

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Ms. Haverstock: — Thank you very much, Mr. Speaker. It gives me great pleasure today to introduce two friends who are sitting in your gallery. And I would like all people to take note of Lou and Dave Coderre from Wynyard. I hope that they have a pleasant stay in Regina today and enjoy the proceedings.

Would all of you join with me in giving them a warm welcome, please.

Hon. Members: Hear, hear!

Mr. Neudorf: — Thank you very much, Mr. Speaker. I would like to introduce to the members of the legislature and to you as well, sir, a group of 41 grades 8 and 9 students in your gallery, Mr. Speaker. They are from Osler, accompanied by teachers Glen Osmond and Elaine Borden.

And I would just like to point out to members that Osler is well known to me; it's really part of my home stamping-grounds. And I actually taught in Osler — it's a fair number of years ago, Glen, as you'll know, when we still had division 4 there — and I taught there actually for four years. So undoubtedly I taught many of the parents of the students that are here today.

So I'd like all members, please, to welcome the students and the teachers from Osler.

Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, I'm pleased to introduce to you and through you to this Assembly a group of 60 grade 4, 5, and 6 students that just arrived from the community of Kipling, Kipling School.

They're accompanied by teachers Mrs. Jane Fischer, Mrs. Shoemaker, Mr. Bates, Mrs. Hollowatty; and a number of chaperons — some 8 chaperons, I think I've got them all here — Mrs. Batters, Mrs. Walker, Mrs. Rygh, Mrs. Whiddup, Mr. Kearns, and Mrs. Doka. I'd like to welcome them to the Assembly.

I understand they'll just have a short time with us this morning; I trust that they'll receive some educational value from their time here. They're going to be running to the Imax theatre. We trust they have a great day and a safe trip home. I met with the students for a minute just before question period for photos; as they leave the Assembly, they'll receive some refreshments and would you join me in welcoming the students from Kipling.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

4-H Public Speaking Competition

Mr. Scott: — Thank you, Mr. Speaker. The 3rd annual Saskatchewan provincial 4-H public speaking competition was recently held at Indian Head.

A total of 18 students, six in each of the junior, intermediate, and senior age classes were selected from the six provincial regions to participate in the finals. All speeches were very informative and well presented; the judges had a difficult time in selecting the top three presentations in each category.

In the junior classes, the top three winners were Carrie Anne Smith from Abbey-Lancer Beef Club; Adrienne Roy, Sylvanian Multiple Club; and Lancey Jess from the Hanley Multiple Club.

In the intermediate class, David Stock from the Foothills Light Horse Club was followed by Krista Penny from the Kennedy Lang Bank Club; and Tracy Kirsch, Three Lakes Beef Club.

The senior finalists were Roxanne Kirsch from the Three Lakes Beef Club; Dean Kuntz of Indian Head Club; and Olivia Unger of the Rush Lake Multiple Club.

We extend our congratulations to the finalists and all the participants for their hard work and dedication in preparing very fine speeches. We also extend our thanks and appreciation to all those who volunteer their time, energy, and knowledge in working with our youth in the very worthwhile 4-H movement in Saskatchewan. Thank you.

Some Hon. Members: Hear, hear!

Dedication of Shepley Island Sea Cadet Camp Interpretive Panel

Mr. Whitmore: — Thank you, Mr. Speaker. Mr. Speaker, last Sunday, May 1, was the Battle of Atlantic Sunday. Three thousand miles away from the Atlantic and some 50 years later, a very interesting ceremony took place on the banks of the South Saskatchewan River in the Meewasin Valley Authority protected area, just south of Saskatoon, in the land-locked constituency of Biggar.

The ceremony was held to dedicate the Shepley Island cadet camp interpretive panel near what is now called Wilson Island, but for about five years during the war was called Shepley Island. Shepley Island was the home every summer for Shepley Island sea cadet camp.

This camp took sea cadets from across the province, and for two weeks taught them naval skills as well as instilling leadership and personal development qualities. Some of the camp graduates went on to naval careers. Many became officers in the Canadian Navy, and one even made it to the rank of admiral.

The camp was under the command of Lieutenant P.K. Wilton, who is remembered as a fair man who taught the virtues of discipline to his charges.

In a very pleasing irony of history, Ms. Peggy McKercher, current chair of the Meewasin Valley Authority Board, is the daughter of Commander Wilton. She took part in the dedication.

I was very happy to be there representing the government, and I congratulate all involved for commemorating this unique moment in Saskatchewan history. Thank you.

Some Hon. Members: Hear, hear!

Moose Jaw Dance Festival

Hon. Mr. Calvert: — Thank you, Mr. Speaker. Mr. Speaker, if you are looking for a hotel room in Moose Jaw over the next eight days, you may well be out of luck, Mr. Speaker. The reason is the 35th annual Moose Jaw Dance Festival, running May 6 to May 15.

Mr. Speaker, I can tell you, last year from personal experience, that there were occasions last year when you couldn't get a seat in the auditorium; and this year, Mr. Speaker, there are even more entries. This year, as I speak, there are 1,300 young people entered in the festival in Moose Jaw coming from every corner of our province, coming to compete in tap, jazz, ballet, ethnic and character dance.

Mr. Speaker, to adjudicate this year will be individuals like Doug Jacks who choreographed the opening of the Barcelona Olympics, and Mercedes Ellington, granddaughter of the famous Duke Ellington.

And, Mr. Speaker, of note in the list of dancers are the two talented daughters of both Moose Jaw MLAs (Member of the Legislative Assembly).

Mr. Speaker, for the next week Moose Jaw will be alive with young people who will not only be enjoying the festival, but the famous Moose Jaw hospitality.

Mr. Speaker, I wish best wishes to the dancers, the adjudicators, the organizers. Because, Mr. Speaker, to dance is to live.

Some Hon. Members: Hear, hear!

Queen's Baton Relay

Mr. Trew: — Thank you, Mr. Speaker. Today I'm pleased to remind all members that the Commonwealth Games' Queen's Baton will be arriving in Saskatchewan next week. The Baton is on its way to the Fifteenth Commonwealth Games in Victoria which are scheduled August 18 to 28.

SaskPower has coordinated special events in Regina and Saskatoon to ensure that everybody has a chance to welcome the Baton when it arrives. The Baton will

be in Regina on Monday, May 9 — the best place to be is Victoria Park at noon on Monday the 9th.

And it will be in Saskatoon on Tuesday, May 10. On these two days community groups and Sask Sport organizers will join in a team relay welcoming the Baton to each city.

In Regina these groups include the RCMP (Royal Canadian Mounted Police), the Regina City Police, the Saskatchewan Science Centre and the Saskatchewan Roughriders.

In Saskatoon the Meewasin foundation, Wanuskewin Heritage Park and the Saskatoon Fire Department will participate, amongst others.

I commend all of them for their support of the relay.

Residents will have a chance to see and hold the Baton in a circle of friendship before a formal presentation is made to the Lieutenant Governor. SaskPower is pleased to join with all other citizens of the province to offer its best wishes to Saskatchewan athletes as the final game selections draws nearer.

I invite all members and well-wishers from around the province to join in the celebrations in either Regina or Saskatoon.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Beef Exports to United States

Mr. Neudorf: — Thank you, Mr. Speaker. You got my attention there.

This morning my question, Mr. Speaker, is to the Minister of Agriculture. Mr. Minister, April job figures are showing us now that they are down by 16,000 in the agriculture sector compared to last year at this time, Mr. Minister. Now we see that there's a potential trade war with the United States threatening to reduce those numbers even further. We see once again U.S. (United States) protectionism rearing its ugly head.

Intercontinental Packers in Saskatoon is concerned that the amount of beef entering the U.S. from Canada may soon be restricted and that would have a detrimental affect on the cattle producers in this province and meat packers alike, Mr. Minister. Immediately following the signing of the FTA (Free Trade Agreement), Intercon made a major, major expansion, and I asked Fred Mitchell at that time, why are you doing this? He said our markets and access to U.S. markets have now been guaranteed.

Well, Mr. Minister, it looks as if this may not be the case. So I'm asking you: what have you done and how have you looked into this matter; and what steps have you taken to ensure that indeed the beef exports into the United States from Canada, and in particular Saskatchewan, have been assured.

Hon. Mr. Cunningham: — Well, Mr. Speaker, the member opposite again raises a very good question. It's a very deep concern for us in Saskatchewan as we continually become harassed on trade issues, including durum and wheat, and now beef and others.

I think the question should well be directed to the people who signed the national trade deal. I think Mr. Chrétien promised that he was going to renegotiate NAFTA (North American Free Trade Agreement) and be sure that this deal would work.

Again we have a deal that was a bad deal to begin with; and we have one party to the agreement threatening not to live up to their side of the agreement. And I think hopefully it is threats, and that reason will prevail and that the federal government will stand up to the Americans and we will get the advantages of this deal that are there, if indeed the other side lives up to their side of the agreement.

Mr. Neudorf: — Thank you, Mr. Speaker, and Mr. Minister. At least over the last four or five years in the red meat sector it's given trade peace up until this point. But now it seems that we're back to some old games. And that is that the threat of trade actions appears to be the result of the U.S. Department of Agriculture's laying off of import meat inspectors. That seems to be the crux. So we have another red herring being thrown forward, a red herring that has nothing to do with the practicality of the situation.

The argument that a lot of contaminated meat is now entering the U.S. is simply not valid, Mr. Minister. It's not valid. And the reduction of these meat inspectors is being used as a red herring, just as '84-85 it was with the chloramphenicol issue that I've made you aware of in the estimates.

Mr. Minister, have you spoken with the federal Agriculture minister about this serious matter? And what steps is he taking to protect the Saskatchewan beef industry against the threat of any unjustified trade restrictions?

Hon. Mr. Cunningham: — Well again the member raises a very good point. This is indeed a foundless claim that is a red herring. I think the Americans are less concerned with fair trade than they are with trade that goes in one direction only and there is obviously not . . . I think Canadian standards are, by everybody's judgement, higher than the American standards and certainly is not a problem with contaminated meat. This is simply a way to get around the agreement.

And certainly we are in contact with the federal Minister of Agriculture on an ongoing basis on all of these trade issues and attempting to urge him to do what they can to straighten out the agreement and to come to a settlement. Again, we've urged him to make peace with the Americans, but not at the expense of selling the farm. And I think that's what the Americans appear to want.

Some Hon. Members: Hear, hear!

Mr. Neudorf: — Thank you, Mr. Speaker. Mr. Minister, this raises the hub of what I'm getting at, and that is it raises the whole larger issue of the damage that could be caused by an all-out trade war with the United States, particularly to Saskatchewan.

Now the other day I heard the Premier say that he would be prepared to support any measures, any measures that Mr. Goodale deemed necessary in fighting a trade war with the U.S. — an act, I agree, at first blush that sounds as if that's the popular thing to say, Mr. Minister, politically at least.

But have you and the Premier given full consideration to the implications of such a statement? Saskatchewan tends to and stands to lose a good deal in the event of an all-out trade war. Other products that Saskatchewan produces are at stake, like beef, like pork. Other products might be restricted as well and that could end up hurting Saskatchewan as a whole.

Mr. Minister, I wonder if you have discussed this matter with the Premier since I raised it with you last. What industries in this province are you prepared to sacrifice in a trade war with the U.S. and what Saskatchewan industries is Mr. Goodale prepared to sacrifice in an all-out trade war with the U.S.? Are you prepared to answer that today?

Some Hon. Members: Hear, hear!

Hon. Mr. Cunningham: — Well, Mr. Speaker, obviously there's a fine balance and nobody benefits from a trade war — nobody benefits from a trade war. But nobody benefits or certainly we don't benefit by acquiescing to every demand that the Americans make. And we can back down and back down as far as we want to go.

We were concerned, the Premier was concerned, I was concerned that Mr. Goodale was not being strong enough in the negotiations. We urged for a stronger stance. I think all the provinces in the country are onside with that.

