

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Seventeenth Legislature
37th Day

Monday, April 17, 1972

The Assembly met at 10:00 o'clock a.m.

On the Orders of the Day.

QUESTIONS

LOW SPRING RUNOFF AND ITS EFFECT ON COMMUNITY PASTURES

MR. J. WIEBE (Morse): — Mr. Speaker, before the Orders of the Day I should like to direct a question to the Minister of Agriculture (Mr. Messer). In the light of the fact of the low spring runoff and the effect that this is having on some of our community pastures and provincial pastures, is the Department of Agriculture planning a well-drilling program or any program at all to alleviate the shortage of water in our pastures?

HON. J.R. MESSER (Minister of Agriculture): — Mr. Speaker, we are aware of the problem in regard to water for a lot of community pastures. We are however, more concerned about the lack of grass in the community pastures to carry the capacities that most of these pastures would normally carry. We are considering all alternatives that are open to us to make the best use of these pastures. I can't be precise as to whether the alternative will be in some of the pastures to provide alternative sources of water through the drilling of wells. In some of them this may well be the case but we are concerned and we are going to try to utilize the pastures to the largest extend possible and by any means possible.

SECOND READINGS

HON. W.E. SMISHEK (Minister of Public Health) moved second reading of Bill No. 99 — **An Act to amend The Mutual Medical and Hospital Benefit Association Act.**

He said: Mr. Speaker, The Mutual Medical and Hospital Benefit Association Act was introduced prior to Government insurance programs for hospital and physician services. The Act established the requirements for an association to operate a mutual insurance agency for the sharing of the cost of health services among the members. With the introduction of Government programs for hospital and physician services the legislation respecting these associations became outdated. In most cases the associations ceased to function since the service they primarily provided had been taken over by the Government. Some of the community health associations established in the early '60s were incorporated under this Act. Specifically, the Health Association in Regina and Saskatoon and Lloydminster are incorporated under this Act. Community health associations operating in other parts of the province have been incorporated under The Co-operative Association Act.

Our Government is concerned with the rising costs of health services and intends to experiment with new methods of providing and paying for these services. One such innovative step being

taken by the Government is to pay for group practice clinic services on a global budget approach. This approach is essentially the same as that which is used for payment of hospitals instead of paying for each service provided. These costs will be established by reviewing the budget and expenditures necessary in achieving the agreed upon output level. Payments will be made on a regular basis to the association as long as the range in volume of service actually provided does not deviate from that used in estimating the budget requirements. We feel that there are many advantages in this approach and that it may contribute to both an improvement in the health service and to control the costs of providing these services. The Government will make payment directly to the governing board of the association. The association will then arrange payment to physicians and other members of the staff as well as payment for any other expenditures required in providing health services. This amendment is required since The Mutual Medical and Hospital Benefit Association Act specifies that the association will receive their funds from the members. This amendment will clearly authorize the association to receive funds from the Government.

Related amendments to The Saskatchewan Hospitalization Act and The Saskatchewan Medical Care Insurance Act will be introduced later in the Session. These subsequent amendments which I hope to introduce shortly facilitate administrative changes in making payment by the Government for these services. Because of their experience in financing hospital operations on a similar basis we intend to make provision for the Saskatchewan Hospital Services Plan to be responsible for all payments to the associations.

Mr. Speaker, I move that Bill 99 be now read a second time.

MR. G.B. GRANT (Regina Whitmore Park): — Mr. Speaker, in rising to speak on this Act, I want to remind the House of some of the points that have been raised during the question period about the effect of this Bill. Also the item of news this morning from the Saskatchewan Medical Association expressing concern that they felt that there hadn't been adequate consultation in connection with this Act. They also expressed concern that it could result in the lowering of the quality of care.

The Hon. Member suggests that this is a step toward possibly slowing down the escalation of medical costs. I doubt very much myself whether it will result in this. I am a little concerned that the relationship is between the Minister and the association rather than between the Minister and the medical practitioner and I believe this was the understanding, rightly or wrongly, of the Medical Association, that it would be a more intimate relationship than exists. I question the legality of the Minister's actions since March 1st even though he does make comparisons between the clinic and I believe he named about three or four hospitals and, in my opinion, the community clinic does not necessarily fall under the definition of a hospital even though the definition of a hospital is quite broad. I feel that the action on the part of the Minister has been hasty and has not had adequate consideration. I have further remarks to make about the Bill and I ask leave to adjourn the debate.

Debate adjourned.

