunderstood. So I think the Mercer report was not as useful as it might have been.

It was however taken into consideration by . . . and so I think that's why the business community have this very high figure. It's because it came from the WCB. But the WCB prepared this report without having discussed the matter with the department and without knowing what the government was intending with respect to the report. To that extent I think the report, the study done by William Mercer last fall, was premature. It does suggest a very startling increase of some 200 per cent.

When we began to devise the legislation, clearly an increase of 200 per cent is not on. I wouldn't recommend that to anyone, and if I did I don't think I could persuade very many people to adopt such a regime.

What in fact we did was hire Price Waterhouse and worked with them closely in preparing the legislation. So Price Waterhouse have costed the legislation.

William Mercer last fall costed what the WCB understood to be Muir's report, and there is quite a difference between what they understood and what

we're doing.

For the benefit of the member, I can get into what the difference is in practical terms if you want, but that's why one report which the business community has is so high, and this one appears so much more modest.

It's not that we looked at exactly the same thing and arrived with different figures. They are a study of two different phenomena. The first one was a study of the Muir report; the second one is a study of the legislation.

Mr. Swenson: — Thank you, Mr. Minister. Mr. Chairman, I don't think we need to do that because I'm sure under detailed discussion of the Bill there'll be ample opportunity for you to enlighten us on those details and the differences.

But I think what we do in clause 1 of your estimates here is that we need to understand some general parameters of policy and where you're going. People in the business community, and particularly the five organizations which sent the open letter to the Premier, are saying that there have been developments since the beginning of the year which give them some cause for concern.

And certainly the Mercer report was done last fall. But I would remind the minister that you're dealing with a Workmen's Comp Board who have a surplus in the account, have run an actuarially sound operation which until very recently, I'm told, had some of the highest benefit packages available to Canadians.

Now I would suggest to you that people that had been able to run that type of operation when so many other provinces are in very large deficit positions, which mean that workers don't have the same privileges that they had here, that in fact are in a catch-up position, tells me that we should listen to any analysis that they happen to do.

It was also very interesting on the question of deeming, when one finds out the ramifications of the practice over the last year and what percentage of people deemed actually went to an arbitration stage and what percentage at the end of the day were unhappy with the entire process. I am told that we could handle that entirely on the fingers of my two hands as far as . . . (inaudible interjection) . . . Well maybe hands and toes then. I mean we're not talking about hundreds of folks here, or even literally dozens, that were totally unhappy with the process the other day.

It is a very important policy component that we're dealing with here that your government has launched off on, which has necessitated this open letter to the government saying that people are angry, that they are ready to not work with the government.

I'm wondering if you could, since you've had the Price Waterhouse report, since you've had some of this feedback from business, if you could tell us in a general policy way and perhaps stake some ground

out, of deeming if you wish and others, about sort of how far you're prepared to go with this practice and maybe give some of the confidence back that business people would like to hear from a Minister of Labour.

Hon. Mr. Shillington: — I spoke to well-attended meetings of business people in every city in the province except Melfort. Melfort was only missed because I simply didn't get there — we ran out of time. But apart from Melfort and Lloydminster, I spoke to reasonably well-attended meetings of business people in every city in the province.

I think they were reasonably satisfied at the end of the meeting that our figure was credible. I don't think they necessarily buy it as being inevitable, but I think they found our approach to be credible. That's probably the best . . . that in fact is what . . . I met with a group of Regina business people, That in fact, I think, was the word they used at the end of the meeting, was that the figure we were using was credible. And I think that is what they found.

I can go in . . . If the member wants, I will describe the scheme of the legislation now, and how the legislation is going to work, and why we think the figure is accurate. I don't know quite how much detail the member wants to get into in this committee. I don't frankly care.

If you want to do it, I'll do it now. We're going to have this conversation. It doesn't matter to me whether it's done in Committee of the Whole or in Committee of Finance. So if you want to do it now — I don't have the officials present, and that may be one limitation — but I'm quite prepared to outline for the member, in what I think, what I hope, are understandable terms, what the change is. The changes are not those which the Workers' Compensation Board in commissioning the report thought. They had, I think, misunderstood the Muir report. And I think that was the basis of that very exorbitant increase in cost.

An Hon. Member: — Well tell us about the misunderstanding.

Hon. Mr. Shillington: — They thought we were going to end deeming. And that's not the case. The change is not that we're going to end deeming. Deeming would normally be used only . . . we're going to restrict its operation, and it will be used only in rare cases, but that's not really the change. The change is we are going from . . .

Well okay, let me take five minutes and explain the thrust of the legislation. Prior to 1978, what we had was — the name describes it — Workers' Compensation Board. It provided compensation.

If you were injured and you were like . . . just as if you were injured at SGI (Saskatchewan Government Insurance). If you are hit by a drunk driver and you get a broken knee, then you get \$10,000 or some such figure and that's it, it's the end of the story. They are done with you. You got your compensation. That really was how the Workers' Compensation Board

operated, was that they compensated you. It was more likely to be done in the terms of monthly payments, but they settled for a compensation figure; and then apart from cost of living increases that's normally . . . it was not revisited.

And what happened in '78 was that the inflation increased very rapidly, which meant some of the compensation levels were no longer appropriate. But if you increased the level of benefits, you get caught on increasing assessments which create a pressure. That led to quite a change in the system, and this changed system was that it was no longer a compensation system although the name was retained. What it was, was a rehabilitation system. The emphasis was on rehabilitating workers, and thus someone who was a steelworker and who was injured as a steelworker — could have got a bad back, can't lift steel any more — might be retrained to be a locksmith where you sit all day and fiddle with the locks. I don't mean to be critical of people who work at locks, but it's a different kind of employment.

And that's what we had between '78 and '82; we really had a workers' . . . really a better name would have been the injured workers' rehabilitation scheme. What happened during the '80s was that we wound up with neither fish nor fowl; somewhere we'd lost the rehabilitation aspect, but we retained the rest of it. And we've wound up with something that was neither fish nor fowl. What Judge Muir recommended we do . . . and just to go back to the '78 to '82 scheme, deeming was a part of that Bill. It was rarely used, but it was always there. It was a way of pushing a reluctant worker out the door, who maybe didn't want to be a locksmith.

Some people — I think they're not common — but some people I guess are inherently lazy and would rather sit at home and do nothing. I think that's a rare person. A more common type of problem was psychological. Injured people don't always feel comfortable going back to work. They're not the same. They don't walk the same, can't do all the same things. Sometimes it becomes psychologically impaired. For those people, deeming was a way of pushing them out the door, back into the workplace, and it really was used only for those rare people who wouldn't take the rehabilitation, who insisted they were going to go back to be steelworkers or nothing at all.

What happened between '82 and '92, I guess, was that we lost the rehabilitation aspect but kept all the rest of the scheme. Without the rehabilitation, the scheme didn't make much sense which brings me to the Muir report. That's what Muir identified. What Muir recommended is we go back to a system of rehabilitating workers. But if the member looks at the section dealing with the Workers' Compensation Board and look at the word deeming, you will see that it doesn't look very different than what was in the old legislation; it looks much the same. It's still there. What will change very, very much is the way the whole thing's approached.