We had an Ag ministers' meeting in Regina here two or three weeks ago at which time all Agriculture ministers across this country urged Mr. Goodale to take the stand that he has now taken — that we are not going to put a cap on our wheat. We're not going to give up our industry. We're not going to trade off our Saskatchewan industries or commodities, such as wheat, for some commodities such as sugar or peanut butter for some other province; that we must stand up and live with the agreement and take the stance that we have to take to make the Americans live up to their side of this agreement which they have signed as well as us.

Some Hon. Members: Hear, hear!

Unemployment

Mr. Swenson: — Thank you, Mr. Speaker. My colleague raises some good points today, Mr. Speaker, about what the government is up to as far as

job creation in this province. Agriculture, our main industry in this province, continues to lose jobs.

My question this morning would be to the Minister of Economic Development. Mr. Minister, your government's all-out attack on working men and women in this province continued in April, as evidenced by today's unemployment stats. There are now just 426,000 people working in the province. That's 5,000 fewer than last year, Mr. Speaker, at this same time. That's 16,000 fewer than April of 1991, the last year of the previous administration, Mr. Speaker.

Mr. Minister, your government's record in job creation has been a dismal failure and yet you've wasted this entire session of the legislature destroying even more jobs rather than building the economy of this province.

Mr. Minister, how much more evidence do you need before you admit that your economic plans are failing, and why have you wasted the entire session on measures that will destroy jobs instead of measures that will create jobs? Why would you do that?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Mr. Speaker, I would be pleased to respond to the member's question. First of all, I want to point out something that the member very well knows already and everybody in this House knows, is that Saskatchewan continues to have the lowest unemployment rate of all the provinces in Canada.

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — But we're not hanging our hat on that, Mr. Speaker; that's an important statistic. We are saying that where we are now still isn't good enough and that's why the government, the Minister of Economic Development, and everybody else in the government is working hard to see what we can do to provide more employment.

And I'll just tell the member opposite, in counter to his question that this session has been one of not encouraging job creation: only the other day we announced a \$10 million rural roads program which is going to create 500 jobs throughout rural Saskatchewan. There are a large number of municipal infrastructure programs which now have come forward which will soon be announced which will create many hundreds of more jobs.

There was recently an announcement by the Minister of Education of more than a 50 per cent increase in summer job program for students, which will create jobs for 1,200 students and young people in Saskatchewan, Mr. Speaker.

And the *Partnership for Progress* document and strategy which the government introduced some time ago is working. The Minister of Economic Development today is in north-west Saskatchewan, in the northern part of north-west Saskatchewan, yet

announcing another regional economic development strategy; a strategy which over the long term and in the medium term is going to work for creating jobs and economic development in Saskatchewan far better than the megaproject approach which was used by the former government which was a complete failure.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Thank you, Mr. Speaker. Mr. Minister, we know how the Minister of Economic Development likes to travel around this province delivering strategy seminars. He does that very well. What he doesn't deliver is any jobs.

Maybe the Minister of Finance should answer the next question. This year's budget predicted 5,000 new jobs in Saskatchewan this year. Well you got the number right, you're just moving in the wrong direction, Mr. Minister. There are now 5,000 fewer jobs in this province in the same time last year. Thousands of people are giving up and leaving the province, Mr. Minister. They're turning to welfare; for the very first time in our history over 82,000. Are you proud of it? Over 82,000 people on welfare, Mr. Minister.

Your job record is abysmal, Mr. Minister, and the facts bear that out. You cannot hide from the facts; excuses simply won't do. Now you predicted 5,000 new jobs this year. You have failed to meet the goal so far. Give us a number, Mr. Minister, that you can predict with confidence for this year. Give us a number. Are you sticking by the 5,000?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Mr. Speaker, let me respond to the member opposite with some of the information which he has requested. I think the use of the selective numbers which he has chosen to use does not point out the fact that the total number of jobs in Saskatchewan are up by 2,000 this month. He does not point out, Mr. Speaker, that employment is up 1,800 in manufacturing; it's up 6,000 in wholesale and retail trade; it's up 5,800 in services over 1993; non-agricultural employment is up by 7,500 overall from the same period last year, Mr. Speaker.

And when we talk about diversifying Saskatchewan's economy, this is evidence that that diversification strategy which we talk about is actually working, which is something it has not done to this extent in previous years and under the previous administration.

There is momentum in the economy. And I can tell the member opposite that the strategy which has been put forward is working, and the statistics which I have just told you, member from Thunder Creek, prove that that to be the case.

Some Hon. Members: Hear, hear!

Mr. Swenson: — Thank you, Mr. Speaker. Mr. Minister, that's 2,000 over abject failure the year before.

I remind you, when you were elected, Mr. Minister, you predicted your government would create 30,000 jobs when you released your *Partnership for Renewal* document. The statistics today show there's 25,000 less jobs in this province in total than in 1991.

Okay, Mr. Minister, you take the 30,000 you projected and the 25,000 that you're short, you're a long ways away; you have an abysmal record. *Partnership for Renewal*, Mr. Minister, isn't a bad document except for one thing — you aren't doing what you're saying. An example. It says: "Ensure a competitive tax system for business" and yet you continue to tax business out of business here. It says: "Rejuvenate labour market policy . . . (by allow) working people to participate in economic renewal . . ." and yet you bring in labour legislation that kills jobs.

It says: "Identify energy options . . ." and you can co-generation. It says: "Maximize trade opportunities" and you oppose free trade and refuse to lower interprovincial trade . . .

Mr. Minister, when are you going to follow your own recommendations, stop attacking business and working people, and start creating jobs instead of making excuses for the garbage that's going on?

Some Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Mr. Speaker, we have long learned in this House that numbers that the members opposite when they were in government and now that they are in opposition . . . are not numbers that anybody can rely on. And I think that that has to be emphasized here once again.

I want to point out to the member opposite, Mr. Speaker, that once again he is incorrect in some of the things that he is saying. We have in fact reduced the small business corporate income tax in Saskatchewan by 20 per cent since we took office. We have reduced the tax for the manufacturing sector on those things that they use which they need to replenish from time to time in their process by a substantial amount. And I wouldn't doubt that that's one of the reasons why the manufacturing jobs in Saskatchewan have increased quite dramatically because of the good management and good fiscal approach that this government has taken.

I want to also point out to the member opposite that while Saskatchewan has an unemployment rate of 7.8 per cent, Conservative provinces on each side of us — in Alberta, an unemployment rate of 8.8 per cent and they have a lower tax system than Saskatchewan; and Manitoba has an unemployment rate of 9.5 per cent.

And I want to use the model which the Liberal member uses all the time — New Brunswick, a Liberal province, which has an unemployment rate of 15.1 per cent. Now that's not quite as bad as the Liberal province of Newfoundland which has an unemployment rate of 23.1 per cent, and Prince Edward Island with an unemployment rate of 22.3 per cent, and Quebec which has an unemployment of

13.3 per cent.

We're prepared, Mr. Speaker, to compare Saskatchewan to any other jurisdiction in Canada and there's no one can deny that we don't compare very well.

Some Hon. Members: Hear, hear!

Expansion of Gaming

Ms. Haverstock: — Thank you, Mr. Speaker. My questions today are for the minister in charge of Gaming. Mr. Minister, for more than two years you've been expanding gambling without providing your strategic plan, without open consultation or public debate, and without concern for the consequences of your policy.

Mr. Minister, a gambling strategy should come complete with a detailed impact analysis for public examination and debate. Why have you failed to provide this analysis, Mr. Minister?

Hon. Mr. Lautermilch: — Thank you, Mr. Speaker. Let me say to the member opposite that not only have we done internal analyses, there have been studies done with respect to the economic impacts and the economic benefits by independent bodies. And I will send across one done by a national accounting firm with a very strong and reputable reputation, Peat Marwick, that was done with respect to the Regina Market Square's proposal for casino expansion. If the member hasn't had a look at that, I will send it across.

But what I want to say, Mr. Speaker, is quite clearly the member from Greystone does not support the government's policy with respect to the expansion of gambling in this province. So I would want to ask the member from Greystone what her position is. Do you have a policy with respect to gaming, or do you not?

Can the people in the hospitality industry expect if someday — heaven forbid! — you would ever form government, that you would turn the power off to the video lottery terminals in the beverage rooms, thereby taking \$15 million out of the hands of that industry? Would you be shutting down the bingos that are operating in this province and that your staff helped to expand and increased from \$4 million to \$100 million and the \$85 million that over that period went to the charities, would you shut that tap off? Would you be shutting down raffles? Would you be shutting off the 6-49 machines?

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Thank you very much, Mr. Speaker. The problems that the people of Saskatchewan are having is that you don't have a strategic plan, Mr. Minister, and you are presently in government and you are in charge of gambling for the province of Saskatchewan.

The research used by governments to decide about casino expansion have been called into very serious

question. There's more than 200 pages of study that's been financed by the Ford Foundation and the Aspen Institute — institutes and organizations that have absolutely no interest, no vested interest in gaming. And Professor Robert Goodman evaluated the research done by 14 different governments. And he concludes, and I quote directly, Mr. Minister:

Of the 14 studies analysed, most were either totally or mostly unbalanced in describing cost impacts of casino expansion. These studies tended to cover the increase of unemployment and tax revenue generated, while neglecting or downplaying the fiscal and social costs associated with these ventures.

Mr. Minister, my question to you is: what study is your government using to direct your plans for casino expansion?

Hon. Mr. Lautermilch: — Mr. Speaker, let me answer the member's question by a quote from Emmet Reidy, the executive director of the Liberal Party, who was a proponent of casino expansion in the 1980s.

In an article it's indicated that: the economic benefits will be felt throughout the entire district, according to Reidy. He believes that about a thousand new jobs would be directly created by the project.

Can you tell us, madam, since you work with him on a regular basis, what economic analysis that Mr. Reidy did in 1988 before he made these studies? And can you tell me, Madam Minister, what . . . or Madam Member, what kind of advice you get from Elaine Hughston who sits in your office, who was involved in the bingo industry?

And I want as well to say, madam, will you tell the aboriginal people who are looking to this industry to create some job opportunities, will you be pulling the plug on the opportunities for those people? Can you tell this House where you stand with respect to aboriginal jobs in the new casinos? Or have you, madam, not got a plan at all?

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Thank you, Mr. Speaker. I reiterate, Mr. Minister, you are in charge of gaming for the province of Saskatchewan. It is the NDP (New Democratic Party) who are in charge presently, governing the province of Saskatchewan. You, sir, are the one who is to have a strategic plan and to lay it before the people of the province, and you have been incompetent and you have not been able to do that.

I have asked repeatedly, Mr. Minister, for copies of all research used to develop the NDP casino expansion policy, including the Eadington report.

And in a letter dated March 31, 1994 from you, you said that the report by Bill Eadington and all other research used by the government in developing the casino expansion policy has been undertaken for review by cabinet and its committees and as such is

exempt from release under the freedom of information and privacy Act.

Mr. Minister, the people of Saskatchewan have a right to determine whether the research you are using is objective and complete. What is it that you don't want the people of Saskatchewan to know?

Hon. Mr. Lautermilch: — Madam, I'll tell you what it is that I want the people of Saskatchewan to know. I want the people of Saskatchewan to know that the member opposite is playing politics with new job opportunities for hundreds of aboriginal people in this province. That's what I want them to know.

I want them to know that she surrounds herself with people who've been involved in gambling in this province for a decade and who have been proponents of gambling. And I want the people of Saskatchewan to know the hypocritical approach that she takes with respect to this issue.

She won't explain to the people whether or not she supports gambling, and that's fine — take that position. We've taken a position that there will be regulated and controlled gambling in this province, and we have announced a policy in that regard. She asks for reports that have third-party information for which — and I think she can understand this — very simply we can't release because of the information and its impact on third parties.

Now I would offer again and I will be sending across a study done by Peat Marwick with respect to one of the proponents and one of the proposals for expanded casinos in Saskatchewan. And if she would take the time to sit down and read what's in these documents, I think she might better understand why we are creating and how we're going to be able to create job opportunities for Saskatchewan people.

I want, Mr. Speaker, as well . . .