HON. R. ROMANOW (Attorney General) moved second reading of Bill No. 97 – **An Act to establish the Department of Consumer Affairs.**

He said: Mr. Speaker, it gives me great pleasure to introduce second reading of Bill 97, a Bill to establish the Department of Consumer Affairs. Mr. Speaker, all Members will know that the Government's interest in consumer affairs has been on the increase for the last several years. This is, I suppose, for a number of reasons. One of the most important reasons for Government involvement in consumer affairs is the increasing complexity with which consumer transactions develop and evolve in North American society. We have now a multiplicity of contracts for the purchase and resale of various goods and items. We have sophisticated and complicated selling techniques. We have products which sometimes can be of dubious value to the interests of the people of a particular country, products that may be hazardous, products that may be unsafe. No longer does society accept the principle that the market place should go totally unregulated and that the consumer's interest should not be heard in the councils of government.

As I have said, the last several years, governments, provincially and throughout Canada have sought to recognize this important consumer involvement by the establishment of ministries of government designed specifically to look after the interests and concerns of the consumer. Members will know that the Federal Department of Consumer Affairs has been set up now for at least two or three years if not longer. Both Provincial Governments in Alberta and Manitoba have Departments of Consumer Affairs. Saskatchewan, I submit, is somewhat behind in the need and somewhat behind in the time in this particular area.

We feel that a Government with a minister to speak for the department is absolutely essential if consumer interests are to be protected. We need it for a number of reasons including those I have already outlined. In addition to these, to use it as a method of co-ordinating the activities that go on as among the other provincial departments and the Federal Government. In the ten months of Government I have had some responsible experience with the Department of the Provincial Secretary which has over the last two or three years of the former administration acted in effect as a Department of Consumer Affairs. Although I commend most of the personnel and staff there for doing a good job, it became clear to me in the ten months that it was absolutely essential for Saskatchewan to step up into a Department of Consumer Affairs and thus this is what this Bill, in fact, does, the embodiment of a department to look after the interests of Saskatchewan's consumers. This will ultimately end up in the appointment of a separate Minister to report to the House and to report to the consumers of our province.

Now, with those introductory remarks, Mr. Speaker, a few words about the Bill itself. First of all, Section 4 of the Bill outlines in broad terms the scope of the Department. Section 4 assigns to that Department all matters relating to consumer affairs that have not already been assigned to any other department. This is a broad enough interpretation. It is preferable not to have a separate listing of the various Acts with respect to this type of Bill because very frequently these Acts become outmoded and requiring further amendments to the enabling legislation for the Department.

Under Section 5, Members will see that the Department has some specific duties. The Department shall, for example, have general supervision of consumer affairs. The Department shall make inquiries and report upon consumer affairs legislation in Canada and elsewhere. The Department shall investigate complaints. The Department will disseminate information with respect to consumer affairs matters and perform such other tasks as may be assigned to it by the Lieutenant-Governor-in-Council or in other words, the Cabinet.

Under Section 6, Mr. Speaker, wide powers are given to the Minister with respect to inquiry and investigation pursuant to the matter that arises as a corporate or consumer affairs matter. I should indicate to the Members that this Bill does have two or three sections which give some considerable strength to a Minister, Section 6 is one of them. In effect, it says that the Minister or anyone duly authorized by him will have authority to make inquiries. The person making the inquiry has the power by this Bill to inspect books and records and to demand their production. That is, in effect the sum total of Section 6. This is absolutely needed because when we are investigating any particular consumer transaction where a bill or a particular mode of operation has to be looked at in detail we have to give some meaningful strength to the Minister of the investigating authority.

Under Section 8, Mr. Speaker, the Minister has wide powers to order any person to do the following,

1. To cease any form of advertising,
2. To cease using any form of contract,
3. To cease selling any goods or services.

Provision is made for a hearing at which those affected by the ministerial order stopping any one of these three forms of activities can state their objections. This is indicated further by application to an appropriate judge of the Court of Queen's Bench. The order lasts for a period of five days only with respect to a contract or with respect to an advertising technique. The Minister must seek to give that order some degree of permanency by an application to the Court of Queen's Bench or failing that, the cease and desist order has no further legal effect and ceases to continue itself. A decision can be appealed from the Court of Queen's Bench to the Court of Appeal.

Section 9 sets out penalties with respect to any person who contravenes that particular section of the Bill.