A steelworker — to take the example — a steelworker who can't lift any more, he's not going to go back to doing steel. The board will sit down with him, discuss what sort of retraining he might want. And then when he gets his retraining, be given a reasonable period of time to find a job as a locksmith. Again I'm only using this as an example, I emphasize. But once they've had a reasonable opportunity to find a job, then the compensation comes to an end. It's not a lifetime compensation scheme any more, it's rehabilitation.

The real change which Muir recommended was not an end to deeming. The core of his change was an emphasis off compensation onto rehabilitation, and that's what was misunderstood.

I don't know whether that makes it any clearer for the member or not.

Mr. Swenson: — Well I appreciate the explanation, Mr. Minister. And I think the fact that you aren't changing deeming all that much will be some reassurance to people. It's the other component that you only lightly touched on that does have them worried though, and it's a little bit like your Minister of Finance's budget — we don't get the whole view; the chips just keep floating to the surface at some point down the road.

You were talking about a system that had a totally publicly funded medicare system attached to it. What you've had in the last couple of years with de-insuring of so many areas and a clear direction, that you're saying: Mr. Employer, you are going to be responsible on the medical side and the educational side.

And one only has to look at the respective budgets to see the changes in the Education budget and other areas where they used to be responsible for retraining. I mean there's 44, \$45 million missing out of your Education budget this year that used to go to those things.

So you're then dealing with employers. And typically where, I am told, you have workers who happen to be in that 50- to 60-year age bracket, in many cases when back injuries, knee injuries, those type of things occur, then not only will you be faced with the ongoing medical costs, also the retraining component.

Now if one is familiar with the SIAST (Saskatchewan Institute of Applied Science and Technology) system these days, some of the co-op programming that's available and other things, you're looking at four- and five-year educational sojourns for folks that could easily be at the . . . in the last ten years of their ability in the workforce; and yet all of these costs, which many of them were publicly funded previously, will now be on the back of the employer.

Now that's why the employer is having some difficulty when you put this little minimum number on here and say, now this is it boys; it isn't going to grow from that. When they all see the medical system in Canada, in Saskatchewan, changing from a totally publicly funded one to something else, particularly in our

province, and they also see the educational system where retraining was a publicly funded thing, both by provincial and federal governments, now becoming less so. And your own budget is an indication of that. So those are the areas, Mr. Minister, which you lightly identified but which business are feeling very uncomfortable with.

Now I think what they need from you is some assurance that those total costs, that that money removed from your Education budget on retraining isn't going to end up on their shoulders. And the same in the medical system, that as chiropractors and other people — optometrists and on and on and on — are de-insured that those medical costs aren't going to land squarely at the feet of the employer.

And so far no one has given that assurance and I'd like you to touch on those areas.

(1530)

Hon. Mr. Shillington: — Well let us remember from whence we came on this whole matter. This is not . . . workers' compensation was not part of the welfare state; it preceded it. This was not . . . this was never part of the welfare state. And again, I'm going to take five minutes and explain to the member, who may know, and to members of the Assembly or the watching audience, who may not, from whence we came on this whole matter.

Up until the middle of the last century, a business person's liability was based on contract. You were only liable for obligations you assume, which worked well in a small market-place. When English businesses began to trade around the globe, and it was the first economy to become global traders, it didn't work very well.

A gun, in taking an example, a gun that was made in England which blew up in the Punjab, no richness in judicial imagination could base liability on that, on contract. Neither one had any idea of the other.

So what the English courts did in a celebrated series of cases was change the basis from contract to tort, to negligence. When they changed it to negligence the workers . . . the employers developed a serious problem in the workplace because now employees began to sue the boss when they got hurt and courts began to find them liable. So this was actually promoted in England, but it spread around the world. And it was very successful.

The deal was workers can't sue the boss. On the other hand, the boss, the employers, must contribute to a fund to pay the injuries. It was one of those many cases, and I find them throughout the whole area of labour, where if they only knew it, employers and employees have the same interest.

Employees got compensation quickly, didn't have to wait for the interminable delays in the court system. From the point of view of the employers, it was a lot cheaper to administer this system than it is to go to

court. So this is the compact. The compact is that employees cannot sue their employer; the employer must contribute to a fund.

So to the extent that the workers' rehabilitation — and don't forget we're not now talking about compensation as much as rehabilitation — to the extent that the rehabilitation relates to the workplace, the cost may be borne by the employers. But that's entirely consistent with the compact.

Again workers and . . . the employers and the employees have the same interest, if they only knew it. Their interests are to . . . the employees want to be rehabilitated; they want to be productive members of society. If they can't do one line of work, however much they might have enjoyed it, they still want to be a productive member of society doing something else. And so the employees have an interest in rehabilitation. The employers certainly have an interest in rehabilitation because it's a lot cheaper.

I said I spoke to . . . I spoke in each city to members of business . . . I had three meetings in each city: one was business people, one was trade unionists, and the other was injured workers.

I said to all three groups, one way of looking at the cost of this thing is to consider what would be the result if we just repealed the Act. I think every business person knows what would happen if we repealed this Act. The cost of their liability insurance would simply go through the roof. And so again it's another area where the employees and employers have the same interest.

The whole thrust of this department is to try to get employers and employees to realize that in many ways they are partners. When I would speak in the morning . . . and meetings with business people was usually in the morning. That's the time when they want to meet. It's the easiest time for them to get together. When I would meet with the employers in the morning I would point this out, and I would point out that: what do you people want? What do they want at the end of the day? Better business climate, better profits. No doubt about it.

When I meet with the employees in the evening, I would say to them: at the end of the day what do you folks want? What they want is more jobs, better-paying jobs. That's saying exactly the same thing. It's just a different way of looking at the same goal.

The thrust of this department is to get employers and employees to realize that we are in a lifeboat. We're talking about the survival of this province and its economy, and we've got to work together.

And what we want to get this . . . what this department wants to do is to get employees and employers realizing that they have a mutual interest and we want to get them working together. But that's true in the area of workers' compensation. It is true in virtually every other area. What we want to talk about is partnerships.

My long-run goal as Minister of Labour is to meet with employers and employees in the same room and not as I was doing this year — meeting with them at different times of the day. Because it is my hope that we can get people to realize they have the same interests and they need to pull on the oars in the same direction in this lifeboat we're in.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Mr. Minister, I think we all share the wish. Your version of British industrial society is the same as the one I took at university too, so we probably had the same profs. Okay? And we understand the compact. But what you skated around so nicely was that you said yes, the employer is responsible for that part of the compact.

What I'm saying to you is that the compact is changing because of other forces out there, other budgetary forces. The changes in how re-education and rehabilitation vis-a-vis health, the cost and the implementation are changing, Mr. Minister, and I'm sure you were told that.

If you did your meetings around the province, both the employees and the employer would say, lookit, there are certain things that aren't the same as they were even two or three years ago. And if I'm to receive my educational component to make my switch from a steelworker . . . I like to think of them as a computer operator, not a locksmith, but someone who is making a job shift, you have your agreement between the union and an employer in the case of a big one.

And in many cases you have the smaller employers who simply follow the unions' agreements that were negotiated in the province in order to set the parameters for their employees, or they might have them on profit-sharing or all sorts of different mechanisms.

The fact is that that guy has been bargained at a certain position. He gets hurt. He is going to be retrained as a computer operator at that rate. It's either that or the whole bumping process starts and the various things that happen in an organized workplace. But those health costs and those re-education costs, if they are totally the employer's compact, then his compact, I say to you, Mr. Minister, has changed because of decisions that federal and provincial governments are making and are making quickly and rapidly, and they have far-reaching consequences economically. The ability of that employer then to compete in a market-place with someone who is treated differently, changes.