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Thank you, Mr. Speaker. Mr. Minister, there is one individual in this Chamber who has made a 180-degree turn in his stand on gaming, and that happens to be the Premier of Saskatchewan.

In 1990 he told the people of Moose Jaw he would under no circumstances support casino expansion in the province of Saskatchewan, and if he were the premier of the province it would never happen. He's the one that has to explain his stand to the people of Saskatchewan.

Mr. Minister, Candace Fox of the University of Reno, Nevada, was paid to do a study on casino expansion by your very government. Professor Goodman, in this extensive research, has examined one of her studies and considered it to be unbalanced because little or no information . . . no mention was even made of the negative costs of casino gambling.

Mr. Minister, what is the definitive study being used

by the Government of Saskatchewan that includes a complete and objective analysis of the negative impact of expanding casino gaming in our society?

Hon. Mr. Lautermilch: — Mr. Speaker, we have looked at a number of studies, and not only information gathered within the province but outside of the province in other jurisdictions, and it has been a long process by the Saskatchewan Liquor and Gaming Authority to put this together. And based on that information we have put forth a policy that calls for casinos in both Regina and Saskatoon.

And I want to say to the member from Greystone that instead of attacking jobs and the job opportunities for aboriginal people, that she should join with this government in attempting to stop the outflow of dollars from this province; she should join with us to create employment opportunities for some of our Saskatchewan residents.

But I ask her: what would you do, madam? Would you shut the tap on gaming? Would you shut down the lotteries, the raffles? Would you shut down the bingos? Would you shut down the VLT (video lottery terminal) programs? Would you shut down the casinos that are funding the exhibitions in this province? Would you do that, if heaven forbid, you would ever become the premier of this province? What would you do?

Some Hon. Members: Hear, hear!

Cigarette Smuggling

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Justice. Mr. Minister, a decision is expected today in regard to the cigarette smuggling trial which has been ongoing for some time in the community of Melville.

Apparently, Mr. Speaker, some \$120,000 worth of illegal cigarettes were smuggled in from the East into the Peepeekisis Reserve and then sold to Saskatchewan residents, and I understand this was the largest seizure of its kind in Saskatchewan's history.

I think this is disturbing, Mr. Speaker. My question to the minister is this — many people believe that this is just a problem in the East, but apparently it has begun here in Saskatchewan — have you any indication from the RCMP or from your department, the scope of cigarette smuggling in the province? To what extent is this activity going on in Saskatchewan?

Hon. Mr. Mitchell: — I thank the member for that question. I was worried that he was going to ask me to comment on the proceedings in Melville and of course I couldn't do that.

The reports that we have from the RCMP and the federal and provincial governments, departments that are concerned with this, is that cigarette smuggling, at the moment, is not a big problem. It hasn't been yet and it's not today. It is a situation however which the RCMP and the two levels of government are watching

very, very carefully.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

Bill No. 56

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Goulet that **Bill No. 56 — An Act to amend The Automobile Accident Insurance Act** be now read a second time.

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to make a few comments regarding the Bill before the Assembly, the Bill that's addressing automobile insurance in the province of Saskatchewan, Bill No. 56, and raise a few concerns that have been brought and are being brought to our attention on a daily basis, Mr. Speaker.

Certainly as we review the Act before us a number of questions must be asked. And there's no doubt that once we enter Committee of the Whole, Mr. Speaker, that there will be more questions coming before us and being brought to our attention that will be something that we must bring to the minister's attention as well.

Mr. Speaker, we've been receiving questions from individuals regarding the no-fault insurance plan that the government is proposing to bring forward; or has, not proposed, but has already introduced into this House. We've also been receiving requests, Mr. Minister, that we should take a look at it and ask the government to reconsider and take the time to sit down and rethink the whole program, Mr. Speaker.

We've also been . . . individuals have indicated that possibly there are some good points to the no-fault scheme that should be considered and we shouldn't just throw it all out. And, Mr. Speaker, I acknowledge that and certainly wouldn't disagree, won't disagree with that.

In fact one of my local legal firms, I've asked for their viewpoints regarding the Bill. And these are just a few of their comments:

We do appreciate that there is a problem and a concern of keeping costs affordable to the citizens of the province. Our concern is that the costs not be controlled by unfairness to injured persons. We are concerned that the prescribed benefits may, in many situations, be insufficient to properly compensate injured parties.

And then they go on to say:

Our general concern is that the government is

removing a right which people have acquired over a long period of history.

That sentence, Mr. Speaker, would indicate to me that this right, to seek compensation through the courts has been something that wasn't there a number of years ago and that people have worked for determinedly over a period of history to gain.

And, Mr. Speaker, I think as others of my colleagues enter the debate, we will be pointing out some of the discrepancies in the arguments being brought forward by the minister and by the government as to the real reasons for the no-fault insurance program.

Will the government not be tempted to restrict benefits to control its costs? Is this not the real reason for legislation in the first place? How can people actually receive more benefits while at the same time the government sees big savings?

Mr. Speaker, as I view the legislation I have to ask myself, why would I even buy additional insurance over my SGI (Saskatchewan Government Insurance) general insurance? Why would I go and buy a package policy? Is there any need to carry a package policy now that the no-fault insurance is before us, Mr. Speaker?

And I think there's no doubt when the residents of Saskatchewan start asking themselves, well if there's no-fault, if I'm in an accident and I was at fault but I'm not responsible, and there's a specific pay-out that's going to be coming, then why should I carry additional insurance? And I think that is a legitimate question that many people will be asking themselves.

And when the government talked today and the Minister of, I believe it was Labour, had brought up when we were asking questions regarding job creation in this province, and the government talks about the new jobs that have been created across this province, and you look at a number of the small businesses such as in my constituency where people may find themselves at a point that a lot of number of these small businesses and the insurance industry have basically been just hanging on by a thread, dangling by a thread trying to maintain their business, should they lose — or even the legal firms — should they lose that ability to offer additional insurance, Mr. Speaker.

And we also note on the order paper that the government is possibly coming forward with their credit union Act. Many of these small businesses that generate . . . and hire maybe two, three, four, even as high as ten or twelve people in rural Saskatchewan, may be closing their doors, Mr. Speaker. And what does that do for our rural economy? What does that do for our local economy?

A lot of these businesses hire even students in the summer to come and work for them. Will they be in a position? It's not just The Trade Union Act that's going to give them a problem or The Labour Standards Act, but now the no-fault insurance Act that we have

before us is going to create another problem before them.

And before long, Mr. Speaker, the economic hub and engine that drives this province is going to be put in a position where it will not be affordable for them to even keep their doors open. And there isn't a community in Saskatchewan that is not aware of the problems that are associated when a business shuts a door. Because when a business shuts the door, it's not just the jobs that leave the community, it's not just that tax revenue that's generated and leaves that community — the property taxes and the business tax, Mr. Speaker — Mr. Speaker, it's the fact that individual lives are hurt on a daily basis.

So as I've indicated, Mr. Speaker, there are businesses, even this legal firm, whose firm would be challenged through the no-fault program and would probably lose some of the customers and the clients that may have come to them on occasions prior to this legislation, may find themselves at the end of the day possibly cutting back in the services and in the people they employ in their office due to the fact that the services and the work on their behalf may be reduced. And so, Mr. Speaker, it is a general concern.

(1045)

Mr. Speaker, we look at the . . . I just noticed another comment that came to our office from Mark Brayford speaking on behalf of lawyers and the legal community. And he says this and he raises this question:

It is debatable whether no-fault will reduce premiums since so many drivers that are at fault would be entitled to substantially increased benefits under a no-fault scheme at the expense of the innocent victim.

And, Mr. Speaker, I can relate that. My colleague, the member from Souris-Cannington, was raising that question with the minister the other day, the fact that the no-fault scheme may allow a person who was intoxicated and created an accident to receive a better benefit or a higher benefit through the no-fault program than he would have on the other side; and yet the victim, who may have been a student, who may have been a housewife without any substantial income to talk of, is going to receive a lower compensation. And because of the fact that they're in the lower income bracket, Mr. Speaker, they aren't even going to have the ability to sue or go to court.

And the government says well, we haven't taken away the ability to go to court. The unfortunate part, they have set a standard in there and a guideline that is so high that it's only going to be individuals with substantial incomes like, for example, Mr. Speaker, the individuals on the front row on the government side of the House, and cabinet, because of their income, could go to court; back benches will not be able to go to court, as I understand the legislation.

So, Mr. Speaker, you have to ask yourself who is being

treated fairly? What is the real reason?

Mr. Brayford goes on to say:

Even if SGI could show that premiums would level off, the transient appeal of lower premiums would be short-sighted and flawed. Nobody wants to pay less to get less.

And, Mr. Speaker, when people buy insurance, they buy insurance so that they can cover a loss. They don't buy . . . they don't look at insurance as just a premium, they look at the value of the insurance for the dollar that they are putting out.

So, Mr. Speaker, as we have pointed out here, if there isn't going to be much of a return at the end of the day then there isn't going to be any real reason to invest in higher costs and better compensation protection because it isn't going to be there under the present Act. By deliberately allowing premium increases to fall far behind inflation and by failing to reflect changes in legislation and home-making awards, SGI has succeeded in manufacturing its own crisis.

Mr. Speaker, one of the reasons the minister has given for the present Bill before the Assembly on no-fault insurance was the fact that premiums were going to be going up and possibly going through the roof. And, Mr. Speaker, there's no doubt that when the economic times change, the rate of inflation comes into play, the insurance levels. It doesn't matter what we're paying for as consumers, Mr. Speaker, there's always a cost associated. As things become expensive, as insurance become more expensive, premiums rise. No doubt about that.

Mr. Speaker, did increasing the cost of SaskPower, the fact that it was going to affect citizens across this province and increasing the rates, hinder the government from increasing those rates, Mr. Speaker? Their argument for increasing the rates was that they must keep up with the times, they must keep up with inflation, they must make sure that they keep SaskPower in a healthy and viable position. And who can speak against that? We all believe in that too. Businesses can't operate if they're losing money.

What about SaskTel? SaskTel's rates have increased substantially, and the government argued that they needed the increases to keep up with inflation and with the costs of providing a service.

But all of a sudden SGI might be facing some increases — no, we're going to change the insurance program; we're going to bring in no-fault insurance because we do not want rate increases coming forward.

I would suggest to you, Mr. Speaker, the reason the government doesn't want any rate increases coming forward at this time is because they've had enough rate increases; they've had enough people in the public sector and the public in general complaining about SaskPower and SaskTel and SaskEnergy.

And members are shaking their heads. Those in rural

Saskatchewan know of the impact it's created, know that when the Minister of Finance stood in this place and said no increase and no new taxes this year that she was speaking out of one side of her mouth, because on the other side they were taking increases on a daily basis that were affecting each and every one of us.

So all of a sudden they've heard that. I'm sure many of the back-benchers have raised those concerns as they've debated in caucus. And so SGI, which should be facing some increases as well, now has said no, we changed the insurance scheme, the insurance program. No more increases.

Why, Mr. Speaker? Because we're possibly a year, year and a half away from a general election, and they want to paint a rosy picture. And no doubt the Minister of Finance is going to be very deliberate in painting even a more rosy picture or a rosier picture come next spring.

Mr. Speaker, is that fair? Is that right? Is that fair to the people of Saskatchewan that the government should be manipulating the books or changing the Acts? To suit themselves, I would say, Mr. Speaker. As we've noted the government has certainly not been afraid of changing Bills when they haven't been pleased by the legislation they've brought forward. In fact they have had no problem, Mr. Speaker, in making changes retroactive to protect themselves. But when it comes to consumers, it seems that consumers are on the outside looking in.

Mr. Speaker, one has to wonder what happened to the surplus that was in SGI when the government took over office. What happened to the \$48 million that was there — the \$48 million surplus in the auto fund, Mr. Speaker? How come all of a sudden SGI is facing such a shortfall? Where did the money go?

