

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Second Session — Seventeenth Legislature**  
**40th Day**

**Thursday, April 20, 1972**

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

On the Orders of the Day.

**ANNOUNCEMENTS**

**CONGRATULATIONS TO ROSETOWN REDWINGS**

**MR. G.F. LOKEN (Rosetown):** — Mr. Speaker, before the Orders of the Day, I should like to draw to the attention of the Assembly that the Rosetown Redwings won the Western Canada Intermediate A Hockey championship Tuesday night by defeating the Lloydminster team three games to two in a five-game series. Rosetown now advances to the dominion championship against Campbellton, New Brunswick. This series will be played in Rosetown starting tomorrow night. I know the Assembly will join with me in extending best wishes in this dominion final.

**HON. MEMBERS:** Hear, hear!

**QUESTIONS**

**HOUSEKEEPING BILLS DEFERRED TO FALL SESSION**

**MR. K.R. MacLEOD (Regina Albert Park):** — Mr. Speaker, I should like to direct a question to the Premier. Having in mind that we are still getting a large number of Bills which may be regarded as housekeeping in nature and having in mind that it appears from all reports that we are likely to get major Bills, and I refer to the Succession Duty and Gift Tax Bill and the Land Bank legislation, before the end of the Session, I wonder if the Premier could tell us whether he has now abandoned the idea of having a fall session because if a fall session is contemplated I assume that many of the housekeeping bills could well have been deferred to the fall session and the major bills brought on a lot earlier in this Session.

**MR. A.E. BLAKENEY (Premier):** — Mr. Speaker, the Member's assumption is wrong and accordingly his conclusion is wrong. We have not abandoned the idea of a fall session. We agree that some of the Bills brought in are bits of housekeeping legislation. Most of it involves reorganization of the Government which we want to get on with now and we did not wish to defer. We think that if there is a fall session there will still be an adequate load of legislation to be considered at that session even if we do all that we propose to do at this Session. I again remind Hon. Members that no date for the conclusion of the Session has been set. There is no way to say whether this is late in the Session or early in the Session. We for our part intend to stay at what we consider important public business until it is done and we would hope all Hon. Members would share our approach to public business.

**MR. MacLEOD:** — Mr. Speaker, I should like to tell the Hon. Premier

that it is late in the Session, but I regret that I am unable to do so. We, of course, can give no assistance from our side of the House until we know when the end of the flood of Bills will come.

### INFORMATION ON ESTIMATES

**MR. E.G. GARDNER (Moosomin):** — Mr. Speaker, I should like to ask the Government a question. In Crown Corporations and various times in Estimates we have asked the Minister for information which they have agreed to supply to us quite readily. Occasionally the Minister has it right there but to save time in Estimates we have agreed with his suggestion that he will send it over to us. In Crown Corporations some of this information was asked for as much as a month ago or more and in most cases we have not received this information. We feel that some of this, particularly from Estimates, should be presented to us within a day or two, we may need it for some other purpose. In many cases it could be just a matter of the Minister sending it over and we should like to ask the House Leader or the Premier if he could see that the work is speeded up by having his Ministers supply us with this information as quickly as possible.

**MR. BLAKENEY:** — Mr. Speaker, I don't know the individual instances to which the Member refers but I will certainly ask my colleagues to go over their notes to see whether there are instances where it was said the material would be supplied and check them out and see if we can get the information to the Members.

### ANNOUNCEMENT

#### NEW DIRECTOR OF SASKATCHEWAN RESEARCH COUNCIL

**HON. G. MacMURCHY (Minister of Education):** — Mr. Speaker, before the Orders of the Day, I should like to announce the appointment of Dr. T.P. Pepper of Saskatoon as the new Director of the Saskatchewan Research Council. Dr. Pepper will succeed Dr. Tom Warren who retires this year after 16 years of service to the Council.

Dr. Pepper was born in London, England, in 1918 and came to Canada with his family at the age of one. He was raised on his father's farm in the Morse district. In 1939 he received his Bachelor's degree in Physics and Mathematics. Two years later he received a Master's degree from the University of British Columbia. During the war he worked on radar development with the National Research Council. When the war ended he went to McGill University in Montreal to complete work on a doctorate degree in Nuclear Physics. Dr. Pepper received his PhD degree in 1948 and went to work for Atomic Energy of Canada at Chalk River, Ontario. In 1952 he set up a private company, Isotope Products Ltd., to develop industrial uses for atomic energy. The company expanded into the United States and Dr. Pepper moved to New York as president of the American company. He sold out in 1958 and returned to Saskatchewan to head the Research Council's Physics Division. In 1967 he became Assistant Director of the Council.