And, Mr. Minister, I simply want you to give us the assurance that that change that's occurring out there isn't all going to land squarely at the feet of the employer because you simply don't want to take the time to rejig the system properly and perhaps lay some of the blame where the blame should properly lay.

And I don't think that that says that any employer or employee in the province wants to work in an unsafe

environment. I mean when I hear allegations made about trenching companies that have never had an accident but they should have their rates jacked up because they look like they might have one, I find that a little bit nonsensical. And I know it's been said by some of your officials.

So if you'd sort of tell folks how this is going to work.

Hon. Mr. Shillington: — I may not have dealt with that as directly as I had intended to. The Price Waterhouse study is based on the assumption that there will be no change in the costs assumed by . . . there'll be no change in the kind of costs which are assumed by WCB.

At the present time they assume . . . some of the costs of rehabilitation and care are now assumed by WCB; some aren't. I give you and I will give you the assurance again in Committee of the Whole when we deal with the Bill, there's no change contemplated in that. The sort of costs they've assumed in the past they'll continue to assume. Those which have been assumed by the public, the public will continue to assume. There'll be no change in that.

To that extent I guess I can give you the assurance which you asked for.

Mr. Goohsen: — Thank you, Mr. Chairman. Mr. Minister, I want to point out that when I first started with my questions I had inadvertently picked up *Estimates* from the wrong department. And fortunately the figures were close enough that the principles did apply and so your answers more or less answered the same questions that I was supposed to ask, with a little adjusted figures. I'll just run the right figures by you just to let you know that we have managed to get our mathematics correct.

Okay, under the administrative costs we notice that they went up substantially; in fact it was by about \$108,000 I think over last year — about 100,000 anyway. And you did give us an answer to why that happened and I appreciate that answer.

Also it was under vote 2 that we noted that there was a \$500,000 difference from last year, and I think your explanation there had pretty well cleared that up, and I just wanted to get the right numbers on track here. We'd hate to have the Department of Highways paying the Labour department's bills or anything like that.

But I did find another little question here that leads out of that. Could you give an explanation of what is considered operating expenses, and a detailed list as just to where this money is going and what the purpose of this expenditure is?

Hon. Mr. Shillington: — Two comments. One, if the member can find any way that the Department of Labour can access the budget of the Department of Highways, I'd like you to let us know because we sure could use the extra help. On a more serious note, which subvote was the member referring to? Two.

I would admit that the explanation was not very easy to follow. What I'm going to do is give the member a written explanation which was actually the one provided to me in the briefing book. I think I'll just give it to the member. It outlines in detail how we arrived at the costs we did. If I could have the assistance on one of the pages to take it to the member, could I?

Mr. Goohsen: — Thank you, Minister. I think that was where you made some reference to the accounting being different and that sort of thing. So I appreciate that, because I really hadn't quite got that through my head, so maybe this will help. We'll study it through later on.

Okay, subvote LA04 shows an increase in the salaries of almost \$100,000 for the Labour Relations Board. What is the reason for this increase?

Hon. Mr. Shillington: — The difference was that the status of the chairperson changed from a personal service contract employee to a fee for service contract employee, and that resulted in the matter being shown differently. There's no more people involved; it's just a different way of showing the . . . just a different status for the chairman, whose name is Beth Bilson.

Mr. Goohsen: — What you're saying is that one person's salary went up by \$100,000, or the cost of having a chairperson there is \$100,000 more money.

Hon. Mr. Shillington: — I think I'm going to give this to the member as well because I think that would be easier. If I could have the assistance of the page again. You'll notice that the bottom line here is the same. The total spent in the area is \$440,000. What has changed is that 100,000 was taken from other expenses and put in personal services — again just a different way of showing the same expenditure. The bottom line is the same.

(1545)

Mr. Goohsen: — I expect that we'll probably find that some car expenses and things like that have gone from one category to another then. Okay, I think I catch your drift of what you mean. It does seem like an awful odd way to do the books, to change that much. It makes the man appear to be overpaid. I don't know if that's justice to him, whoever he is. But anyway, I guess if that's the way you're going to do it, he'll have to explain it and try to survive in his job as being overpaid some time in the future.

Now the former minister of Justice, Mr. Minister — or the Minister of Justice rather, now, was the former minister of Labour, when he held the portfolio that you presently hold, he stated that union-only contracting was the general direction that he was going to lead the province. I'd like to know where does that decision that he made presently lie in your philosophy?

Hon. Mr. Shillington: — We believe that everybody is entitled to a fair wage. We believe that all employees

are entitled to organize for their mutual benefit and that trade unions are simply a legitimate expression of the freedom of association which we all enjoy.

Farmers are members of a wheat pool — many of them are. It's a voluntary organization which they joined to promote their interests. Lawyers are members of . . . the member from Saskatoon Fairlight and I are members of the Canadian Bar Association. We join to promote the interests of the legal profession and, we think, the interests of society at the same time.

Trade unions are a legitimate expression of people's right to join together for their mutual benefit. It's an organization of employees to bargain on their behalf, and we believe that trade unions are legitimate and that they should be encouraged indeed. That is our approach to trade unions. There's nothing to be discouraged and no reason to apologize for it. Trade unions are a legitimate organization of employees to promote their interests. And to that extent, we defend them. We do not criticize them.

With respect to the construction industry specifically, this matter is under consideration, and a number of things are being considered, one of which is . . . some of the arrangements which other provinces have, the Allied Trade Agreement which has been successful I think in Manitoba, I think is endorsed by both business and trade unions in Manitoba. It's one of the approaches we're considering.

So I hope that's an adequate answer . . . is that with respect to trade unions, you don't blanch from defending them, defending the whole concept of trade unions. They're legitimate, a legitimate expression of freedom of association. With respect to the construction industry generally, the matter is still under consideration, and one of the things we hope our department is able to . . . When we get the legislation through and we have a little more manpower to devote to some of these other problems, that's one of the problems we're going to devote ourselves to. We haven't quite resolved it yet.

Mr. Goohsen: — Thank you, Minister. I would agree with the first few statements that you made about the general principles of people having the right to work collectively to better their lot in life and to get what is fair and what is equitable and what is right. And obviously no one would be foolish enough to go against that kind of thought or feeling or wish for our people in Saskatchewan.

However we do have examples of things that are not always as easy as that. You mention the construction industry yourself, and you know probably then that we have situations that develop where the unions have negotiated that people have to be paid for travel time and travel distance costs from Regina, say, to Estevan, if they happen to have been working at the Shand power plant. And those workers might in fact live in Estevan and never have been to Regina in their whole life, but if they were hired through the union negotiated contract, the contractor would have to pay, as part of his cost, that travel cost back and forth.

Somehow the unions have philosophized that that makes it fair and equitable for all workers to be on that same level when in fact what it does is drive the cost of construction — not this specific item but all of the items that can be put into this package — it drives the cost of construction up by about 25 per cent. We have some estimates. In fact I have an estimate that's mentioned in the *Star-Phoenix* here. Contracts awarded to non-union firms — 30 per cent is mentioned as the range in that particular article.