Now, Mr. Speaker, I should like also to draw the attention of the Members to Section 10 of this Bill. I think section 10 is a rather unique section with respect to some consumer legislation that we see in Canada. Section 10 gives the Attorney General the right to maintain a civil action against anyone who has committed an offence against the Act. This includes the Departmental Act or any Act administered by the Department, or against any person who is in breach of a contract which has been approved in form by the Department. Members will know that there is a fair number of licensing Acts that require forms of contracts to be approved. It is done in The Motor Dealers Act and in various other statutes of this nature. Now the Attorney General, under Section 10, can launch the action on behalf of a class of individuals or, if the case warrants it, on behalf of an

individual person to recover damages and costs that may have accrued to a specific individual as a result of a consumer involvement. This is an unusual power. Some states of the United States of America give the Attorney General the right to launch an action for recovery of damage. For example, in the State of New York about a year and one-half ago there was an involvement with what was described as a pyramid franchise operator. The scheme had progressed to such a point where, according to newspaper reports, in another month or so they would have had eight salesmen of franchises for every one resident of the State of New York. Obviously, that was an unfair scheme which was designed and succeeded in taking advantage of a particular group of consumers. People who has purchased the pyramid franchises had invested a considerable sum of money in order to obtain the right to resell the franchise and in order to resell the product which was attached together with the franchise. I am giving just an example of consumer involvement. Once the scheme was uncovered, the company apparently maintained some of its offices in New York but on balance no effective remedy could be taken against the company for the substantial sums of money that individual people put out to buy the franchise and resell the products. What happened there was the Attorney General of the State of New York, by a power similar to the kind that we have written into Section 10, proceeded to take a class action against the company involved and recovered something like \$1.8 million. The money was used then for distribution on a pro rata basis among those consumers who properly made out a valid and legitimate claim. Now, Section 10 says that power is given to the Attorney General and Members will note that is only given to the Attorney General because it involves a law suit. The rest of the powers reside with the Minister of Consumer Affairs who will likely be a different person.

The rest of the provisions of the Bill relate to procedures and to costs, Mr. Speaker, and I think on balance cannot be thought of as being unusual or being unfavorable to any of the interests or purposes of this particular Bill.

Mr. Speaker, I commend Members of the House the passage of this Bill setting up the Department of Consumer Affairs. As I said at the very beginning, we owe a duty to our citizens to protect them from the ever growing and increasing multiplicity of consumer arrangements, if I may call it that, in the market place. I don't believe that it can be said that the principle caveat emptor fully applies any more, that the principle that the buyer beware is not the real principle in today's market place. Surely, we're not the first Government to recognize that. The Federal Government has long since recognized that with its Department of Consumer Affairs and the various associated statutes, so have a number of the other provinces.

Having outlined the general purposes and principles of the Bill I conclude by again reiterating the two or three sections which I have highlighted to the Members, giving these powers to the Minister of the Government. The Bill includes that authority for the Minister to move quickly to stop a fly-by-night operator who happens to be wheeling through the Province of Saskatchewan and safety measures so that the Minister of Consumer Affairs does not abuse his power. All in all, a Bill which will be a Magna Carta for consumers in Saskatchewan.

It gives me great pleasure to move second reading of this Bill.

SOME HON. MEMBERS: Hear, hear!

MR. G.B. GRANT (Regina Whitmore Park): — Mr. Speaker, I am almost afraid to speak on this in case the Members opposite will immediately brand me as a reactionary but regardless of that I am going to say it.

I get a little concerned about all the protection legislation that seems to be rolling out of governments these days and the one to your right, Mr. Speaker, is no exception. It seems that we have reached the stage of concern for the consumer where we feel we not only have to protect them from cradle to the grave but from morning to night, 365 days a year and in every phase of business activity. What concerns me is that we overlooked some other hazards, in my opinion, which are probably greater than some of the exposures that the so-called consumer — and we are all consumers — are exposed to. It is left entirely to the individual's initiative to safeguard his interests. I refer to three that come to my mind immediately. One is our exposure to 'harm' that can result from some of the low class movie productions that we have these days and I would strongly suggest that the Minister of Consumer Affairs, whoever it turns out to be, take over this responsibility from the Labour Department, because believe me, we haven't done what I consider is required for a number of years.

Also I don't know of any protection that we have against certain religious exploitations and there are certainly exploitations going on in this country but nobody seems to get very uptight about that. When I see some of the junk coming over the television, I sometimes feel that it would be a blessing to Canada if the CBC would stay on strike for eternity. And they aren't the only ones but they are the big offenders in my opinion. So this is an area that would come under the wing of protection of the Department of Consumer Affairs.

MR. GUY: — It will eventually. Give Roy time.