Was the money channelled from SGI to CIC (Crown Investments Corporation) and from CIC into the Consolidated Fund? Was SGI put into a loss position in order that the Minister of Finance could show a more positive and paint a more positive and rosier picture on the consolidated side of the financial picture in this province, or problems in this province, Mr. Speaker? Is that what happened to the surplus? Where is that \$48 million surplus? What has the government done, what has SGI done with the funds that were at its disposal and the surplus that was already in place? Where is that, Mr. Speaker? Those are some questions that we must ask.

The unfortunate part with the legislation before us, Mr. Speaker, as well is that SGI bureaucrats will be the insurer. They will be the judge, they will be the jury — just like Crop Insurance. So who do you complain to?

And, Mr. Speaker, I would suggest to you that when constituents come to me and when my colleagues, I'm sure, would come up, would indicate the same thing, that any time people are dealing with SGI, SGI seems to be the most difficult insurer to deal with.

You're carrying a good source of liability insurance . . . And just for example, let me give an example, Mr. Speaker, a personal example. We had an old hip-roofed barn that my brother and I had hogs in and the barn was insured and the livestock were insured; my brother and I had them insured with SGI. The barn, the building was still owned by my father and he had it insured with Wawanesa Insurance, Mr. Speaker.

And, Mr. Speaker, we had . . . at that time we had \$10,000 worth of insurance on the livestock that we had in that barn. And that \$10,000 worth of insurance was actually much higher than the value of the livestock in the barn at the time. And, Mr. Speaker, a lightning bolt hit that barn and within an hour that barn was levelled and we lost somewhere in the neighbourhood of 350 hogs, Mr. Speaker.

The interesting part was the way the insurance was handled. Mr. Speaker, Wawanesa Insurance was out, and within two weeks time Dad had his cheque in his pocket for his protection of the building. He had the amount of the money that he had protected the building for in his pocket within two weeks time.

Mr. Speaker, my brother and I argued back and forth with SGI for some six months and finally settled at a value, a dollar value, Mr. Speaker, about \$2,500 less than the livestock simply because we happened to be running some . . . our breeding herd out in a separate barn. And because they weren't included, or had been omitted, or the agent had omitted putting on the SGI form that there were hogs housed outside of the barn, Mr. Speaker, we lost \$2,500. It took us six months even though SGI was not and would not have even come close to paying out the full amount that we had insured those hogs for because of the level of hogs we had at the time.

So, Mr. Speaker, it just shows to me that even at the best of times SGI, and most people would say, has become a difficult insurer to deal with. And as I've indicated, we had that problem. That problem was one of the areas that we've been discussing. And yet private insurers on many occasions, most people have found that dealing with the private companies, they've had good, positive service almost immediately, Mr. Speaker.

So one has to wonder what kind of service we're going to receive with the no-fault insurance. What kind of hassles are people going to have to go through to prove the injuries that they've received are related to an accident.

The minister can argue today that you're going to receive certain compensation; it's going to be forthcoming. But who's going to judge whether or not that injury is eligible for the dollar value that you're to receive, the compensation. Who's going to prove that? Can you go to a lawyer to argue it, Mr. Speaker? There are some very serious questions we must raise there.

So you're in an automobile accident and you have a whiplash. Is the insurer going to indicate to SGI that

yes, this is a legitimate claim, or is the insurer going to say, we don't really think that this person has that significant an injury. So at the end of the day, no compensation. All of a sudden they're on the outside looking in.

Those are some of the questions that we must raise, Mr. Speaker.

Mr. Speaker, I want to bring a few points . . .

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

Ms. Haverstock: — To introduce a guest, Mr. Speaker.

Leave granted.

INTRODUCTION OF GUESTS

Ms. Haverstock: — Thank you very much. I'd like to introduce to you, Mr. Speaker, and to members of the Assembly, a friend from Kipling, Saskatchewan, the United Church minister, Reverend Vic Greenlaw. He will be visiting I think this morning. We'll have an opportunity to speak together. Would you warmly welcome him, please.

Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, I'd just like to take a moment as well to recognize Mr. Greenlaw's presence in the Assembly. I'm not sure if he's coming here to get some information and then practice a little bit in anticipation of seeking a nomination in the constituency that I represent, but we trust that he receives some valuable information and he doesn't take it out on his congregation Sunday morning if there's something that he doesn't really enjoy here. But welcome, Mr. Greenlaw.

Hon. Members: Hear, hear!

ADJOURNED DEBATES

SECOND READINGS

Bill No. 56 (continued)

Mr. Toth: — Thank you, Mr. Speaker. Coming back to the no-fault insurance program, Mr. Speaker, I'd like to bring a few comments forward that have been brought to our attention by one Mr. Gary Tompkins, associate professor and head of the department of economics, the University of Regina, regarding the no-fault program. And he says this:

The purpose of liability insurance is to protect the purchaser from claims for economic losses for which the purchaser is at fault. In theory, a compulsory, no-fault insurance system carries with it two major benefits: the reduction of legal costs from eliminating the need to litigate over the share of responsibility for an accident; and the ability to guarantee, for the most part,

that everyone operating a motor vehicle has insurance coverage.

The provincial government has indicated that the Sobeco Ernst & Young report, hereafter the Sobeco report, on the motor vehicle liability insurance system in Saskatchewan, will be the foundation upon which the system will be restructured.

The report, however, is riddled with unsupported claims, inaccuracies, and misleading statements. The recommendations would go far beyond what is necessary to obtain the benefits normally associated with no-fault insurance.

The Sobeco report deviates from recommending no-fault insurance by including two additional objectives. The first is that there should be compensation for people who sustain losses that are not the fault of another individual; the second is that automotive insurance premiums should remain affordable, and the report proudly points that out.

Saskatchewan insurance rates are among the lowest in Canada. The primary method by which these goals are to be met is through purported savings achieved by reducing the involvement of the expensive legal system and placing caps on the awards that may be claimed, which the report suggests are growing rapidly and will continue to increase at the same rate.

(1100)

Mr. Speaker, I might add, in a recent article and information brought to our attention, most people surveyed indicated that at the end of the day when they've gone to court on an insurance claim, Mr. Speaker, where the government minister has argued that some 40 or 50 per cent goes into the lawyers' pockets, individuals who have actually been in court would indicate that the reality is somewhere between 6 and 20 per cent. And they've been more than satisfied with the compensation they've received and the payment that they have paid to their legal personnel or to their lawyer to represent them in the case.

The first question that should be raised is whether there is a basis for believing that the amounts and numbers of claims will continue to rise and whether the increase is necessarily a bad thing. The report cites a number of factors which have contributed to recent increases in claims, most of which may be attributed to one-time events and, as such, should only lead to one-time increases in the level of awards.

The report also casts aspersions as to the legitimacy of particular heads of damage. The courts have recognized only recently two

important factors with respect to damages. The first is that there should be compensation for the lost value of unpaid work, such as housekeeping — we agree with that — home maintenance, provision of day care services, and so forth.

The second is that the courts have belatedly recognized that the \$100,000 limit placed on pain and suffering awards in 1978 should keep up with inflation. The Sobeco report suggests that these changes are somehow inappropriate and are resulting in the need for unwarranted premium increases. It is more easily argued that the increases in awards are justified and represent an improvement from previous, inadequate levels of compensation.

Does the death of a spouse who provided unpaid day care services eliminate the need for those services, Mr. Speaker? These are a number of questions being raised by Mr. Tompkins.

The second issue that arises is over the method by which savings will be achieved. The report cites the figure that in 1992, 44 per cent of liability claims involved a lawyer. It fails to mention that most claims are settled out of court and that claims for lawyers' fees are not allowed. Personal injury claims are based on an assessment of economic damages, not including legal fees.

Legal fees have the effect of reducing the amount of money received by the injured party. And while the fees are indeed a cost to the system, they are not responsible for increases in the amount and number of awards.

And I'd repeat that.

Legal fees have the effect of reducing the amount of money received by the injured party (Mr. Speaker). And while the fees are indeed a cost to the system, they are not responsible for increases in the amount and number of awards. The lawyer is paid based on what the client receives and the client pays the lawyer.

Whatever form the new system happens to take, the extent of injuries and required health care costs will need to be assessed and estimated by people recognized to be experts in those areas, and victims who are not experts will probably want to hire lawyers to represent them at whatever form is necessary or is used to assess the claim.

The savings, if any, (Mr. Speaker) that will be achieved by this new system is through the capped awards for serious injuries that result in losses in excess of the award ceiling. It will not be necessary to litigate over the extent of injuries. It is not obvious that the bureaucracy that is proposed by the Sobeco report will be less expensive to operate (Mr. Speaker). The

savings will come primarily and arise from paying an inadequate level of compensation to victims of accidents.

And I think that was one of the major concerns that people have been raising time and time again. Individuals who have been there, individuals who are presently in the court system or in the legal system, challenging the awards that are possibly coming their way or seeking compensation for losses incurred through an accident-related injury.

The system proposed by the Sobeco report creates a new social security program for accident victims who cannot sue for damages.

He indicates, Mr. Speaker, that what we're doing is creating a new social security program for accident victims who cannot sue for damages. And the report uses an example of a child who runs out in front of an oncoming vehicle.

Mr. Speaker, we know what the problems associated with social insurance programs in our province and across this country. Do we want to add to that, Mr. Speaker? Is there indeed a saving at the end of the day? Will there be a saving at the end of the day, or will we find after the next provincial election, Mr. Speaker, that there are going to be some definite changes and increases in insurance rates in this province?

While it is not difficult to support the creation or enrichment of such a program, it is not clear why victims of other accidents should pay for this program by being forced to accept inadequate compensation for their injuries. The Sobeco report does not address this inequity.

Mr. Speaker, Mr. Tompkins also indicates:

The report raises more questions than it answers and is full of bizarre assertions. For example, apparently the writers discount the need for awards for non-pecuniary losses by placing quotations around the phrase, "pain and suffering." That is a famous way of arguing that the awards are too high.

In a recent case a 64-year-old plaintiff was awarded 35,000 for a whiplash injury which was expected to give her headaches and periodic pain for the rest of her life. Is \$35,000 an excessive award for enduring pain and restrictions on activities for two or three decades?

Is that an excessive award, Mr. Speaker? That is the question being raised.

Another example of the report's lack of consistency is in the assertion that interest on past or prejudgement losses is not justified. Awards are calculated based on the present value of losses. Past losses for injuries occurring after 1986 are awarded interest, while future

losses are reduced by interest. Interest on past losses is justified on the basis of compensating for the delay in use of the money and inflation.

If the application of interest is not justified, does this mean that future losses should not be discounted with interest?

The report also asserts that in a structural settlement where an insurance company agrees to pay a schedule of fixed dollar benefits to victims, that the risk is transferred from the individual to the insurance company.

And, Mr. Speaker, Mr. Tompkins says this is nonsense.

If an accident victim agrees to perpetual 4 per cent annual increases scale for medical expenses, he or she runs a risk of actual expenses increasing at a higher rate and not being able to afford proper care.

Mr. Speaker, Mr. Tompkins goes on to say:

Automobile drivers in Saskatchewan cause injuries to other people and should pay for the costs they impose on others. The refining of the approach the courts have taken to evaluate economic losses has led to fairer and larger awards, and perhaps it will be necessary to increase minimum levels of liability coverage to allow for these changes.

It is clear that the writers of the Sobeco report believe that the primary responsibility of a liability insurance system is to hold rates down rather than to adequately compensate the victims of accidents. As such, the suspicions that have been expressed that the report was a set piece for a government which wants to reduce or eliminate insurance premium increases, may have some validity (Mr. Speaker).

There is a great deal to criticize in the Sobeco report. And the large number of errors, unsupported claims, and superficial arguments contained therein precludes addressing each one in this space.

Unfortunately the criticisms of the proposal in the report made by the legal community who are, after all, knowledgeable in the area, have apparently been summarily dismissed by simply suggesting that private interest motivated the criticisms.

However, (Mr. Speaker) at some point the criticisms must be addressed regardless of source.

The provincial government would be well advised to not use the Sobeco report as a foundation for anything other than possibly a demand to renegotiate the fee paid by SGI for the report.

Mr. Speaker, I believe Mr. Tompkins brings out a number of very real concerns that this piece of legislation is bringing to us and that people across this province will continue . . . will begin to address and bring to our . . . and as we have found, are bringing to our attention on a daily basis.