So I guess that's a debatable figure, but obviously it's significant. Now what I want to know is, has your government done any studies or analysis regarding this issue? If you have, I'd like to see them. If not, I wonder why you would go around making promises before you find out if the move towards all union contracting is in fact viable for the province.

And you might also throw into the mix while you're thinking of this, how do we remain competitive with other provinces like Alberta for example, or American firms that will tender for contracts in our province? I've heard your other minister say that you're going to have a fair and open tendering policy in the province as a general rule. If we have that, then obviously if someone who comes in from outside and tenders without having to follow the same cost formulas tenders lower and gets the job, is that not then going to take jobs away from our workers in Saskatchewan? I'll just let you comment.

Hon. Mr. Shillington: — There's no question but what the legal regime which was in place prior to last summer made the organization of the construction industry extremely difficult. We amended that. I won't try to match the eloquence of the member from Saskatoon Fairview when he outlined the reason for the amendments to the construction labour relations Act, but they were passed. Again, we believe in the legitimacy of unions and in the legitimacy of employees organizing for their mutual benefit.

I can't comment on the travel allowance. I only say to the hon. member what I think is obvious, and that is that if these are contracts negotiated between adults and if the employer has agreed to it, it must be legitimate or the contractors wouldn't have agreed to it. I mean it takes two to reach agreements. So I don't know specifically, but I do believe that most union contracts acknowledge legitimate expenses and exclude illegitimate expenses. So I suspect that's probably the case in the majority of cases. I frankly don't know the nuances of every single union contract in the province.

I would simply say with respect to your question about, is there any studies on the issue of union contracting — none, I think, that are completed enough to be able to table with the member. And I hope this is a conversation which will be more conclusive next year. It's an issue which we haven't got to the end of yet but are striving to do so.

And part of the reason is the rather lean nature of

government these days. In the '70s this department had about twice the manpower it does now. We are a department with very lean manpower, as only a few hands to do a lot of tasks. And so we're not going to start this one until we finish the legislative agenda which we now have. And that's part of the reason why we haven't resolved it as quickly as I think many people would like us to.

Mr. Goohsen: — Well, Minister, maybe you can explain to me by taking my side of this argument, where do the people who advocate that there is a 25 per cent or 30 per cent saving with non-unionized contractors, where do they get those figures from? What do they base their argument on?

Hon. Mr. Shillington: — I don't know. Perhaps the member might like to ask them. I mean these are not our statistics. I don't know how I defend or criticize figures. The statistics first of all which I don't have, which the member relates to me I'm sure accurately, but you've got to ask them where they got the figures from. We don't have any really solid statistical base which would tell us how much, if at all, union-only contracting would increase costs across the board. We just don't have any solid statistics.

It's one of the things we're trying to put together, is some facts which everyone can agree upon. That, I may say, was one of the problems with The Workers' Compensation Act amendments, was we were working . . . the business community and the government were working with two different set of facts. I think we're now to the point where, apart from some exceptions, we're all working with the same set of facts. And I think we're reaching an agreement on where we ought to go.

I just don't know where the member's getting those statistics from and I'm unable to justify them or refute them actually. We are in the process of doing this ourselves, trying to figure out what exactly a union-only contracting policy would cost the taxpayer. We don't have a very good statistical base.

Mr. Goohsen: — Well, Minister, just to carry the argument a step further, spin-off companies were allowed to hire non-unionized people in order to do their work. During that period of time when they were allowed, I think from your own figures, the union contracting dropped down to about 20 per cent of actual participation, and about 80 per cent of contracts were being done by the spin-off companies that didn't have to have the unionized workers.

Now that leads me to the conclusion that spin-off companies obviously were very successful in achieving their goal, whatever that goal was supposed to be, and the net result was that unionized contractors and the union control had diminished to 20 per cent. Now if there wasn't a cost saving, how did that happen?

Hon. Mr. Shillington: — Well it's one of the reasons why we want to approach the matter with care. There are two separate issues here. One is whether or not

wages are higher in a union-only policy. One might suspect they would be. But the secondary question is whether or not the costs are any higher. That's a very different question.

One of the reasons I'm anxious to talk to the people in Manitoba is, I gather their experience has been that while wages go up, so does productivity, and the net cost of a union-only policy is actually less.

Now that's very much second-hand information. I've not got that personally, so I don't necessarily stand behind it. But one wants to be careful that you don't confuse wage costs with the cost of production — they're two different items.

There are many countries in the world where some industries pay more. I could name a number of areas where Japanese, German workers are paid more than Canadian workers. Those industries are more than competitive. Why? Because they're more productive. The workers are simply more productive.

So one has to be careful. We're talking about cost of production and not wage costs. They are two different things. Because the former of those two concepts also includes productivity.

There are other benefits to a union-only contracting policy. It is much, much easier to ensure that Saskatchewan workers get the jobs. It is also in many cases easier to assure that you have trained workers doing jobs which are sensitive and where you can bury problems that will cause you headaches in the long run. So there are some workers . . . There are other advantages to a union-only contracting policy besides the sheer fairness to workers. There is quality control; there is productivity; and there's the issue of Saskatchewan people getting the jobs.

But I just caution the member not to assume, because wages costs are higher, productivity costs are higher. If that was the case, there would be many industries in which Germans and Japanese people simply couldn't compete. But of course they do because they're very, very productive.

(1600)

Mr. Goohsen: — Well, Minister, it seems to me that the only way you can assure Saskatchewan jobs is if in fact you don't allow tenders to go outside of the province, and that wouldn't be fair and open tendering. So I think you're going to have to jigger with the process and not allow fair tendering because all of the material that we find in terms of past performance indicates that the spin-off companies were extremely successful because they were able to produce cheaper. And if that's a fact, then in order to go to fully unionized control and keep the jobs in Saskatchewan you are going to have to have a closed tendering policy, and that just seems to follow through.

You talked about incentive. And true enough, higher wages will motivate some people, but they won't

motivate everybody. Better incentives to motivate people is pride in ownership, pride in your work — those kinds of things are the things that the Japanese and the Swiss have been very good at promoting in their societies. They provide people with the feeling that they are part of the whole process, other than being just a hired worker; they are a part ownership in the whole system and that pride of ownership can somehow in those societies be spread.

They use lots of techniques. For example, I know the Japanese often provide holidays outside of the country; that is guaranteed as a part of your work package. And those kinds of incentives seem to work better than high wages even because people have that sort of plan for the future and they have something to look forward to, and their productivity seems to go up as a result of these initiatives.

So I'm going to suggest to you that rather than union control, if you had union ownership in our businesses and promoted that sort of thing — and of course, I'll take you to the brewery in Saskatoon — if you had that sort of thing promoted more, I think you'd probably find better productivity and better security for our workers in the province. But that's just an observation that I would make and I know it wouldn't work in every case.

I want to move into another area, Minister. I understand that there are offices that have been opened up in Saskatchewan, called labour resource centres. Is that true?

Hon. Mr. Shillington: — Yes, I'm informed that there is a labour resource centre. It's on the ground floor of the building where these folks work on the corner of Albert and 12th. And it's a library with information of use to workers. It's a resource centre available to workers and their organizations, the unions, and is intended to provide them with the kind of information which we provide to the business community through the business resource centres.