In making this appointment the Government is very pleased to have a man of Dr. Pepper's experience available. He has excellent credentials in research and academic pursuits,

combined with successful business experience. His background and his abilities will be most valuable to the Council in its work of applying science to our provincial economy.

**HON. MEMBERS:** Hear, hear!

## **SECOND READINGS**

**HON. G.T. SNYDER** (Minister of Labour) moved second reading of Bill No. 80 – **An Act for the Promotion and Protection of the Health and Safety of Persons Engaged in Certain Occupations.**

He said: Mr. Speaker, the rationale for the Bill that is before us centres on the increasing anxiety of employees, employers and governments everywhere over the question of occupational health and its implications for economic and social development. These and related concerns will be reflected in the expansion of the activities of the Occupational Health Branch of the Department of Labour to be carried on under the authority of the proposed Occupational Health Act. There have been a number of significant achievements in the field of industrial health in recent years as a consequence of the health and safety programs which have been conducted. One can call to mind for example progress made in conquering illnesses like anthrax, phosphorous poisoning, anemic diseases among miners, lead poisoning of painters, silicosis and so on. We cannot afford to relax, however and attempts to curtail the debilitating conditions must be continued. At the same time it is imperative to realize that certain kinds of work-oriented maladies are, in effect, growing. Cases can be cited including the rising incidence of chronic bronchitis, the persistence of occupational dermatitis and associated allergies and the increase of mental disorders would seem to stem from the progressive complexity of our social system.

In addition a whole new set of ailments are manifesting themselves including neuromuscular weakness caused by vibration, deafness produced by the noise of machines, beryllium poisoning, poisoning by new chemical products and so on. While the application of pneumatic tools and mechanized equipment may be cutting down injuries formerly caused by the use of hand tools, an increasing damage to bones, joints and muscles has been noted. Where physical fatigue is reduced by the takeover of productive processes by machines, mental fatigue and its concomitant problems are intensifying because of the faster rate and more complex nature of the work involved. For these reasons the Government of Saskatchewan has recognized an evolving need for the development of a dynamic well-integrated occupational health program to keep pace with the emerging health requirements of the worker in the later part of the 20th century.

In introducing this legislation, Mr. Speaker, we acknowledge that government has a duty to undertake measures which will help to maximize economic efficiency in terms of the greatest possible utilization of the labor force and the minimizing of working time losses attributable to occupational accidents and disease. More importantly, from a social point of view, Mr. Speaker, the Government, I believe, has a clearcut obligation to take steps designed to safeguard the welfare of employees on the job, to eliminate dangerous and unhealthy working conditions and to translate for the individual the benefits of scientific accomplishment in the form of a long, happy and healthy life. This is not to say that the Occupational Health

Program in its restructured format will represent a total panacea when it comes to industrial hygiene. Obviously the Government can only provide a mechanism by which hazards can be better identified and by that process, potentially controlled. The effective application of such a program in a practical way is going to necessitate the wholehearted co-operation and the dedicated contribution of every employer, every employee, indeed every citizen of the Province of Saskatchewan.

It may be observed, Mr. Speaker, that the operative clauses of the Bill before this Assembly are consistent with and influenced by the aims and objectives of the International Labour Organization Recommendation 112 on Occupational Health Services adopted at the ILO convention in 1959. The recommendation deals in some detail with the definition, the organization and functions of an occupational health service and has a decisive impact on the laws and practices of a number of areas in this field over the past 12 years. Passage of The Occupational Health Act will establish in legislation in a new and expanded version the role now being fulfilled by the Occupational Health Branch of the Saskatchewan Department of Public Health. Associated with the introduction of the statute will be the transfer of responsibility for the branch to the Department of Labour along with that for Workmen's Compensation Board safety.

These activities along with those of the Department's existing safety branches will be administratively and functionally linked in a manner intended to facilitate the operation of the comprehensive, co-ordinated Occupational Health and Safety Program.