And, Mr. Speaker, Mr. Tompkins is right when he indicates that the legal profession, in speaking out against it, are going to be viewed by the public as just defending their own interests. And, Mr. Speaker, if you talk to victims, you will find that there are many victims who would feel that there have been times when the legal profession has certainly worked well on their behalf. Their ability to go to court, their ability to seek legal compensation, is something that people want the ability to have.

And, Mr. Speaker, I don't doubt that people across Saskatchewan are very concerned with the deficit, are very concerned with insurance premiums, are very concerned with the costs that are incurred upon them as premiums rise.

And people in general, Mr. Speaker, are fair. They believe in a fair form of compensation. They believe in fairness and I think . . . I don't think there is anyone in this Assembly this morning or across this province who doesn't believe that there have at times been compensations paid out to individuals that would far exceed what would be a normal and fair compensation.

There's no doubt, Mr. Speaker, that many people in the legal field would also indicate that generally it's their intent to get as much as they can because if they're paid on a percentage, the higher the compensation package, the higher their payment. But I'm sure, Mr. Speaker, when push comes to shove, what they are seeking in general is a fair and adequate compensation.

Mr. Speaker, one has to wonder how the changes to compensation packages will actually save SGI money. The fact that premiums may not increase . . . If premiums don't increase, Mr. Speaker, that means that SGI isn't drawing revenue from the consumer. So yes, SGI will not be receiving any increases in premiums. And so there's that revenue that is going to be lost.

But, Mr. Speaker, when you just have plain losses in compensation awarded you . . . And I just want to quote from the news release put out by the minister on April 15. And a couple of points he brings out:

The improved benefits of the plan include:

Loss of income benefits will rise from a maximum \$200 per week to a maximum (\$500) per week; these benefits cover full-time employees, part-time and temporary employees, students, homemakers, farmers and others who are self-employed.

But how do they receive them? Who is going to judge

whether they receive that? And if they do receive it, Mr. Speaker, if they do receive that compensation, for how long? Mr. Speaker, that's an increase of \$350 per week. That's an increase of \$1,400 a month. Mr. Speaker, in a year that's an increase of over \$16,000 over the normal process that was there before, Mr. Speaker — \$16,000. And for how long does that go on?

Rehabilitation benefits will increase from a maximum \$10,000 to a maximum \$500,000.

Victims who suffer severe permanent injuries will qualify for a maximum payment of \$125,000 for pain and suffering, with smaller payments for less severe injuries.

Mr. Speaker, is 125,000 fair to an individual who may have lost the use of their upper body or may become a quadriplegic due to an accident? Is \$125,000 going to be fair to an individual who, say in their prime of life, say a student or a young parent with a young family at home, is going to face the rest of their life in a wheelchair? Are those fair, Mr. Speaker?

Mr. Speaker, I think the Bill before us has a lot of flaws. There are a lot of questions that must be raised. Mr. Speaker, as I've indicated before, no doubt the Canadian Bar Association would speak out against this piece of legislation. No doubt the legal community across this province would want to speak out against this legislation.

And I don't doubt, Mr. Speaker, as we've seen, individuals who have already been through the court system to seek legal . . . or use the court system to seek compensation for loss of wages or loss of income would probably indicate to us — and on many occasions have already indicated to us — that they felt treated fairly by the court system.

But there's one thing I might add, Mr. Speaker. I have also found that when we're dealing with a bureaucracy and dealing with government, that for many people it becomes very frustrating. A good example is Workers' Compensation. And my colleagues and no doubt members of this Legislative Assembly have dealt with many people regarding Workers' Compensation claims. It's got to be the most frustrating form to go through.

Mr. Speaker, we seem to have bureaucrats who interpret the laws differently. And it doesn't matter who you speak to, a different bureaucrat or a different person in the Workers' Compensation Board seems to come up with a different interpretation as to what pain and suffering is, as to whether the fact that you're working in the home may constitute an avenue of deriving revenue; therefore you cannot claim under the Workers' Compensation.

(1115)

Even unemployment insurance. And I think what we're going to see with this no-fault insurance, there are many people are going to be found in the same

position. And what it's going to do at the end of the day, Mr. Speaker, is create an additional workload for members of this Assembly as people come to us because they do not have the ability to go to the court system.

Mr. Speaker, I think when push comes to shove — as one headline reads: public recognizes no-fault con job — as people end up and no-fault comes into place and is put into effect and people have to live with it and work under it, Mr. Speaker, I think only then will the general public begin to realize the significance of the changes to no-fault insurance.

Another headline says "Existing no-fault coverage scary."

No-fault benefits have existed for 50 years in Saskatchewan. If you see how they are administered you will have as much insight into what is being proposed as you want. Head office dictates that people can have no more than 15 chiropractic treatments regardless of the need or their doctor's advice.

We've had many arguments over the years, Mr. Speaker, about whether or not people are being treated adequately and fairly through insurance programs.

Mr. Speaker, another headline, "No-fault insurance not the answer to problems." I think one of the biggest reasons SGI and as the minister has indicated SGI wants to change the program, Mr. Speaker, is because of the costs and cost to government and their perceived cost to the consumer. The fact is, Mr. Speaker, consumers will buy the type of insurance that they feel adequately covers them. And, Mr. Speaker, as I indicated earlier, if that insurance costs a little more, consumers themselves will determine the amount of insurance that they want to pay to cover themselves.

Mr. Speaker, when it comes to insurance claims and insurance compensation that's being paid out, I believe, Mr. Speaker, that there are compensation awards that are being granted which far exceed which was probably necessary, which would be probably appropriate. Is that the problem of SGI? Is that the problem of the insurance program? Or, Mr. Speaker, is that the problem of a justice system that has maybe gone awry, where we start giving the legal awards that far exceed what would be fair and adequate to address the situation.

And, Mr. Speaker, we've seen it across our nation. We've seen it in this province. We've seen it across the United States. Just talk to people who go south for the winter and the cost of buying health insurance, the additional insurance that's needed. Mr. Speaker, a lot of that comes about because of the awards and the cost of health costs and the insurance costs and the awards that are being handed out.

Mr. Speaker, would it be possible or would it have been possible for us to find another way rather than

radically changing SGI and bringing forward this Bill that we have before us? Was it possible, Mr. Speaker, or would it be possible to find simpler ways for SGI to save the no-fault insurance plan?

The headline in the Saskatoon *Star-Phoenix*, March 10, and this is the personal viewpoint of the writer:

If "no-fault" insurance becomes a reality, I may or may not feel it by a decline in my practice.

And this is a lawyer speaking:

However much people may despise lawyers, they should not let SGI use that issue to deflect attention away from the real issues involved in "no-fault" insurance: Is it better? And is it necessary?

His question is:

Will no-fault insurance be better?

And then he brings out the fact that:

Saskatchewan already has a "no-fault" insurance scheme and it is known as the Workers' Compensation Act. Ask any person who has ever been the victim of a work-related injury what he thinks of the workers' compensation scheme and you will hear words like "uncaring," "arbitrary" and "mean-spirited."

And I think that just brings out some of the points I raised a moment ago.

Now, SGI is proposing to do the same thing for victims of vehicle accidents.

And, Mr. Speaker, the unfortunate part is that most people will not really sit up and take notice until they are involved in an accident or in a situation where they are left . . . their only redress is SGI and they start dealing with the bureaucracy and find that these bureaucrats are really uncaring, really don't care and just arbitrarily decide what the compensation will be.

Mr. Speaker, maybe what I should do is take a moment to read the full headline, or the full article into the record:

To understand what is coming, take a look at where we have been.

Since SGI's inception, our insurance scheme has always had an element of "no-fault." These benefits are known as weekly indemnity benefits and are paid to accident victims to replace the income they lose due to their injuries.

These benefits started at a paltry \$60 a week. It took 10 years before they were raised to \$150 a week and another 10 years before the benefits were raised to \$200 a week.

These benefits, which are meant to replace lost income, do not even meet the poverty level in Saskatchewan.

If “no-fault” comes into being, as envisioned by SGI, once the amount of weekly indemnity is set, people are fooling themselves if they think it will bear any relation to the amount of money needed to really replace the income lost because of an injury or that the weekly benefits will keep even a distant pace with inflation.

If SGI’s proposal is accepted, only those who have a job at the time of the injury would receive weekly benefits.

And this is something we’ve been pointing out daily in this Assembly. Home-makers, students, and the unemployed would receive compensation for their loss of ability to perform their duties or earn an income.

Mr. Speaker, another question raised:

Is no-fault insurance necessary?

(And the writer says) SGI claims that it is proposing “no-fault” in order to avoid “mounting” losses in the auto fund. These losses, it claims, are caused by having to pay compensation for pain and suffering and small injury claims such as minor whiplash.

And, Mr. Speaker, I have to laugh at that because I know a number of people who have been struggling day in and day out for a number of years just to have their pain recognized as having begun through an accident that they were involved in.

The “no-fault” system represents a radical departure from our current system, with substantial impact on many different interests. It does not target these “problem” claims.

To use a tired cliché, it’s like shooting a fly with an elephant gun. If SGI’s true desire is to save money, there are simpler ways to do it:

Impose a \$5,000 deductible on all bodily injury claims. Then, if the amount to be paid in pain, suffering and lost income does not exceed \$5,000, the individual will receive no additional compensation out of that provided for all victims regardless of fault.

SGI claims that in 1992 (which is the year which gives rise to SGI’s current problems) there were 5,400 claims. At \$5,000 a claim, that would be a saving of \$27 million.

Create a graduated licensing system whereby new drivers would be on a two-year probation during which there would be zero tolerance on alcohol use and a curfew respecting vehicle use.

Now, Mr. Deputy Speaker, I believe there are a number of states in the United States that are now looking at it. And if I’m not mistaken, in Canada some provinces are looking at setting up some stricter rules regarding young drivers. The Insurance Bureau of Canada reports that such systems result in a significant reduction in accidents.

Stop reimbursing the Workers’ Compensation scheme for the benefits it pays to accident victims who are able to sue the person responsible for their injuries.

Stop reimbursing Saskatchewan Health Services Plan for services provided to the accident victim.

Stop reimbursing the Medical Care Insurance Commission for visits made to doctors by the accident victim.

(And) stop reimbursing the other insurance companies for money they pay to the accident victim to replace lost income.

The writer goes on to say:

If SGI were to make these changes, it would save more than enough money to extricate itself from its current financial woes and start paying benefits to victims that will make a real difference to their recoveries.

Mr. Deputy Speaker, as I’ve indicated time and time again, I believe there are many ways, a number of ways that SGI could’ve looked, could’ve taken the time in addressing this problem. But they didn’t necessarily have to change the whole program.

Mr. Speaker, when it comes down to compensation and what is fair, and whether it’s through insurance or whatever program it is, Mr. Speaker, would it be logical for us for us to sit back and at the end of the day decide that a certain amount is fair and equitable and that maybe there should be some ceilings put on certain demands versus taking people’s total ability to seek compensation and limiting compensation and at the end of the day taking it away from people who need it the most?

I think, Mr. Speaker, what we find with the Bill before us is it in some ways tries to address some of the concerns. But at the end of the day, Mr. Deputy Speaker, we may find SGI has just found another way of spending more money, of digging a deeper hole than it is in today. And it doesn’t answer a number of the questions that are out there and it doesn’t answer the problem that individuals injured in accidents may face, Mr. Deputy Speaker.

So, Mr. Speaker, having said that, I will take my place and allow other members of this Assembly to stand up and to bring some of the concerns that have been brought to their attention forward to the House so we can have that wide-open debate that I’m sure the

minister was expecting and was looking for in discussing this piece of legislation.

And I would trust and hope, Mr. Deputy Speaker, as we continue the debate and as we raise the questions, that the government and the minister are taking a moment, are carefully listening and that we will see some changes to the legislation that will protect injured workers, that will adequately protect injured workers, that will certainly put SGI in a better financial position, that would help SGI out.