It is our belief that the more information and the more resources they have, the better off this province is going to be. So we don't apologize for the resource centre. Indeed we would rather there were more of them rather than just one, but budget limitations limit us to one.

Mr. Goohsen: — Well, Mr. Minister, I also understand that there are business centres that have been closed right here in downtown Regina, close to the Microage business centre used to be located. There's a labour resource centre, Mr. Minister. If business resource centres aren't considered viable, why would the labour resource centres be considered viable?

Hon. Mr. Shillington: — The member will have an opportunity to discuss that with the Minister of Economic Trade and Development in his estimates. It is not so much that the business resource centres — and I think this is what he will say although I shouldn't be speaking for him — is not so much that they are being closed out but that the approach will involve

more partnerships with the communities in terms of regional business development . . . (inaudible interjection) . . . regional economic councils, that's right. Thank you.

So that it's not so much that we're taking the resources away, but it's being done on a regional basis in cooperation with the communities and less directly from the government. So I think the comparisons are not apt. They're really . . . I am not entirely sure how we would provide the labour resource centres in partnership with the communities. It's a different milieu really.

Mr. Goohsen: — Well, Minister, when you set these labour resource centres up, you outlined a purpose for them, I'm sure. And what did you outline as their mandate that they were supposed to accomplish? How would that differ from the ones that we had before? And how much money is it going to cost us to open up and fund these kind of facilities?

Hon. Mr. Shillington: — It would take a bit of analysis to give you the cost of it. I mean, it's on the ground floor of the building which houses the department, and so we don't have a separate lease for it and we don't necessarily have separate staff for it. If the member wants an estimate of what the labour resource centre costs us, I can provide that. I can't do it today; I'd have to do that in writing later on to the member. So if you want that, ask for it and I'll provide it in writing.

Mr. Goohsen: — Thank you, Minister. I will accept your invitation to provide that answer in writing. I must have missed what you said about the mandate, or did you cover that?

Hon. Mr. Shillington: — We'll undertake to provide you with the cost of the labour resource centre. My attention was distracted and I missed the member's question.

Mr. Goohsen: — I just simply wanted to know what your instructions were to the people that work in this labour resource centre as to what their mandate is and what they're to accomplish.

Hon. Mr. Shillington: — The mandate of the labour resource centre is to provide information and education to the labour component of the economy.

Mr. Goohsen: — Then how would that differ from the business centres?

Hon. Mr. Shillington: — Well the business resource centres have the same mandate except that they focus on the employer side of the economy.

Mr. Goohsen: — Wouldn't it have been a lot cheaper just to change their mandate?

Hon. Mr. Shillington: — Well perhaps that's the long-run goal. I talked a little earlier about developing a sense of partnership between employers and employees, and perhaps the long-run goal is when

employers and employees realize that they have a commonality of interest. Perhaps the long-run goal is to get them using the same centre. At the moment however, we've got a distance to travel before we're able to develop the kind of atmosphere in which that could take place.

Mr. Goohsen: — Well, Minister, I guess it would be an admirable direction for you to work in because obviously you're correct; I think everybody will agree that if people cooperate and get along, things will get a lot better. So I hope you will work in that direction.

I want to get a little more personal now, Minister. I would like a detailed list of your travel expenses in this portfolio, your destinations, your staff accompanying you, costs involved, purpose of trips, how trips benefited the people of Saskatchewan, and all those kinds of details that would go along with what you've been doing.

Hon. Mr. Shillington: — I'm going to send this to the member. This is the detail of it. I would point out that there is one individual named on here, Marian Morrison . . .

An Hon. Member: — Is she not the defeated candidate in Moosomin?

Hon. Mr. Shillington: — No, she most certainly isn't. She's a very able assistant to the Minister of Justice. And her essential information appears herein because she attended a meeting with the Minister of Labour when he was minister.

So I point out to the member . . . I think I'm going to send you this; it's got all the detail of it. I would just point out that the last individual mentioned, Marian Morrison, if there are questions about her expenses, they really should be directed to the Minister of Justice. That individual's still employed in the office of the Minister of Justice.

While the member's looking at that, you asked about my staff. Perhaps what I'll do is give you a list of my staff, their positions, their salaries, and their background, because I guess it's relevant to the question which you just asked. So if I can get the assistance of a page again — thank you — I'll send the member from Maple Creek this information as well.

Mr. Goohsen: — Do you have a Mary McGuire employed? I'll repeat the question, Minister. My colleagues would like to know if you have a Mary McGuire employed in your department?

Hon. Mr. Shillington: — Yes, you'll find her name on the list that I just gave you.

Mr. Goohsen: — Can you confirm that this is the same person that was the defeated NDP candidate from Moosomin.

Hon. Mr. Shillington: — Yes.

Mr. Goohsen: — Thank you, Minister. We just

wanted to make sure we didn't have her mixed up with somebody else. What is her specific duty here?

Hon. Mr. Shillington: — I'd invite the member to read the document which I just gave you.

Mr. Goohsen: — What does a ministerial assistant making \$2,893 in salary, I'm presuming per month, do?

Hon. Mr. Shillington: — Yes, what she has . . . we're going to get into some partisan comment here, but what she has done almost exclusively is try to unravel problems with the Workers' Compensation Board. She spends all day, she spends virtually her entire time, 100 per cent of it, trying to unravel problems which have been caused by the administration which you bequeathed to us.

I sincerely hope that in the very near future that workload will ease considerably and she will no longer be required to spend her entire day trying to solve those problems, because we have in place a new board and we will soon have in place new legislation. So I hope that workload eases. But at the moment, handling complaints that come to my office about the Workers' Compensation Board is a full-time job.

Mr. Goohsen: — Is she the only one that does that?

Hon. Mr. Shillington: — Yes, she's the only person in my office; she handles them all.

Mr. Goohsen: — Well I was going to suggest at the beginning that perhaps you should just lay her off and save the taxpayers a bunch of money, but now that you have explained what her job role is, and having many, many letters on my desk from people who have had problems, I will concede that she does probably have something to do. And most likely rather important at that.

It's no laughing matter really, guys, because there are apparently 1 per cent of the people who have claims with Workers' Compensation have problems. Now that's not a big percentage, but if you're one of the 1 per cent and you can't get your life into order because of an injury and things aren't going well and you have a dispute between your doctor and the doctor with Workers' Compensation and it leads to litigations and all kinds of problems. And I've got, as I said, many, many letters on my desk explaining many of the personal problems that people do run into.

I guess no system is perfect and we're bound to have some people that drop through the cracks, but it does seem, when I look at that pile of letters, that the crack has gotten bigger than it needs to be. And I'm not so sure that changing the legislation is the only answer to that. I think maybe we have to have two people doing Marion's job and make sure that these people have their individual cases weighed on their merit of their own individual problems, because I see an awful lot of these situations where they seem to be one of a kind. There doesn't seem to be a hundred people all in the

same boat, and yet they seem to have gotten lost in the shuffle of being bunched in with a whole big bunch of people.

So I guess my question here is, once the mess has been straightened up though and if your legislation works the way you have said it would, would you then terminate her employment?

Hon. Mr. Shillington: — My relationship with my . . . the agreement I have with Ms. McGuire . . . it's Mary, not Marion. Marion is the very able person who works with the Minister of Justice and was in this department when the Minister of Justice was also minister of Labour. This individual's name is Mary — M-A-R-Y.