Under the Bill, Mr. Speaker, the Occupational Health Branch of the Department of Labour would be assigned the general responsibility for occupational health in the province. The definition of this term based on that published by a committee of the World Health Organization concerned with occupational health incorporates by implication a broad range of physical, mental and social factors affecting the welfare of workers. In the promotion of the principles residing in this statute, occupational Health officers within the Branch would be given fairly wide powers to enter and inspect places of employment, to ascertain whether regulations are being followed and to make such tests and examinations as may be deemed advisable.

The Bill also contains a section which will permit the setting up by the Lieutenant-Governor-in-Council of an Occupational Health Council, made up of between 9 and 12 persons representing management, labor and agriculture and possessing expertise in the field of health and safety. It would be the duty of the council, Mr. Speaker, to make recommendations dealing with occupational health as well as other matters referred to it by the Minister.

The Minister would be given authority under the proposed legislation where there is a working environment which is dangerous to require reasonable arrangements to be made for medical supervision of the people who are working in that dangerous environment. As well, where the Minister is of the opinion that the place of employment is sufficiently unsafe he may order the person in charge to take such action for the protection of employees as seem reasonable, including the prohibition or limitation of the employment of all persons in connection with the business, the control or prohibition of the use of any material or equipment or the imposition of certain duties on employees or employers.

Additionally, Mr. Speaker, there is a provision in the legislation for doctors and hospitals to supply without charge to the Chief Occupational Medical Health Officer reports concerning persons who became ill or injured while engaged in an occupation. Incidentally, Mr. Speaker, this kind of authority already rests with the Workmen's Compensation Board so it is not a particularly new provision. It is specified that in any place of employment in which ten or more persons are employed there shall be an occupational health committee with responsibilities for the creation of safe and healthy working conditions within that establishment.

The Lieutenant-Governor-in-Council is furnished under the legislation with the authority to make regulations relating to working conditions in the province.

The Bill includes a penalty provision which sets out specific fines for breach of any of the regulations or orders made under the authority of The Occupational Health Act.

Provision is made in this Bill also for the Branch to undertake research and educational projects intended to develop and publicize knowledge of employment hazards. The designated place or category of employment may be required to establish an occupational health service, according to certain specifications on the basis of the character and the degree of hazard of the particular activity. It is noteworthy, Mr. Speaker, that the only known precedent for this requirement, the statutory definition of which is taken from the ILO Recommendation 112, will be found in the laws of the Netherlands.

In specific terms, Mr. Speaker, it may be useful for a moment to direct attention to the fact that the present Occupational Health Branch is actively engaged in making available such services as medical and technical advice to industry, medical supervision of workers in potentially hazardous occupations, protection of health of persons exposed to radiation, the assessment, control and prevention of environmental pollution, information and educational services and environment health laboratory analysis. These responsibilities will be continued expanded and augmented under the requirements of the new legislation.

In moving second reading, Mr. Speaker, may I conclude then by pointing out that the Act and the branch of government which will administer its provisions is expected to make a positive and innovative contribution to the escalating search to safeguard the health of Saskatchewan's working people. It is apparent that the very technological advances which are generating additional health risks at the same time produce effective weapons to overcome them. It is not the knowledge of solutions which we lack, Mr. Speaker, as much as the determination to apply them. What is primarily called for is an efficient vehicle for the harnessing of these remedial forces and for the marshalling and channelling of the kind of converted public effort which will combat the multiplying health hazards of our modern industrial society.

Mr. Speaker, I am convinced that the present Bill will prove to be successful in meeting the challenge and accordingly I am pleased at this time to move that this Bill be now read a second time.

**SOME HON. MEMBERS:** Hear, hear!

**MR. D.F. MacDONALD (Moose Jaw North):** — Mr. Speaker, I appreciate the comments of the Minister of Labour in moving second reading. We have just had this Bill on our desks since yesterday afternoon. We have already indicated that in principle we agree that this occupational health and safety program should be taken under the administration of the Department of Labour. We indicated this during the Estimates. We have no quarrel with this. As far as I have been able to determine when quickly reading through the Bill, there is very little new in the Bill, that is, new compared to what we have, in fact, had under the Department of Health, however to give our people time to study it fully, I would ask leave to adjourn the debate.

Debate adjourned.