Mr. Speaker, let's not just throw out the old program simply because we need to save a few dollars for today. Let's think of tomorrow — where will we be two years from now? The changes today, Mr. Deputy Speaker, will they indeed be beneficial two years from now or are we going to be back here debating the same issue two years from now, finding ourselves with major increases in SGI costs because they have found that they are continuing to lose money.

Maybe we need to look at the administrative side of SGI. Mr. Deputy Speaker, there are a number of questions that I will raise, my colleagues will raise, concerns that we must continue to bring before this Assembly. And I thank you, Mr. Deputy Speaker, for the opportunity of being able to continue the debate and to bring these concerns to the attention of the House and the people of Saskatchewan.

Mr. D'Autremont: — Thank you, Mr. Deputy Speaker. Well I would like to say it's a pleasure to rise today but with this Bill under consideration I can't really say that in all honesty, because this Bill will hurt the people of Saskatchewan. It will benefit perhaps SGI, but it will be a detriment to all of the people in Saskatchewan.

And people, when they look at insurance, think of it as something that they have to buy; it's a necessity; they really don't like it. And when people are buying insurance, particularly automobile insurance, it's forced on them by the government, by legislation that says, you will buy auto insurance from SGI if you wish to license a vehicle in Saskatchewan. You're not given an option; you're not said you can buy insurance from some place else. No, you buy insurance from SGI. You have no option.

And so when people buy their licence plates and pay their licence fees, they don't look at what kind of coverage they're receiving. They simply realize that they have to pay it so they pay the bill and they go on about their business. But what people do when they do that and not look at what they receive for coverage, they're missing what they're buying.

And in this particular case, Mr. Speaker, when people buy insurance, they don't look at what that coverage might be until such time as they need to make a claim against it. That's when they look and find out what is involved in their insurance. And because people have not paid attention to what kind of coverage they are receiving, the government has been able to get away without consulting with the people on these very

dramatic and very drastic changes to automobile insurance in this province.

(1130)

And we're not talking about the insurance on getting your fender fixed; we're talking about the personal injuries that may result from a vehicle accident. And the government is claiming they have consulted, but very few people have been talked to at all, Mr. Speaker, on their consultation.

In fact when questioned about it the other day the minister suggested that their consultation effort was involving a 1-800 number. Well I think this is the first time that this Assembly has heard of using a 1-800 number as a means of consulting.

We tried the 1-800 number. We phoned up with some very specific questions. And the people at the other end of the 1-800 number didn't have the answers, Mr. Deputy Speaker. Their response was, leave your name and we'll get back to you sometime.

Well, Mr. Speaker, as this Bill proceeds through the House, that sometime may very well, and perhaps in probability, will be after the legislation has passed because they haven't got back to us yet.

So, Mr. Speaker, I think the 1-800 number is a joke, is a sham, when the minister says that's his method of consultation.

You see the minister trying to push ahead with this Bill in the face of growing public concern and public opposition to this Bill. Mr. Speaker, we have to question when is the minister and the government, the Premier, going to consult in good faith; go out, meet with the general public, the people at large, explain to them what is involved, what the current state of the insurance is, what kind of protections they have, and what's being proposed under this new legislation.

And don't just go through the motions, as the Minister of Labour has done with his Bills. Actually go out and talk to people, and listen to their concerns and act on them. That's the key — act on those concerns; not walk into a meeting, say you've got an hour, give a 59-minute speech and say, is there any questions and then leave. That's not consultation; that's just propaganda, Mr. Speaker, Mr. Deputy Speaker. And that's how this government operates. They don't really want to consult with anybody because why confuse them with the facts, they already have their mind made up. That's what their attitude is, Mr. Speaker.

When we tried the 1-800 number there was no avenues opened up to us to try any consultation. They simply wanted to know what our question was, and if it wasn't a very simple question for which they could look at one of their pamphlets and give you the very simple answer, then they didn't know what the answer was, Mr. Speaker, Mr. Deputy Speaker. They had to go back and say, we will check up on the information and we'll get back to you sometime. Sometime, Mr. Deputy Speaker; no specific time, just

some future, later date. And so far the later date has not occurred. But the minister is trying to rush this through the House.

Because if they were actually going to use this line for consultation, if it was possible, they would be asking, what do you think about this? What are your concerns? But no, Mr. Speaker, they don't really want this to happen because to have the public actually give that kind of input would be a bother to them, and they really don't want to hear what the public has to say. Because if they did, then they would have to listen to letters such as the one that was in the **Leader-Post** a few days ago from a Mona L. Dovell of Regina. And her letter was actually a very good one, I believe. I'm not sure what the minister thinks about it, but I think it brought out a lot of the points that the minister is trying to avoid.

And I'll read the entire letter from the paper, Mr. Speaker, and make a few comments on it as I go along. And it says: "Public recognizes 'no-fault' con job". Because that is exactly what this minister is trying to do — he's trying to pull the wool over the public's eyes on this issue, not give them the real information, simply slip it through before the people realize what's happened. And only after they have been involved in a vehicle accident and received an injury, will they find out what this minister has actually done to them.

I quote:

The NDP government has bought into the crass conservative economic model of loss advocated by insurance companies everywhere: If it can't be measured with a calculator, it's not a loss.

SGI has been pressing for no-fault at regular intervals ever since SGIO was created in the 1940s. However, up until now, the public has always been protected by politicians with the backbone to stand up to the SGI bureaucrats.

And I think that's a very good and true statement. Because the other day we saw in the House, Mr. Deputy Speaker, the minister respond to a question involving impaired drivers. He had one answer. Then he went out and talked to his vice-president from SGI and had another answer. One really has to wonder who is in control of SGI — whether it's the government and the minister or the bureaucrats at SGI. Because he seems to take his marching orders and his answers from the bureaucrats at SGI.

I quote again:

SGI cannot believe its good fortune to have found a government which:

Is eager to score political points by bashing the legal profession.

And that seems to be a fairly popular sport in a lot of areas, Mr. Speaker.

Two:

Proudly ignores the rule of law (repealing its own legislation setting up a commission to set provincial court judges' salaries)

And again we see the example of the arrogance of this government when they can set the laws and then turn around and break them.

Three:

Is only too happy to sneak in this cruel "no thought" legislation without having the courage to even mention it in the throne speech.

And this is one of the government's major initiatives, Mr. Speaker, along with their labour legislation. And indeed there was no mention in the throne speech of this type of legislation coming forward.

Four:

Promised not to enact such legislation without full and open consultation with the public and whose minister responsible refuses to debate the Canadian Bar Association president, claiming it would only confuse the public.

Well that's what the minister did say. If he went out and talked to the people, it would confuse the public. And you know what, Mr. Speaker? It's probably true. Because the minister himself is confused and would not be able to respond to the answers, and therefore would indeed confuse the public. Because when you have a confused person trying to provide the answers, you're going to get confused listeners.

Quote again:

Does anyone remember what happened to the last politician (Kim Who?) after she said that social issues were too important and complicated to be debated publicly?

Well, Mr. Speaker, I happen to remember who that Kim was, and she was unceremoniously dumped from the political scene. And rightly so. When you make statements like that, you should be chastised. And the public has one way to chastise their politicians, and that's to throw them out. And that happened in this case and that will happen with the minister.

Because the public can indeed comprehend and understand these issues if they're given the opportunity and if they're given the information to make those kind of judgements. And the minister's 1-800 phone line does not provide that information. They provide the very simplest and most basic of information, and anything more complicated than a hello, they have to respond with, I'll get back to you.

So, Mr. Speaker, the minister is simply trying to dodge the issue with the government. The government does not want to provide any real, solid information to the

general public because they know and they realize that the general public will oppose thoroughly their initiative on the no-fault insurance, or the no-fault insurance scheme, because it is scheme to defraud the public of their rightful amount of compensation they properly deserve.

I quote again:

Even after the Consumers Association of Saskatchewan recently called for full public hearings, SGI and the government persist in using public funds to sell us a bill of goods.

Bad for lawyers or not, the public knows when it's being whizzed.

And that's correct, Mr. Speaker. The public more and more are becoming aware of this government's attempt at subterfuge to put their Bill through without providing the public with the proper information.

And they are becoming aware. That's why we're receiving more and more letters. That's why more and more letters are going into the newspapers. And that's why the minister, I would suspect, is receiving more and more calls. If we receive calls, the minister will be receiving calls, and a greater number than what we receive, I would also suspect.

So when the minister is providing his 1-800 number using public funds to sell us a bill of goods, why isn't he also providing the other half of the information, the other side of the story? Because we all know, Mr. Speaker, that there's at least two sides to every story. And the minister is providing his pet side, but not providing the information that the public needs to make a proper decision on this issue.

Mr. Minister, Mr. Speaker, I heard on the news this morning that the minister is indeed prepared now to meet with the consumers' association of Saskatchewan. He's prepared to meet with them next week. Well this Bill has been introduced, we're into second readings, and this is the minister's idea of consultation, I guess. Oh, I'll bring it in and then maybe I'll talk to you.

I really wonder though if this meeting with the consumers' association will be held in public, whether the minister would risk appearing in public to answer questions dealing with no-fault insurance. I suspect, Mr. Speaker, that this meeting with the consumers' association will only be held behind closed doors, that the minister will not have to answer any questions in the public. And that is probably the only way that the minister will meet with an organization or an individual — as long as it's only behind closed doors where he can have his SGI bureaucrats there to answer all of the questions for him, because the minister himself doesn't understand what this Bill is about.

And as the letter in the paper, Mona Dovell said: "Bad for lawyers or not, the public knows when it's being whizzed."

And the public is becoming more and more aware that the minister and the government are trying to avoid any appearances in public to answer any questions. If the minister wasn't hiding, he would have taken, not necessarily the first, second, third, fourth, fifth, sixth, seventh, eighth, ninth request to meet with the president of the Saskatchewan bar association, but maybe he would have taken the 20th request because he's received that many.

Mr. Speaker, the minister is simply trying to avoid appearing in public and answering any questions because it would show, Mr. Speaker, that the minister doesn't understand his very own piece of legislation. And, as Ms. Dovell said: "Bad for lawyers or not . . ."

Well Mr. Mandryk had a column today in the paper also commenting on lawyers. And the member from Churchill Downs might be interested to know that Mr. Mandryk isn't all that impressed with lawyers on the most part, but that Mr. Mandryk is prepared to admit that perhaps the lawyers do have a point in this particular case, that there is some value in what they are saying.

And I realize that that may be small comfort for the member from Regina Churchill Downs, that Mr. Mandryk does believe that at one particular instance in time the lawyers may be right. Because I quote the very first paragraph of Mr. Mandryk's . . . I'll read the title even: "Lawyers may be right about no-fault."

I don't know what the lawyers on the government side of the benches are saying about it, whether they have any influence with the minister, but the rest of the lawyers in the general public do have a great deal of concern and they do have a personal self-interest in this. This is their means of employment. But they also have a very great deal of concern for their clients, the people who voluntarily come into their offices and ask for assistance, ask for assistance in dealing with the people at SGI.

And as the critic for SGI, I receive a large number of phone calls of people who have problems dealing with SGI, with the adjusters. And this Bill goes even further than the current legislation in giving even wider powers, wider powers without any rights of appeal to SGI adjusters.

(1145)

Mr. Mandryk goes on to explain why he believes the lawyers may be right in this particular issue. And I would like to read a couple of paragraphs from his column which explain his thoughts. And I quote:

Innocent victims — whiplash victims being the most obvious — will get less money. No-fault offers, no dollar value on pain and suffering unless your injury is permanent.

And the \$70 million SGI claims it will save in claim costs will mostly come at the expense of the victims and not the lawyers. (The

government's own estimates suggest only \$15 million of that would go to lawyers.)

At the very least, there should be a public debate and it's downright insulting for Goulet to say there can't be one because it would just confuse people.

Far more offensive than supposedly self-serving lawyers are politicians who refuse to listen to legitimate concerns and, instead, choose to ram through legislation.

Forgive me my friends.
But the lawyers may be right.

And indeed, the government and the minister are doing everything possible that they can to avoid meeting the public, to avoid having to discuss this issue with the general public, and to avoid having to listen to the real, legitimate concerns of the general public — and especially those concerns by public members who have had to deal with SGI.