My relationship I have with her is we'll see what happens when we get this system corrected. It is not at all clear to me . . . I just want to say that I associate myself with the comments made by the member from Maple Creek, the ones you just made. It is not a lot . . . The severely injured workers are not a large percentage of the claims at the WCB. But on an individual basis, these are very severe problems and they need to be handled and handled sensitively. I think the way the member put it was a very sensitive and appropriate way to phrase it.

My relationship with Ms. McGuire is we'll see what comes. As soon as we get the problems resolved, we'll then see if there's a job left. I've told her if there isn't, you may want to be looking elsewhere. If there is, we'll stay. So we're just going to wait and see what happens when the problems are resolved. And we'll see when they're resolved.

(1615)

Mr. Goohsen: — Thanks, Minister. I'll apologize to Mary for using the wrong first name. I think my colleague gave me a bum steer there.

I just want to say, Minister, that if your legislation works as well for the Workers' Compensation Board aspect as you say, Mary will indeed be without much work to do and you will have achieved success and you can be happy about that.

I'm going to suggest to you though that the burden that this kind of success will cause business will mean that you will have many litigations with the business community attempting to be treated more fairly, and as a result Mary will have a full-time job working with the Department of Justice challenging those litigations. And she probably will have more work than she can handle over there.

So you're just transferring the problem really. What is your success will probably become the Achilles' heel of the Department of Justice and they will end up suffering for your success. So I'm not sure that you can have anything but some kind of a balance here.

I guess in reality we have gone through about as much as we need to to be realistic about covering the taxpayers' needs and knowing where the money's

been spent. Obviously you can't account for each and every individual dollar, but to have a general view of what's going on is important. I feel that I know more about this portfolio now than I did before the day began and I appreciate your answers and the candour with which you have given them.

I want to thank your assistants for coming in and helping us today, as well as yourself, Minister. And while it appears only to be a small amount of money in terms of the whole budget — 9 million-and-some dollars perhaps isn't a big pile of money compared to \$5 billion — but if it's out of my pocket it would be an awful bunch and I think the taxpayers want to have it spent prudently and carefully. And I know that the people that work in this province certainly want their interests protected through your department. And we wish you well in providing them a better working atmosphere and a more cooperative situation in the workplace in Saskatchewan.

Hon. Mr. Shillington: — First of all, I want to associate myself with your comments about the officials. They have been of assistance to us and we appreciate them being here.

Also I just want to express my appreciation to the member opposite for what I thought was a thoughtful and candid and fair approach to these estimates. So I thank you as well for your approach.

Item 1 agreed to.

Items 2 to 7 inclusive agreed to.

Vote 20 agreed to.

The Chair: — If the minister would like to formally thank the officials for their participation in estimates.

Hon. Mr. Shillington: — I formally do what I think was done with considerable sincerity by both myself and the member for Maple Creek earlier.

Mr. Goohsen: — I'll just reiterate my thanks to everyone involved, and we appreciate your coming.

General Revenue Fund Education, Training and Employment Vote 5

Item 1

Mr. D'Autremont: — Thank you, Mr. Chairman. Thank you, Madam Minister, for sending over the general questions that we had submitted to you earlier. We appreciate the fact that you took this upon yourself to answer them.

Before we get into the main meat of the estimates, I would like to ask you what — if any topics, any questions that we submitted to you — did you not answer?

Hon. Mrs. Teichrob: — Mr. Chairman, I believe that the only portion of the questions that we did not

respond to was that relating to questions with respect to legal actions that might be ongoing. And I would suggest that a number of them, if there are any, would be confidential and might be before the courts.

But if you have any specific questions that you want to ask, we will undertake to answer those that we can.

Mr. D'Autremont: — Thank you, Madam Minister. In the past year, in these estimates, there's been quite a change to the Department of Education with the cuts to funding, 2 per cent in this budget and an estimated 4 per cent for next year. It's affecting a large number of people across this province: the teachers, the students, the university students, people in SIAST. The whole system, Madam Minister, is being affected by these cut-backs, and, a lot of people feel, in a negative manner.

The fact is, just in the paper on Saturday, from the Saskatoon *Star-Phoenix*, it talks about tuition fees being up by 10 per cent at the U of S (University of Saskatchewan). And the president there, George Ivany says as many as 100 faculty positions may be eliminated because of these cut-backs.

(1630)

Madam Minister, when you lose this many professors or faculty people from an institution, it is going to have a dramatic effect on the quality of education at that institution. If it doesn't have, well then obviously we had people there who weren't necessarily needed.

So, Madam Minister, when you look at a loss of 100 positions in an institution like the University of Saskatchewan in Saskatoon, what is the impact that loss will have? Are programs going to be cut? Are less students going to be educated? Is less research going to be done? Or were these people redundant and not necessary?

Hon. Mrs. Teichrob: — Mr. Chairman, on the University of Saskatchewan's budget specifically, I can't comment on the numbers. I've just read . . . their board of governors meeting where they established their budget was held on Thursday and Friday — it concluded on Friday of last week — and so I have not seen the detail yet.

But what I would say is that last year, for instance, we reduced funding to both universities on a global basis by 1 per cent, which amounted to 1.78 million. The universities — respectively, the U of R (University of Regina) and the U of S — raised their tuition levels last year in differing amounts, but the net effect was that they raised \$5 million additional through tuition fees and still referred to every book they didn't buy and every program they didn't have as being as a result of government cut-backs; where through the increase in tuition fees, they actually had an increase of 3.2 million.

Now at the U of S I'm not sure, as I say, the specific numbers yet; I haven't been advised. But at the U of R, which struck their budget some two weeks ago or so,

again the reduction in government funding to the U of R this year was \$900,000. And they will get an additional — as a result of increases in their tuition fee structure — an additional 1.7 million. So they have made up for what they see as the shortfall in the provincial contribution — and then some — through the increase in their tuition fees.

With tuition fees, we do regard access to a post-secondary education by those students who are able and who wish to avail themselves of that opportunity as being very important, and we made it one of the focal points of . . . in the mandate of the university program review panel, headed up by Dr. Johnson, which made some recommendations in that respect that the quality of university education should not be compromised by some efficiencies in the operation, which is what we're asking them to do, but they should look carefully and selectively at their programs and perhaps try to target the money differently.

So in answer to your question, we hope that the universities and the other educational institutions in this province will respond to the reductions that we've unfortunately had to make in their funding by looking at their operations very closely, trying to trim administration, and not affect the quality of programs or accessibility by students.

I would just add one more thing, is that in terms of student access, tuition fees are fully recognized in the student loans. So while it's not desirable to get through school with a huge debt load, the increases in tuition fees are recognized.

The Chair: — If I may, I've noticed that two of the minister's officials have joined the Committee of Finance, and I'll ask the minister to introduce them to the committee.

Hon. Mrs. Teichrob: — Thank you very much, Mr. Chair. I haven't developed eyes in the back of my head yet, so I didn't see them come in. Directly behind me is Arleen Hynd, the deputy minister of the new Department of Education, Training and Employment; and the acting director of finance, Robin Johnson.

Mr. D'Autremont: — Thank you, Mr. Chairman. Madam Minister, I'm glad to see that your officials are here. I didn't have a lot of confidence in the other assistant that you had here earlier.