**HON. K. THORSON (Minister of Industry and Commerce)** moved second reading of Bill No. 106 – **An Act to amend The Mineral Resources Act.**

He said: The proposed amendments to the Mineral Resources Act will make an addition to the powers of the Lieutenant-Governor-in-Council provided for in the statute under Section 10. The addition will be to make it clear that the Lieutenant-Governor-in-Council has the power to make regulations for the establishment and operation of marketing boards to purchase and sell or otherwise market, dispose of, utilize or conserve any mineral and product of any mineral in Saskatchewan.

I may say, Mr. Speaker, that it is not the intention of the Government to establish immediately any marketing board dealing with any mineral product. But the Members will be aware that with the necessity of more direct government intervention in our potash industry in the form of a prorationing plan and price stabilization plan, it is becoming increasingly apparent that the strength of the Government is needed in order to preserve the health of the potash industry. So far, the Government intervention has only taken the form of setting production quotas and trying to stabilize the price. Those are features of the operation of a marketing board which we would expect to find. At this point, the direct dealing with consumers and purchasers of potash by a government agency has not been established. It may be necessary to do that in the future. This amendment to this statute is now brought forward so that members will have an opportunity to discuss the matter publicly and to make it clear that the Government has the power to proceed. And I may say, Mr. Speaker, that it is the intention of myself and the Government that we should prepare a plan which would be available for implementation whenever we deem it advisable in the interests of the potash industry and the economy of Saskatchewan to establish a marketing board for potash.

Another amendment is proposed to The Mineral Resources Act which simply repeals Section 17. This section was originally enacted to deal with leases, licences, permits and reservations and renewals thereof entered into by the Dominion Government prior to the transfer of natural resources to the Province of Saskatchewan including mineral resources. Later, the section was amended to provide for the payment of royalties by agreement approved by the Lieutenant-Governor-in-Council. The proposed amendment would repeal the section so that henceforth royalties

would not be a matter of agreement between the Government and the producers of a mineral.

Now, I just refer the Members to the powers already granted to the Lieutenant-Governor-in-Council under Section 10 of The Mineral Resources Act and in particular, clause (1)(q) which makes it clear that the Lieutenant-Governor-in-Council has the power to enact regulations prescribing the royalties, rents, fees, dues or charges to be paid for or under a disposition or for any other privilege granted under this Act or any regulations or orders made thereunder.

Simply put, Mr. Speaker, it is the feeling of the Government that special rates of royalties should be a matter of regulation established by the Lieutenant-Governor-in-Council under the authority of the Act. Special rates for royalties should not be, in the future, a matter of contractual relationship between the Government and the producer. Or at least, Mr. Speaker, if they are to be the subject of an agreement, then there ought to be an opportunity for the Legislature to consider the wisdom of such an agreement and we would prefer not to have the power in the statute to allow the Cabinet to enter into an agreement without bringing the matter to the Legislature. So the purpose of this amendment is to make it clear that royalties henceforth will be the subject matter of regulation and will not be simply a matter of a contract signed between the Cabinet and some company that wishes to produce a mineral in Saskatchewan.

With that explanation, Mr. Speaker, I move second reading of a Bill to amend The Mineral Resources Act.

**MR. H.E. COUPLAND (Meadow Lake):** — Mr. Speaker, I am a little concerned about this Bill. It seems to me it's sort of opening the way for far more control by the Government. And when you hear the way some of them speak on that side of the House, it scares me a little that this is kind of opening the door to socialization of the industry. The Minister says that subsection (a) is mainly for the potash industry. I'm wondering why he didn't specifically put it in the Bill that they wanted marketing boards for potash. As I read it, it could mean uranium or oil or any mineral or mineral product. So I think I want to have a little more time to do a little studying on this Bill and I therefore beg leave to adjourn the debate.

Debate adjourned.

**MR. THORSON (Minister of Industry and Commerce)** moved second reading of Bill No. 107 – **An Act to amend The Mineral Taxation Act.**

He said: Mr. Speaker, the proposed amendments to The Mineral Taxation Act are covered in four distinct areas. First of all it's proposed to amend Section 3 to do the following: provide for the payment of a mineral acreage tax in a manner and at such times as will be prescribed by Order-in-Council; secondly, to increase the rate of the mineral acreage tax from 10 cents an acre to 20 cents an acre; and thirdly, to set the date for the identification of mineral acreages exempt from the tax at the 31st of March rather than the 30th of June each year.

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Now, I need hardly emphasize the significance of the second point. Every Member will understand that the rate of the mineral acreage tax is being doubled from 10 cents to 20 cents per acre.