I had a fellow phone me a while back who had gone to his doctor and his doctor had prescribed certain therapy. When the man went to his SGI adjuster, the SGI adjuster said no, we're not prepared to pay for that. Even though the doctor was recommending a particular diagnosis and a particular treatment, the SGI adjuster claimed that it wasn't necessary.

Now I'm not sure what kind of training SGI adjusters receive in the field of medical services that makes them more competent to judge the needs of an accident victim than what a doctor does. But that is the kind of authority being used today, Mr. Speaker, by SGI adjusters. And they will be even more omnipotent under this piece of legislation.

You have no rights to appeal. Oh, I shouldn't say no rights. You have the rights to appeal a case before the Court of Queen's Bench. But the Court of Queen's Bench can only award damages based on this Act. And those damages are capped. So you might be able to claim that my permanent impairment should have given me \$25,000 rather than 17, even though you're permanently injured for life and may be unable to work. You're limited to what is in this Bill even — even, Mr. Speaker, when you go to court.

And if this is an attempt to lock lawyers out of the process, Mr. Speaker, any time that you put in the opportunities for appeal, people will take advantage of those opportunities, and lawyers will be involved in the process, Mr. Speaker. So lawyers are not even being excluded from the minister's Bill. They're still there. But the claims possible by the victims are limited in this Bill to very minimal amounts in most cases — very minimal amounts in most cases.

The only ones who have the opportunity to expand the amount of coverage they receive are those people who earn in excess of \$50,000. They are the only ones that have the ability to claim a larger compensation package. Not the housewife, not the senior who is

retired, but the person whose employment income, and that's very important — employment income — not your income from other sources, but your employment income. You have to have a form of employment that pays you a compensation before you can claim any lost income compensation in this Bill. It doesn't take into account your investment income. That's not classified as income under this Act; it's employment income.

So, Mr. Speaker, there is a large gap in this Bill between the \$550 that the minister is talking about for income loss, \$550 per week, and someone earning \$50,000; \$550 a week works out to \$28,600.

So what happens if you're a person who is earning between 29,000 and \$50,000? That difference is lost to you if you suffer a permanent injury, in this particular case. Or if you suffer an injury that is not permanent, but is somewhat longer term, say 179 days, because the rules change after 180 days. You're entitled to \$550 a week, whereas your real salary may have been \$3,500 a month, compared to the \$2,200 that the minister is prepared to allow you. If you earn more than 50,000, you can turn around and sue.

All the cabinet ministers over there, Mr. Speaker, would have an opportunity to sue for a greater loss of income, whereas all the back-benchers would not. And as the member from Regina Albert North said, he would not be able to because he's not a cabinet minister, although I'm sure he has high hopes.

Mr. Speaker, it's . . . (inaudible interjection) . . . Well perhaps the member from Regina Albert North is interested in suing too, I'm not sure.

But, Mr. Speaker, the public is going to lose under this. The government is talking of saving \$70 million. The lawyers, at maximum, would be receiving 15 of that \$70 million. So who gets the other 55 million? Where does that come out of? Whose pocket is that \$55 million coming out of?

Only one pocket, Mr. Speaker, and that's the victims of accidents. They are the only ones that are losing that. And that's where this is hurting, Mr. Speaker. It's the victims of vehicle accidents in this province that are going to lose.

Mr. Speaker, there was another item in the paper that is of interest in this particular area, and it deals with an accident victim by the name of Cory Hunt. And the article dealing with Mr. Hunt was in the Saskatoon *Star-Phoenix*, dealing with a whiplash case which he had against SGI. And he has reported numerous problems in dealing with SGI on this particular issue.

And I'd like to quote a little bit from Mr. Hunt. Mr. Hunt says, and I quote:

Hunt says the hassles he experienced dealing with SGI have convinced him that innocent accident victims require lawyers and the court system to keep the corporation accountable. "Why shouldn't I be able to pursue my right to

sue for damages? I didn't ask to be put into this situation that I am in and I have no wish to go through life with a disability."

And indeed Mr. Hunt was involved in an accident through no fault of his own. He received a whiplash injury.

And I know a number of people scoff at the idea of whiplash injuries. I had a lady phone me the other day, and she works for an ambulance company. She said, I always thought that people who complained about whiplash injuries were just looking for an insurance settlement, until I was involved in an accident in Saskatoon where I was rear-ended. And she says: now I understand what it's all about because I suffer from headaches every day.

And that was her comments.

Whiplash injuries are very real, even though SGI has a great deal of difficulty accepting that fact, and the people working for SGI have a great deal of difficulty accepting that.

But if you suffer from a whiplash injury, to you, Mr. Speaker, it is very real and it's debilitating. People who have severe headaches as a result of whiplash have a great deal of difficulty working, because they're always under stress from that injury. And yet SGI does not wish to provide any support for those kind of injuries.

And when people have to go to the courts to recover those kind of compensations to which they're entitled, because SGI is unwilling to accept those kind of soft-tissue injuries as being valid, then you need to have the right to go to a third-party arbiter, which is the courts, to receive a determination and a fair compensation. And the courts will determine whether or not that soft-tissue injury is valid.

Because in many cases the SGI adjusters, they're not there to see to it that the accident victim receives fair compensation, they're not there to see to it that the accident victim receives a proper award, they're there to see to it that their corporate employer — Saskatchewan Government Insurance — pays out the least amount possible.

Insurance companies, including SGI, are not in the business of paying out large settlements because they want to; they're there in the business of providing protection and paying compensations when they have to. But they don't do it voluntarily in a lot of cases. They try to provide the minimum payments possible rather than the proper payment. And that's where a third-party arbiter comes into play. That's where the ability to go to a lawyer in our society and go to court makes all the difference.

Again Mr. Hunt has to say . . . I'll read from the *Star-Phoenix*, and I quote:

During the year he was off work his adjuster tried to cut off his monthly disability cheques

because he refused to return to work against doctor's orders. He contacted a lawyer after his benefits were discontinued and the next day his cheque was waiting for him at the lawyer's office.

People who were not fair in the past would have full power to make severely unfair decisions about your claim without fear of a lawyer coming in to see that you are being treated fairly. Why would this create a better system, he wonders?

And that's Mr. Hunt.

Because there are many, many circumstances, Mr. Speaker, where the SGI adjusters have been unfair once the case has gone to court for determination. Now that's not to say that every case brought before SGI adjusters is treated unfairly. Certainly not. But even in the government's own survey that suggested 75 per cent of the people were happy with the adjustments, with the settlement they received after going through a lawyer, it states that, according to one of the lawyers I discussed this with, that only between 15 and 25 per cent of cases go through the legal system — 15 to 25 per cent. So that means the other 75 to 85 per cent have gone through the SGI system.

But — and this is a very big but — 75 to 80 per cent of the claims settlement dollars were awarded to that 15 to 25 per cent of the claims that handled a lawyer. So that would seem to indicate, Mr. Speaker, that those people who simply take the adjuster's figures, the adjuster's offer, are not receiving the awards that they are perhaps entitled to.

Because when 75 per cent of the claims dollars go to 15 to 25 per cent of the people who utilized lawyers, would seem to indicate that perhaps there is a problem with SGI's adjustments and that more people — heaven forbid — but more people would utilize lawyers. And I know that will clog up the system if that happens, Mr. Speaker, but if adjusters are not prepared to handle claims properly and fairly, then perhaps that is the only recourse.

(1200)

While that may be the only recourse under the current system, the minister will eliminate that as a recourse under the no-fault scheme, because there is very little opportunities for access to the court under the government's no-fault. I've mentioned the one, \$50,000 or better loss of income is one opportunity that you have to go through the court system.

The other day the minister mentioned mediation services. And indeed it's in the Act. There are some mediation services available. The claimant would pick someone to sit on the . . . would get together with the insurer, SGI, to pick an arbitrator. But the arbitrator is limited to what's in the Act. They can't provide you more than the funds available in the Act, only with what is in the Act.

If you're entitled to 550 . . . If the Act says you're entitled to \$550 a week for loss of income and SGI has offered you 400, you could go to mediation to try and lift it up to 550. But if your weekly income was \$700, you don't go to \$700; you can go to a maximum of 550, and that's all, if your earnings are less than the \$50,000 level.

And if you don't agree with the mediator, you can go to the Court of Queen's Bench. Again, you can only go in that case to the \$550 per week income level, not to the 700 that you may have been earning, only to 550.

So even though the minister says that you have the right for mediation and you have the right to go to court, those rights are capped, they're limited by this very Bill. You're limited to whatever is in the Bill and no more. The only exception is if you earn more than \$50,000. And that's the only exception in this Act, Mr. Speaker.

Again from the article about Mr. Hunt, and I quote:

The government anticipated complaints about SGI putting its own financial interests ahead of its clients and put into place a three-stage appeal process.

If someone doesn't agree with the settlement, they can ask for an internal SGI review.

If still not satisfied, the case can go to an independent arbiter. And finally an appeal to the Court of Queen's Bench is allowed.

And again, that's true. But as I've explained, any appeals are limited to the settlements provided in the Act and no more. And that's not fair, Mr. Speaker, because some people are going to be hurt by this.

And the government does allow, as I mentioned, people to sue, but only for the loss of income if they earn more than \$50,000.

The minister says that the Bill is a winner for seniors, for housewives, for students, and others. But what's the real situation? I think on close examination one will find out that that is not the case.

A housewife with no dependants and no employment income — and that's the key word again, employment income — receives loss of income compensation based on her income. If she has no employment income she receives no compensation; no compensation for pain and suffering. If she's permanently disabled there will be some compensation, but if the injury isn't permanent there is no compensation.

And the same applies for seniors. Seniors that are retired have no employment income, receive no pain and suffering compensation, and no income loss.

Students are . . . a couple of sections on students and youth in the Bill. A student is paid a certain amount of money — I'd have to look at the Act, but 3,500 to

\$6,000 for loss of their school year — but that doesn't take into account, Mr. Speaker, you may have lost two months out of your school year and then been able to go back and write your exams. It doesn't talk about you failing your school year because you were out, but the lack of the ability to attend and write your tests to complete your course; that's what it talks about.

The fact that you were out for a major portion of your school year and be able to return to class; you're no longer entitled to this compensation. You may fail because you couldn't be in the classes for the proper amount of time but you still had the opportunity to participate at the end to complete your classes; therefore you're not eligible to receive the compensation. And there is no coverage, no compensation for pain and injury. If you lose some employment opportunities in that time period, you will receive some coverage.

The housewife, if she is injured in an accident — and perhaps housewife is the wrong term; it should be home-maker, because this could include men also — if they're caring for children they receive a compensation based on the number of children, with a maximum of \$400 if you have four children and lesser amounts as the fewer children you have. But that's only if you have the children at home as dependants. If you don't have any children at home, you receive no compensation.

We phoned the 1-800 number to verify that this was indeed the case. And they confirmed that retired people with no employment income would get next to nothing from an accident claim, and a housewife with no kids and no employment income would also get next to nothing from an accident claim.

We've also determined that death benefits paid to parents for dependent children will be very minimal — very, very minimal. And there is a serious potential loss of income taking place when students are permanently injured. And the government awards themselves the ability to determine what type of employment a person would have been capable of.

And when we review all the concerns and the difficulties people who have had to deal with SGI have, we see that the determinations are always made in favour of the insurer, not in favour of the insured. The person who pays the bill up front first doesn't receive the maximum protection. The person receiving the maximum protection is SGI. And even more so under no-fault insurance. It's SGI who receives the maximum amount of protection for the premiums paid.

And yet this government, Mr. Speaker, even when they're providing no coverage for students, no coverage for seniors, no coverage for housewives, claim that they're standing up for the little guy. Even, as Mr. Mandryk points out, that the savings obtained from this Bill will come almost entirely out of the pockets of victims — out of the pockets of victims. As the government estimates \$70 million in savings, 55 million of that will come out of the pockets of the

victims of accidents.