Madam Minister, in your answer you stressed that accessibility should continue, that quality was an imperative, but with the loss of a potential of 100 faculty members at the U of S, you never answered as to what those people were doing that they can be released and what effect their release would have on the education provided at the U of S.

Hon. Mrs. Teichrob: — Well, Mr. Chairman, I don't want to avoid the question, but I really have to say that I know nothing more about the budgeting process that the U of S board of governors did last Thursday and Friday except what I've read in the newspaper. And I

understand that what they're doing is rolling out a four-year plan.

And I do know from previous discussions with the president that they were discussing a multi-year plan which I had encouraged them to do. And he is quoted in the press as saying that the first phase of the four-year program could result in as many as 100, but I would assume that in that there might be some early retirements, there might be some scaling down of programs where the enrolment is extremely low and where the programs have been identified as not having high priority.

So overall I have confidence in the board of governors of the university to make that kind of prioritizing of how they handle programing at the university to maintain the highest quality, although recognizing at the same time that with a proliferation of programs, we may not be able to be all things to all people and that they should and are refining the process.

Mr. D'Autremont: — Madam Minister, are you saying then that you would support the idea of the elimination of some programs from the U of S or the U of R to meet budgetary requirements?

Hon. Mrs. Teichrob: — Well, Mr. Chairman, this was the subject of some of the recommendations in the Johnson panel. And a number of those recommendations, in fact most of the recommendations that the panel made, were directed to the universities and not to the government. And those recommendations asked the universities to examine very closely their priorities and to consider the elimination of some very small faculties and some very specialized programs where the enrolment is low and the professor/pupil ratio extremely high.

So I would think that in this exercise that would be what they were trying to accomplish.

Mr. D'Autremont: — Madam Minister, I wonder if you could give us some examples of what you would consider to be small, specialized, and programs that would be provided at the university but are not needed.

Hon. Mrs. Teichrob: — Mr. Chairman, I didn't say that they're not needed, that any programs are not needed. But in the whole scheme of things with the fiscal realities we face, there may be some things that we can't afford, some areas where we can't afford to continue doing everything at the same level and that we need to have some prioritization. And I wouldn't know; I certainly wouldn't identify those programs.

The universities will know the enrolment in undergraduates, for instance, that might be moving up, what the potential for a program is that looks quite small right now. So I think it would be beyond my purview and within the university community to identify those options.

Mr. D'Autremont: — Well thank you, Madam Minister. Perhaps we're starting at the wrong end of

the questioning on universities. Perhaps you could describe to me the process you go through in providing budgets to the two universities in Saskatchewan. What kind of criteria and what kind of information do they provide for you?

Hon. Mrs. Teichrob: — Mr. Chairman, the way that we are funding or making our contribution towards the universities has evolved over the years into a less and less prescriptive method and more and more a matter of global funding, where we provide a certain level of funding and then the board of governors makes those determinations upon the advice of the faculty and the administration.

It's a parallel to what's happened in recent years in the regional colleges and in SIAST, where it was your previous administration which introduced in 1987 those Acts establishing those institutions as being self-governing with appointed boards to make those decisions, and with global funding, essentially global funding from the government. So the decision-making process, as recognized by your administration even as recently as 1987, was more and more in that direction.

Mr. D'Autremont: — Madam Minister, we will get into SIAST and the community colleges here after a bit. Are you telling me then that the universities submit a number to you, and that you simply provide them that much money and say, do what you want with it, this is what we're giving you? Or do they give you some idea of what they're going to spend the money on — that they need so much for administration, so much for programs, and so much for all the other things that the university does?

I find it very surprising if they would simply tell you, we want X number of millions of dollars, and you write the cheque out for them. What is the process, Madam Minister?

Hon. Mrs. Teichrob: — Well, Mr. Chairman, we have to take one step backwards even from that, is that they don't come to us with a request. We tell them what the level will be, usually based on last year, plus or minus. Last year, in the spring of 1992 in March, we announced that their funding for 1992 would be reduced by 1 per cent — I'm talking about the universities specifically now — that it would be reduced by 1 per cent, '92 over '91. And we told them also on that very same occasion in March of 1992 that our contribution, the province's contribution in 1993, in order to give them a year's advance notice so they could do their planning, would be reduced by a further 2 per cent, '93 over '92.

Then it's their responsibility under the governance scheme we have now for their board of governors and their administration to determine how they can best maintain quality and accessibility within their total budget including that size of a provincial contribution. They do provide us with a budget and a projected operating plan that we can make comments on if we wish. But basically the funding is global, and those determinations are made by their governing

bodies.

Mr. D'Autremont: — So, Madam Minister, you're telling me that it's based on what was spent the year before, and you adjust that according to what you feel you have funding available, not according to what programs the university is going to provide or not according to how many students might happen to be in that institution.

If for some reason, Madam Minister, the students who attend the U of R decided they were no longer going to attend that institution and went some place else, would there be a change in the funding, or would you simply say, well last year we gave them X number of dollars; this year the Minister of Finance is asking us to cut 5 per cent out of the budget, so you cut 5 per cent and provide them with their dollars even though they're not providing any educational services? There must be some more accountability than that in the system.

Hon. Mrs. Teichrob: — Well, Mr. Chairman, it certainly hasn't worked that way in recent years where the demand for entrance into the universities and all of our post-secondary institutions has been a virtual explosion. There are so many people seeking access to post-secondary education that we're not concerned about running out of students in the near future.

Mr. D'Autremont: — But are students, Madam Minister, and are programs accounted for in the funding? Surely if you have 10,000 students on a campus, it's going to cost you a certain amount of money to provide the educational services to those students. If you have 20,000 students, that's going to be a different figure, and so you'll have to provide funding based at least in portion, I would suspect, on that. Is that part of the formula?

Hon. Mrs. Teichrob: — Mr. Chairman, unlike funding in the K to 12 system, which the member opposite is aware of, an important factor is the per pupil grant in the provincial government's contribution towards K to 12 education. But we don't have a parallel situation in the post-secondary community. And that certainly is a factor that has put in recent years a great deal of pressure upon the post-secondary institutions when the numbers of people who wish to gain access to those institutions is growing very quickly and the funding, the provincial contribution and tuition fee increases have simply had a very difficult time keeping pace, which has, as the member knows, given rise to quotas in some colleges for university entrance, and that sort of thing.

(1645)

But specifically that is a difference between the K to 12 funding and the post-secondary funding, is that there is no per pupil or per student allocation *per se*. We just know that it creates a difficult environment for the institutions when they have less money and more students asking for access. But we think they've been coping with it as well as they can and that we will

come out of these times of restraint with a better and stronger system.

Mr. D'Autremont: — Well, Madam Minister, the institutions may survive with funding cuts, but there is a good number of students who will suffer because of that. They will not have the opportunities to attend post-secondary education that they would have had, had government funding continued as it was previously.

You talked of the cuts that you had made to the U of R and the U of S. You mentioned U of R was \$900,000 less in this budget, I believe it was, than last year, but that through tuition changes they were going to gain \$1.7 million. Now you also said that there had been a gain of \$5 million last year and this year on the tuition fee increases at the U of S and the U of R.

Madam Minister, that comes out of the same taxpayers' pocket that was paying the government taxes that provided the grants to the university. So while you as a government have saved some money, the taxpayer of this province has just spent an additional sum of money up to \$5 million minus whatever it was you cut out of the budgets in the last two years.