The first point, the manner in which the tax is paid, will now be set by Order-in-Council. It is the intention of the Government to provide that the mineral acreage tax is due and is payable on the 30th of June of each year rather than at the 31st of December of each year as presently provided in the legislation. The experience of the Department of Mineral Resources is that some of the taxpayers wait not only until the end of the year to pay the tax but sometimes into the following year before the tax is paid. We want to try to have these taxes paid promptly and that's why we want the power to set the manner and the time at which the tax will be paid. And as I say, it is the intention of the Government that these mineral acreage taxes should be paid in the middle of each year.

The third point I referred to in the amendments proposed for Section 3 of the Act has to do with the designation of mineral acreage which is exempt from tax. Presently, landowners who own 3,200 acres or less of minerals are exempt from payment of this mineral acreage tax and it is intended that that should continue but that the designation should be determined each year on the 31st of March rather than on the 30th of June of each year.

It is also proposed to amend Section 3A of the Act and that has to do again with the time for payment. We propose that the payment should be made on June 30th of each year instead of waiting until the end of the year.

There are some proposed amendments to Section 25 and that will remove from the statute the limitation on the mill rate under the producing tract tax. Although, I may say, Mr. Speaker, while we have this amendment here and while we had at one time considered actually changing the mill rate, there will not, in fact, be any change in the mill rate under the producing tract tax during this coming year nor will there be any change in the method by which values of mineral lands under production are assessed for the purposes of this tax. Presently, the mill rate is limited by statute. We propose to remove the limitation. There is no real significance in this, Mr. Speaker, because there was no statutory limitation on the method by which the assessed value was determined. So that it was in the power of the Lieutenant-Governor-in-Council at all times to raise the tax revenues in this area by simply raising the assessed values of the parcels of land that are subject to the producing tract tax. We propose to remove the statutory mill rate to be in line with the situation insofar as determining the assessment is concerned.

The final amendment proposed, Mr. Speaker, is a new Section 27A which will enable the Lieutenant-Governor-in-Council to establish penalties for late payment of tax under The Mineral Taxation Act. Again, this is in line with our determination to see that the tax is paid promptly and that the revenues come in to the Government on time.

Mr. Speaker, I move second reading of an Act to amend The Mineral Taxation Act.



**MR. COUPLAND:** — Mr. Speaker, here again is another Bill that I think will be harassing the industry at a time when we should be encouraging them in the province and trying to create employment and development.

The one thing that strikes me, Mr. Speaker, is Section 27A that is added (the penalty clause). I am wondering how much trouble the Government does have collecting their tax to put in a vicious section like this. Now, they have no minimum or no maximum, it is just entirely at the discretion of the Government. I'd like to see, if it's possible, that the Minister in Committee of the Whole will maybe bring in an amendment to put a limitation on the penalties. The Minister said they are determined to collect the tax. I am just wondering how determined.

There is quite a bit more I should like to say on this Bill, so I beg leave to adjourn the debate.

Debate adjourned.

**HON. R. ROMANOW** (Attorney General) moved second reading of Bill No. 78 – **An Act respecting Credit Reporting Agencies.**

He said: Mr. Speaker, it gives me a great deal of pleasure to move second reading of Bill No. 78 which is a brand new Bill respecting credit reporting agencies in the Province of Saskatchewan.

Credit reporting agencies, as all Members will know, have assumed an important role in today's consumer world by investigating and reporting information on the credit worthiness, credit standing, credit capacity, character and general reputation of consumers for credit purposes. This Bill imposes requirements on those credit reporting agencies that have now become a vital part of our consumer world. It imposes requirements on them to ensure fair treatment of individuals whose credit or character is being investigated by them. It is known that credit reports containing inaccurate or erroneous information have in a number of cases damaged the credit rating and the reputation of consumers. This Bill, Mr. Speaker, is designed to ensure fairness in credit reporting. It is designed to provide the consumer who is dealt with unfairly – and as a consequence adversely affected by a credit report – some means to protection for himself against such inaccurate or erroneous information.