MR. GRANT: — I can appreciate the Attorney General's concern about certain types of operators which he enumerates but, once again, it seems to me that we are bringing in legislation of a blanket type and while it may be sincerely felt by the Government opposite that they will not apply this type of legislation except in places of dire necessity or dire need and the legitimate businessman will not feel the effect of it, nevertheless, it is there. It is just another hatchet hanging over the neck of the businessman and we have recited various ones that have been brought before this House during this Session. Individually, I suppose, it could be argued that they do not have that great an effect on the attitude of the individual businessman. But collectively, I am confident that they certainly do have an effect on the attitude of the businessman. I am not going to say it is restricted to Saskatchewan. It is happening across the country. I think that it is high time that governments across Canada realized that while it is the responsibility of government to make the rules of the game for business and for the conduct of good citizenship, that there surely must be a limitation to these

extensions of restrictive measures and protective measures to the point where, in some cases, it would seem to me that the consumer is gradually losing a lot of his initiative to look after himself and as soon as he finds that he has not received what he considers value for his money, he immediately thinks of running to the Government. No wonder we need an Ombudsman because this type of legislation, I think, encourages problems in that area.

I feel that it is time that we did more of an educating job in educating the public and I think the consumers' association has done a good job in this regard of educating the public to be alert to the possibilities of exploitation, not only by pyramid franchised people but by so-called legitimate operators. As we have more to say about this Bill on this side of the House, I ask leave to adjourn the debate.

Debate adjourned.

HON. W.E. SMISHEK (Minister of Public Health) moved second reading of Bill No. 98 – **An Act to amend The Hospital Standards Act.**

He said: Mr. Speaker, these lengthy amendments to The Hospital Standards Act provide for four important changes.

Each amendment will contribute towards ensuring that the Members of this House will recognize the merit of the changes as they are proposed and I will not, therefore, take the time of this House now to explain in detail the amendments.

The four changes provided in this Bill are:

1. Authorization for chiropractors to have their patients use out-patient facilities of a hospital.
2. Establishment of an appeal board to hear physicians' complaints concerning hospital privileges.
3. Authority for the Government to appoint a public administrator of a hospital in certain restricted situations.
4. Authority for the Minister of Public Health to withhold payments to hospitals which are not complying with this Act or its regulations.

Mr. Speaker, our Government has previously indicated that it supports the right of people to seek the services of a chiropractor and have the cost of this service covered by a public agency. This amendment will enable chiropractors to obtain out-patient hospital services for his patients. At the present time, patients can make use of public hospital facilities and services only when they have been referred by a physician. If the patients happen to be under the care of a chiropractor this referral process entails additional expenses and time for patients, physicians and government. It seems right and just that the chiropractic patients who would benefit by the use of certain hospital facilities and services should have access to the service at the discretion of their attending chiropractor.

This amendment makes this process of direct referral possible. The hospital services most frequently required by chiropractic patients would be x-ray and laboratory tests as

well as physiotherapy treatment.

The most important provision in this amendment is the establishment of an appeal board to hear complaints by physicians concerning hospital privileges. The proposed amendment will ensure that all physicians in all parts of the province will be treated equitably in obtaining the right to public hospitals. Unfortunately it has come to my attention recently that there are still situations in which fully qualified physicians are having difficulty in obtaining privileges in our hospitals.

I believe it is important to remember where public funds are being used to provide a service that all members of the community and their attending physician should be treated equitably and without discrimination. The right to appeal is recognized to be an important part of justice. A study recently completed in the Province of Ontario recommended the establishment of an appeal board similar to that which is contained in this amendment.

The appeal board will be established by the Lieutenant-Governor-in-Council and will be able to act quickly and uniformly with all the cases that may arise in our province. I should point out that the appeal board will be able to review both those cases where a physician has been refused privileges and also those cases where hospital boards unduly delay the granting of privileges after a physician has filed his application for hospital privileges.

Mr. Speaker, the third provision of this amendment gives the Minister the right to appoint a public administrator to take charge of a hospital if a situation develops which threatens the safety of patients or a situation which is not in the public interest. I hope this provision will never be used but I feel it is important that the Government has the proper and full authority to deal with any serious situations which may develop.

We have had occasion where hospital boards have threatened to resign en masse. Consider such a condition. We must ensure the safety of the patients by appointing a public administrator who will be responsible for the operation of the hospital until such time as normal management and control can be restored. I can assure the Members of the House and members of the public, members of the hospital community, that we have no intention of using this provision except under very serious circumstances such as the ones that I have just mentioned.

Mr. Speaker, for the information of the House, I am sure that many Members are aware that in the case of our municipal Acts, both urban and rural, such authority is provided in that legislation in the event that councils resign or other serious situations develop, authority is granted under municipal Acts for the Minister of Municipal Affairs to appoint a public administrator until things are restored to normal operation.