So the taxpayer of this province hasn't saved themselves any money. But what it's done is those taxpayers who don't have the resources to pay for their child to go to university has been excluded from the system. And that eliminates the accessibility that you were talking about, Madam Minister.

That's where your system is breaking down. People who would like to attend a post-secondary facility such as a university are being denied access because of your funding cuts to those institutions.

Madam Minister, what are you prepared to do to provide those people with the access that they rightly deserve?

Hon. Mrs. Teichrob: — Mr. Chairman, the universities raise approximately 20 per cent of their total revenue through tuition fees. And as I said earlier, tuition fees are fully recognized as costs under the student aid program so that . . . That is the purpose of the student aid . . . provincial student loan program, which tops up the Canada student loan program, is to make sure that any student that has the ability who wishes to access post-secondary education will not be prevented from doing so because of lack of means.

Mr. D'Autremont: — Well, Madam Minister, I won't get into it yet but as I look through the *Estimates* book, there has been a cut to student aid funding. What effect on the student loan formula does tuition fees have? Is it a direct correlation? If tuition fees are increased by \$200 a semester, there's a \$200 increase in student aid, or is it just proportional?

Hon. Mrs. Teichrob: — Mr. Chairman, for the most part . . . Well tuition fees are fully recognized. If there is a weekly maximum . . . and so if the student's in

college with a very high tuition fee, it would mean that the amount they would have for living expenses and the other costs associated with receiving an education, particularly if they're living away from home, would be affected.

But we are still carrying on a review of our student aid program. We won't likely have any dramatic changes in place before this fall's classes begin, but we're looking closely at correlating the recognition of tuition with higher cost colleges — for instance, medical college and the College of Dentistry where the tuition fees are higher.

But that's the effect it has. But very few students reach the cap, so I think it's fair to say that for the most part tuition fees are fully recognized and an increase in tuition fees should not be a barrier to students entering the college of their choice.

Mr. D'Autremont: — Well, Madam Minister, will you answer: if a college's tuition fees go up by \$200, is there a corresponding increase of \$200 in the student loan?

Hon. Mrs. Teichrob: — Mr. Chairman, again my answer is the same — that as long as they haven't reached the maximum allowable amount, then the tuition, whatever it is, is fully recognized within that weekly cap.

Actually one of the things that is causing a bit of a delay in our review of student aid is that the federal government, your counterparts in Ottawa, are considering some dramatic changes to the Canada student loan program which students have to access first; then the provincial plan is a top-up to that. So in order to finalize our plans for streamlining the provincial student loan program, we first have to know the nature of the changes that will be taking place in the Canada student loan program because they go together.

Mr. D'Autremont: — Well thank you, Madam Minister. It seems that the students that contact me are the ones that have reached their maximum. When their college increases their tuition fees, will they receive some additional benefits, or will they simply be capped at a certain level and they cannot exceed that?

Hon. Mrs. Teichrob: — Mr. Chairman, as of now, they are capped at a certain level. And that's the way the program works.

But I'd like to refer the member to page 128 as well, in that we are estimating this year a \$47 million allocation to be available for student loans, as compared to \$2 million less last year at 45. So we're allocating or estimating \$2 million more to be available because no student has ever been denied student aid because the pool of loan money was gone. And this was not based upon higher tuition fees but more upon an anticipated increase in the numbers of students who might want to take advantage of the student loan program. So we have attempted to

provide for that by increasing the budget.

Mr. D'Autremont: — Thank you, Madam Minister. I don't remember the name of the program, but it's a program to aid handicapped adults. I had a lady phone me last year who could not get into the program because funding had run out. Has funding been increased for this program? And will those who need to access this particular program be able to do so?

Hon. Mrs. Teichrob: — Mr. Chairman, the program is the VRDP (vocational rehabilitation for disabled persons program). And the problem with that program is that as the students who enter two or three or four-year programs . . . Okay, the first year there was a certain allocation. Everybody that entered it was obviously in the first year of a program. It was the first year of that long program.

Then the second year, the same students were in it taking their second year. So that there has not been room for new entrants without increasing the size of the pool. And that's, as you know, been difficult to do because we just simply don't have the funds available to meet our budget targets.

We looked last year and had a number of consultations with groups who represent disabled people. We consulted with seven community-based agencies in trying to work together for training on the job. There was the paraplegic association, services for hearing impaired, the mental health association, the Saskatchewan Abilities Council, the Saskatchewan Association of Rehabilitation Centres, association for the mentally retarded, and the Wascana hospital. We did our best to work with them, to try and refine the program, to target it to those people with the most need who had the highest likelihood of success.

They all agreed to the principles that there be a commitment to recognize disability-related goods and services as a priority; that funding eventually as the program matures should be available at any time during the year; that it be distributed fairly and equally to all people with vocational handicaps, which is why we worked with that whole group to make sure that whatever funds were available were not available out of proportion to people with one certain kind of disability to the disadvantage of others.

So we did work with all of those groups to try to make a resolve, and I think that as the program matures and gets more refined that we will be able to do a better job.

But that describes for you the reason why we had to limit the entry level funds until it begins to revolve and people start to graduate and are not in need of the program any more, because they're in the workplace, then there'll be room for new entrants.

Mr. D'Autremont: — Well, Madam Minister, it's a very good program, but there's a flaw in the fact that for three more years no one new can enter the program because the initial students are utilizing all

the funds the way you describe it. Is there not any provision to enrol new students above and beyond the ones that initially signed up? And how many students are in that initial group and what is the funding?

Hon. Mrs. Teichrob: — Mr. Chairman, the program this year in '93-94 is budgeted to be \$3.6917 million. The number of students, just to give you an idea, is in the year '86-87 when the budget was 1.5 million, had 654 applications approved and then they've gradually increased to the point where in '91-92 there were 1,050 students in the program. And we estimate in '92-93 — some of them wouldn't be quite complete yet — but the estimate is 1,100.

So we did transfer \$300,000 from the educational outreach fund in previous years. Last year it was 242,500. And we're hoping to, with the help of our consultations with these various groups that represent handicapped people, to make some refinements and hopefully some additional allocations to the program.

Mr. D'Autremont: — Well, Madam Minister, I would certainly encourage you to do so because this, I believe, is a very worthwhile program. It allows a number of people that because of an injury or a handicap that they may have received either at birth or since then, it gives them the opportunity to attend an educational institution to upgrade themselves and to expand their horizons beyond what they are now.

In a number of these cases these people are or have been on social assistance. And this gives them the opportunities to better themselves and move beyond that point, which is very important because it also provides for society a new taxpayer. And that is very important, Madam Minister, when the government is looking for new funds to be able to provide more monies for programs such as this.

And I would encourage you to take a serious look at the number of applications you receive on this program. And perhaps that's one of the things I should ask is: how many applications do you receive for this program compared to the number of people who are receiving assistance?

Hon. Mrs. Teichrob: — Mr. Chairman, last year by June 1, 1992, the VRDP funds available in that fiscal year's budget were already committed. A hundred and forty-three applications were on hold. They were submitted after the cap had already been reached. And those were the applications that were the subject at that particular time or the focal point of our consultations with the different organizations that represent them.

The Chair: — Order. It now being 5 o'clock, the Committee of Finance will stand recessed until this evening at 7 p.m.

The Assembly recessed until 7 p.m.