Mr. Speaker, this Bill recognizes two types of information. One type concerns the financial, business or credit rating of persons and is generally factual in character, being supported by financial and other reliable data. The other type of information concerns the consumer's character, general reputation, personal habits or mode of living. This latter kind of information is often, in fact, almost exclusively based on expressions of opinion obtained from other persons to whom the consumer may have had some exposure known more or less and defined by the general term in the business as investigative information. Because of the nature of this second category of opinion evidence, if I may call it that way, special provisions concerning it are contained in this particular Bill. In detail, the Bill calls for the licensing and regulation of credit reporting agencies, and is modelled along the lines of

other licencing Acts that this province has seen and other provinces have introduced. The Act will be administered by a registrar who will be so named for the purposes of the Act. This registrar will have the usual supervisory and investigative powers over credit reporting agencies and he will make certain decisions with respect to licencing of the agency and suspension of their licence, thereby suspension of the operation of the business and termination of that agency's right to operate in Saskatchewan. In all cases, Mr. Speaker, the decision taken will be subject to review on appeal to a judge of the court of Queen's Bench to ensure that the Registrar is not abusing his wide powers.

This Bill is also designed to ensure that every credit reporting agency adopts proper procedure in meeting the needs of commerce for information about consumers and also in meeting the needs and expectations of consumers with respect to confidentiality, accuracy, relevancy and valid use of the information collected. Basically a credit report may be supplied only to those who need it for commercial purposes. Also the report must not include certain information such as, for example, information about bankruptcies which have occurred 14 or more years prior to the date of the making of the report, or information about writs of summons or judgments or debts that are now statute barred or other adverse information that is more than seven years old. As Members can see this protection will be to the benefit of the consumer and will not in my judgment create any undue hardship on the activities of the credit reporting agency. There is no reason why some writ of summons or judgement or a bankruptcy after that period of time has elapsed, should still be maintained as part of a credit report when we are dealing with a new transaction with respect to the consumer.

Also, Mr. Speaker, certain records and files must be maintained by a credit reporting agency by the provisions of this Bill. The agency will be required on request by a consumer to disclose to that consumer the nature and substance of all information in its file respecting that particular consumer. The consumer may be accompanied by one witness in his request for that information. But that information only goes to the consumer about whom the report is written and not to a third party or a stranger in a consumer transaction. Provision is made in the Bill for the procedure to be followed where a consumer disputes the accuracy or the fullness of the information which is contained in his particular file by a credit reporting agency. This is the way it should be. If a consumer feels that some of the data either factual or opinion is inaccurate he of course should be entitled to the privilege of coming to the credit reporting agency and asking for a correction in that report. This Bill provides for that.

Also under this Bill a consumer who has applied for credit may ask the merchant, dealer or credit grantor whether or not he has received a credit report on him. If so, the consumer is entitled to be provided with the name and address of the credit reporting agency. He may then if he chooses call on that credit reporting agency which then is required to disclose the nature and substance of the information as I have described earlier in the consumer's file if requested by that consumer. If the consumer is still not satisfied he may report the matter to the registrar who will be administering the Act, who may then investigate the complaint in full with all parties, the credit reporting agency and the registrar who is empowered by this Bill

to dispose of it according to the information as revealed by the investigation. That decision by the registrar is as I have indicated to the Members earlier subject to an appeal to the Court of Queen's Bench.

Mr. Speaker, those are the major provisions of this Bill. I think the basic principle of this Bill is to ensure that in today's consumer world the credit reporting agency will always prepare reports on credit with respect to a consumer with the utmost of confidentiality with as much accuracy as is humanly possible with purely relevant information necessary to the consumer needs and the credit desires of the individual concerned and a proper and valid use of that information. Surely that is a laudable objective for this Legislature to accept, surely that is a principle most credit reporting agencies now adhere to and will be very easily able to adjust and adapt to once this Bill is approved.

In concluding may I point out that inaccurate credit reports are of no value to the users thereof and to some extent undermine public confidence in the credit reporting system as a whole. Yet as I already stated individuals have suffered as a result of inaccurate reporting, deliberate or otherwise, and have been unable to ascertain the source of the inaccurate information in the credit report. Therefore they have been unable to take the necessary steps to rectify the situation. Mr. Speaker, this Bill is designed to help consumers, and I am proud to say that it is another major piece of legislation in this Government's determination to advance the human rights and the consumer rights of the people of the Province of Saskatchewan. It gives me great pleasure in moving second reading of a Bill respecting Credit Reporting Agencies, 1972.