It seems to me that this amendment is in keeping with that principle which has long existed in our Saskatchewan laws. I might also mention that other provinces in the last while have also enacted this type of legislation because of problems arising from time to time where that kind of authority is necessary.

Mr. Speaker, the final change provided for in this amendment

gives the Government the right to apply a penalty against a hospital which is not complying with the provisions of this Act or the regulations made under the Act. The penalty which is provided for is the withholding in whole or in part of the funds for which the hospital may be eligible. Like the provision to allow for a public administrator of a hospital, we hope that this penalty provision will not have to be exercised. However, where hospitals are failing to provide the standard of care which is required it is imperative that the Government have some means available to see that a hospital meets adequate standards.

These hospital standards have been developed for the safety of the public. We must not allow situations to develop which would reduce the effectiveness of the hospital standards in maintaining the high quality of hospital service in the Province of Saskatchewan.

In closing, Mr. Speaker, I wish to report that this Bill was discussed with the Saskatchewan Hospital Association and as well with the Saskatchewan Medical Association and they have agreed in principle to the provisions of Bill 98.

I now move second reading of this Bill.

SOME HON. MEMBERS: Hear, hear!

MR. G.B. GRANT (Regina Whitmore Park): — Mr. Speaker, this Act really has two areas of concern that are quite serious. One is that it has financial implications and I refer to the provision for chiropractic services and the other is that it provides wide powers to the Minister. I think both of these have to have serious consideration.

I was a little concerned or puzzled when the Minister said that there have been hospital boards threatening mass resignations. In the period of 1964 to 1971 I don't believe that a single hospital board threatened resignation even when we suggested that we were going to close them. I am wondering if he really meant the plural of that because I am only aware of one. It does seem to be pretty wide authority to deal with one problem of this type in the last 10 years.

Mr. Speaker, as I have further comments, I ask leave to adjourn the debate.

Debate adjourned.

WELCOME TO STUDENTS

MR. I.W. CARLSON (Yorkton): — Mr. Speaker, I should like to introduce to the Members of this Legislature, a group of students in the east gallery. There are about 65 of them from St. Paul's School in Yorkton. I am sure that you will all join with me in extending a welcome to them. They are accompanied by their Principal, Mr. Al Bauch, teachers Mr. Gordon Pittner, Mr. Andy Ballabarda, Mrs. Laube and their bus driver, Mr. Clarence Westerhaug.

They have already toured CKCK-TV, the Leader-Post and the Museum of Natural History. This afternoon when they leave here they are going to visit the RCMP barracks. I am sure they will look back upon this tour in years to come as being part of

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their education and a real asset to them. I ask all the Members to join with me in welcoming them to this House.

HON. MEMBERS: Hear, hear!

MR. A. THIBAUT (Melfort-Kinistino): — Mr. Speaker, it gives me great pleasure to introduce a fine group of students from Melfort Division III. They are accompanied here today by their teacher, Mrs. Marion Price-Jones, Mr. Walber Blush, Mrs. Elva Clark and Mr. Walter Garchinski. I have a little trouble with this one, the bus driver, Ted Bechbil and Mr. Lyle Cox. I want to say that half of the group is in now. Some of them are touring the city at present and I hope that the rest of them will be able to tell them about it. I am sure that their trip here this afternoon will be one that they will certainly remember. Certainly, they will have a better understanding of democratic government. With this I should like to say and ask the Members to welcome them and also wish them a safe journey home.

HON. MEMBERS: Hear, hear!

MR. D.M. McPHERSON (Regina Lakeview): — Mr. Speaker, I should like to introduce to you and to Members of this Legislature, 45 students from Athabasca School situated in the constituency of Regina Lakeview. They arrived at 1:15 o'clock touring the building. They are here with Mr. Kozey and I am sure that all Members will join with me in hoping that they have a good day in the House.

HON. MEMBERS: Hear, hear!

HON. R. ROMANOW (Saskatoon Riversdale): — Mr. Chairman, I want to join with those Members who have spoken in welcoming students. We have with us a group of 52 students from St. Gerrard School in Saskatoon. They are accompanied by their teacher, Mr. Melynuik. They are, like the other students, getting a chance to observe the democratic process of Saskatchewan in action today. I am sure that what they will see and hear from their visit in Regina will be entertaining and informative. I too would like to wish the students from St. Gerrard School a safe journey back to Saskatoon.

The Assembly adjourned at 9:30 o'clock p.m.