Now I believe a lot of accident victims across this province would claim that they are not receiving proper compensation today. So if you take another \$55 million out of their pockets, I'm sure that they're going to feel a lot less happy about SGI. And this will be an ongoing and ever-growing concern.

SGI's own study, conducted by Ernst & Young, confirms that the legal system costs on average account for only 19.9 per cent of the settlement costs — 19.9 per cent of the settlement costs for those people who utilize lawyers. That's not for the other group that haven't utilized lawyers; that's just for those using the lawyers. But if the group using the lawyers receive 75 to 80 per cent of the settlements, that's where the \$15 million figure comes in.

That same survey confirms that most lawyers work on a contingency basis, usually a contingency basis running from 6 to 20 per cent of the total settlement. And yes, there are those that are higher and there are those that are lower. But the average runs between 6 and 20 per cent. These costs are quite minimal, especially when you consider that any savings derived from this area will be undercut by whatever the government will have to spend on decreased costs of bureaucracy to run no-fault.

So the government's claiming that they're going to save \$70 million, of which 15 million is lawyers' fees. Well, Mr. Speaker, you take the \$55 million out of the victims' pockets. That other \$15 million of savings will be eaten up by an ever-burgeoning bureaucracy. Because you're going to need more and more adjusters to make these settlements; you're going to need more and more adjusters to follow the cases along.

Because under this system, as in Workers' Compensation, you settle the case today and you start giving that person their income loss, but you have to track it; you have to follow that because there is the opportunity for recurrence in this Bill, for recurring injury brought on by the accident. And so all of this is going to have to be tracked more and more and more.

Currently, once SGI makes a settlement, they're done with the individual. They both go on with their lives — SGI goes on being an insurance company and the individual goes on to whatever they're capable of doing. But under this circumstance, the bureaucracy is going to continue to be involved with that accident victim and the bureaucracy is going to grow ever larger, somewhat along the lines of Topsy.

An Hon. Member: — You have a vivid imagination.

Mr. D'Autremont: — One of the members talks about imagination. And that's what the government is hoping that the people of this province do not have. That the people of this province do not have any imagination to envision what it means to them when this no-fault insurance is brought into play. Because what it means for them is a lot less coverage.

Just imagine an injury, while perhaps not permanent, but takes you out of the workforce for the next 180 days. You will receive a maximum of \$550 of income loss plus your medical expenses, and that may not come anywhere close to what you would have actually earned in that time period.

But the people sitting in this Assembly on the government side are hoping that the people of this province do indeed lack the imagination to understand and to envision exactly what this government is about to do to them — not for them, but to them, Mr. Speaker.

Mr. Speaker, by the government's own admission in their survey in the Ernst & Young report, is that they're prepared to steal the money out of the very mouths of the victims that are paying to receive coverage from SGI.

And again I have to go back to the situation that this is not a voluntary payment that people are making to SGI. If you wish to drive a motor vehicle and own a motor vehicle in the province of Saskatchewan and drive it on our roads and highways, then you will buy this insurance and you will pay this premium; you are given no option.

And yet the government is going to take \$70 million out of any potential claims for their own purposes, but the minister has not ever mentioned that there's going to be a decrease in the premiums. Indeed, he threatens that there will an 8 per cent increase in the premiums if you don't accept his logic and his argument for no-fault insurance. As was pointed out to me, the government raised the premiums 4.7 per cent and dropped their loss from \$34 million to 18 . . . (inaudible interjection) . . . The minister says 4.75.

(1215)

An Hon. Member: — They've got him briefed up pretty good.

Mr. D'Autremont: — Yes, they've programed him to come up with the answers finally. Well, Mr. Minister, I don't know where you're getting the additional dollars needed when you talk about 8 per cent this year, 8 per cent next year, and 8 per cent the year after that for insurance premium increases, when 4.75 had a dramatic impact, increase, on the financial picture of SGI. You must be sliding a lot of extra costs in there over the next three years if you need a 24 per cent increase.

Mr. Speaker, perhaps what the minister needs to do is look at some other alternatives rather than just no-fault insurance which are going to be a negative for every person in Saskatchewan who suffers an injury in a motor vehicle.

And, Mr. Speaker, it's not a situation that you can do away with your other insurances under no-fault. Indeed not. One of the things that this no-fault insurance Bill does is SGI will pay last. Under the

current system, because you're forced to buy from SGI and every other insurance is voluntary, SGI has paid first. We don't have an option on buying SGI auto insurance, so we're forced into it, so SGI pays first.

But now, under this Bill, SGI will pay last. If you have some other form of insurance or some other form of a program that will pay you for an injury, then that kicks in first and SGI only thereafter.

So let's take a look at a case of someone who's at work, driving down the road in their employer's vehicle, and there's an accident. And the accident involves someone else who is also at work and both people are covered by Workers' Compensation. Now Workers' Compensation will pay a disability. Let's say they give the worker who was injured \$5,000.

So SGI looks at this and it's not a permanent injury but the worker's going to be off work for a while. SGI gives them the \$550 a week loss of income and perhaps that's for the full year, so he gets, say, \$25,000. So he's got \$5,000 from Workers' Compensation and SGI is prepared to give him \$25,000. But SGI says, well you've already received \$5,000 from Workers' Compensation, so we'll give you \$20,000. You've got a complete coverage now of \$25,000.

But under the current system when you get an insurance settlement, Workers' Compensation comes back to you and says, well we gave you the \$5,000, you've received your insurance settlement; we want our \$5,000 back now. And under Workers' Compensation, you pay the \$5,000 back.

But now since SGI is paying last, you've only got the \$20,000 of SGI money, the \$5,000 for Workers' Compensation. So you give the \$5,000 back to Workers' Compensation, as you have to do. So your settlement, rather than being \$25,000, is now \$20,000.

So again the government is avoiding paying out through SGI. More profits for SGI; less money for the people who are paying the premiums. And the premiums are set by SGI. Nobody gets an option on whether they want to buy this.

So now what if you buy a package policy? When you buy your package policy you're voluntarily buying more insurance. And SGI will now take into account that voluntary insurance that you purchased and deduct any payments that they may make to you based on that voluntary insurance.

What this means, Mr. Deputy Speaker, is that as people in the workplace buy additional benefit packages, the companies that are selling those additional benefit packages will take into account the fact that they are no longer going to be second on payments, rather they're going to be first, and their premiums will be adjusted accordingly.

So your additional benefit packages, including Workers' Compensation, will now be forced to rise to make up for the decreases being paid by SGI. Another

tax on the working people of this province. Another tax on the businesses of this province.

And this is another issue which is going to drive businesses out of this province, Mr. Speaker; another manner to make Saskatchewan industry less competitive with our neighbours.

Well, Mr. Deputy Speaker, the government is telling the public that they will save on insurance premiums through this system. The government does not also tell the public that they are borrowing from Peter to pay Paul; that they had better enjoy the low premiums while they last and just hope that they never have to make a claim.

SGI is going to have a \$55 million gain, but the minister himself has said, yes, there will be no premium increases this year and maybe not next year. But we're not sure about next year; we might have to jack it up. SGI may need even more profit to funnel into the government's coffers because after all, these savings that SGI is talking about, how long are they going to last? Because the government themselves have admitted that it's only this year that premiums will not be going up. Maybe not next year — maybe yes, maybe no.

An Hon. Member: — Well it's an election year; they can't do it then.

Mr. D'Autremont: — Well my colleague has a good point. Because the next year might be an election year, the minister may be somewhat reluctant to increase premiums. So perhaps because of political considerations, the minister might hold off. But after that, Mr. Deputy Speaker, premiums will most certainly increase — most certainly. That has been the case in most jurisdictions if not all the jurisdictions that have gone with the no-fault insurance scheme. Even Ontario, Mr. Speaker, went in the direction of no-fault insurance.

But what's happened there? In the last couple of years, Ontario has made three adjustments to their Act. Three times they've come back and amended the Act, and in each one of those circumstances they did not increase the no-fault coverage. They did not move further away from the tort system; they moved back towards the tort system, which is what we have a modified form of in this province today. They went back towards the tort system because they found that the no-fault system was not serving the people of the province well.

In a number of American jurisdictions they tried the no-fault and in those jurisdictions also, a number of them have gone back to the tort system. And the tort system means that you're allowed to go to court to sue the insurance company for a proper settlement. And that's what the minister is trying to avoid in this piece of legislation, but he still leaves that avenue open for the lawyers to get their pound of flesh. But the victims will gain very little extra out of it because the limits are capped — they're capped, Mr. Deputy Speaker.

Mr. Speaker, this Bill is about hitting a fly with a baseball bat, because it's radically changing the automobile insurance structure and it's undermining the citizens' legal rights, creating a flaw and an unfair system just so that the government can save money for two years — two years. That'll be the maximum I would suspect, Mr. Deputy Speaker, that the insurance premiums will remain low.

And it seems to be a fairly main theme of this government when it comes to citizens' rights. This is the fifth example we have seen in the last two and a half years where the government has done all that they can to deny the citizens of this province the right to go to court.

The first time was the civil servants. The second time was farmers. The third time was the Co-op upgrader deal. The fourth time was in this very session when the Minister of Justice broke his own law and denied the judges the right to go to court.

An Hon. Member: — That was Bob who did that.

Mr. D'Autremont: — That's right. That was the Minister of Justice that did that. Now I would suspect very strongly, Mr. Speaker, that the judges might have something to say about that, since that law passed. In fact, according to the paper, they will have a lot to say about it and they will appear before their colleagues at the Supreme Court to make a determination as to whether or not the Minister of Justice had the legal right to deny them their constitutional rights.

And the Minister of Justice is trying to avoid having his name mentioned in this context because he's obviously embarrassed that he has to deny or that he did deny the public their rights, because the minister responsible for SGI is doing the very same thing. And it clearly spells out in here, Mr. Deputy Speaker, that the public will not have the right to go to court to sue for pain and suffering. It's totally denied. And the minister shakes his head. Yes, that's right. They're denying the public the right to have their day in court, which is a constitutional right given to all of us, Mr. Deputy Speaker.

And the savings that the government is talking about will only take place for two years, as my colleague pointed out, because an election is coming up in approximately two years, unless the Minister of Justice wants to change those rules also. But two years is how long these premiums will remain in place — only two years.

This change to the auto insurance Act, Mr. Deputy Speaker, creates a very unfair and arbitrary system of payments for damages. It's arbitrary because SGI and its adjusters will determine exactly what you will get and what you won't get, and you don't have the opportunities to appear before a third party for a settlement.

You can go through mediation and get what's given to you by SGI. You can go through the Court of Appeal to get what's given to you by SGI. But there is no latitude,

none whatsoever. You're limited to exactly what SGI is prepared to give you, and that's all, Mr. Deputy Speaker — that's all.

And I'll get into the Bill here after a bit, on this, and we'll go through it and we'll point out the items in there. And indeed there are a couple of good points, Mr. Speaker, and I'll point those out also. But there are many more negatives in this Bill than there are positives.

This change takes insurance rights away from the retired, from housewives, from the disadvantaged. It fails to keep insurance rates down. This type of insurance failed to keep the rates down in Ontario and Quebec and many other American jurisdictions. And indeed as I mentioned, it was constantly being revised back to the tort system in Ontario.

It's been widely criticized by consumer groups across North America, including by Ralph Nader and the consumers' association of Saskatchewan. And that's the reason why the consumers' association of Saskatchewan wishes to meet with the minister to discuss this.

But I would strongly urge the minister and the consumers' association to hold that meeting in public, to allow the public to see what is happening, and to gain a better understanding. And perhaps even, Mr. Deputy Speaker, the minister can gain some small amount of understanding of what this Bill will actually mean and what impact this Bill will have on the people of Saskatchewan.

Well, Mr. Speaker, perhaps I have given the people enough to digest on no-fault insurance for over the weekend. And we can carry on with this next week and the week after and the week after, until the minister is prepared to go out and meet with the public and to hear, listen, and act on the concerns that the public brings forward to him.

Therefore at this time, Mr. Deputy Speaker, I move we adjourn debate.

Debate adjourned.

The Assembly adjourned at 12:29 p.m.