**SOME HON. MEMBERS:** Hear, hear!

**MR. K.R. MacLeod (Regina Albert Park):** — Mr. Speaker, in rising to comment on this Bill I do agree with the Attorney General's laudable objectives and I agree that inaccurate reports are of no value to anyone. They are of no value to the man who relies upon them in extending credit and they are of no value to the man who would receive credit based on the strength of these reports.

One of the problems we face in dealing with the legislation presented by this Government is that it has tended to be rather hastily put together and not always fully thought out. We are therefore going to have to give considerable scrutiny to this Bill. We have observed a tendency on the part of the Government to kick the man they go to help. In assisting the drowning man they are more likely to push him under than to pull him out. I think we have seen an example of that in the prevention of the assignment of wages by men who want to use that as a way to finance laudable and worthwhile objectives. We know many cases where people would like to organize their affairs through an orderly, deliberate and considered fashion. One of the methods adopted to do this is by assignment of wages, and the Government has prevented a man from doing that. I suggest that what the Government does by much of its legislation is hurt rather than help the man they seek to assist. So that while their motives are laudable, while their objectives are worthwhile, they so frequently miss the mark in actually carrying out what they set out to do. Consequently we shall have to give considerable study to this.

Occasionally the Government makes someone else pay for their assistance. We saw an example of that in The Family Farm Protection Act. While they had a laudable objective in assisting farmers who were in some temporary financial difficulty, any cost involved was not to be borne by the Government or by the people who were being assisted, but in fact by some third party. This is another example of 'non-assistance'. The Attorney General shoots an arrow into the air and if you don't look out it will end up in the seat of your pants. He tends occasionally to miss the mark.

**MR. ROMANOW:** — I've got a big target over there!

**MR. MacLEOD:** — No, but what happens is that occasionally — and if it were only occasionally I wouldn't be so upset — his actual carrying out of his objective is not properly carried out by the Bills presented to the House. Consequently, we must give further study to this. We want to make sure that in helping people he does not hurt the people. I beg leave to adjourn the debate.

Debate adjourned.

**MR. ROMANOW** (Attorney General) moved second reading of Bill No. 92 — **An Act respecting The Pyramid Franchises.**

He said: Mr. Speaker, this too is a brand new Bill, it is The Pyramid Franchises Act, 1972.

In recent years the sale of pyramid franchises to small investors has become very big business and promises to become even bigger business, unless legislation is enacted to effectively regulate this form of marketing thereby placing a greater measure of responsibility on the promoters of such pyramid franchise plans. The purpose of this Bill is to put a curb on this type of a pyramid franchise operation, and to assist persons who in good faith invest in these marketing schemes in the hope of being able to supplement their income and thereby to provide themselves with a higher standard of living. The schemes as presented by the promoters sound extremely attractive and promise great financial rewards. The promoters point to some people who in fact have made a profit.

Unfortunately the greater number of the people who enter the plans are big losers and not big winners. These plans have been referred to as pyramid, multi-level or chain letter type of operations. Whatever they are called, the system works against the late comer, whatever that particular word means, who nearly always suffers serious financial losses. Persons have been known to have borrowed as much as \$5,000. They have gone down to the credit union or to the bank and have borrowed \$5,000 to get into plans of this type and many now in our province are struggling to repay that type of a loan. In some cases, they have sold their investment or their inventory that they purchased at the time of the franchise for as little as 10 cents on the dollar.

Mr. Speaker, according to one of the leading men in this type of activity, Glen Turner of Orlando, Florida, the founder and promoter of Koscot Interplanetary Corporation, his system allows the little man to go into business for himself and to

earn in a month what he used to earn in a year. For \$5,000, Koscot would sell the little man a distributorship, according to Mr. Turner. The little man in turn could then earn money in two ways: firstly he could hire a sales force to peddle Koscot cosmetics door to door, or secondly, he would sign up other persons at \$5,000 a clip, retaining \$2,600 commission for the sale. It is reported that there were no cosmetics in existence under Koscot until Koscot was eight months old, until enough money was raised for Mr. Turner by the sale of the pyramid so that they could invest the money to produce the product. The scheme was set up on this basis, it was true that the first small dealer that Mr. Turner enrolled, a 19-year old cripple from Marion, Ohio, had a very easy choice. He started selling distributorships, Mr. Speaker, at once and in no time that boy earned \$80,000. The 35 or so distributorships he had enrolled could in turn also earn \$80,000 but only if they signed up 35 more distributorships each, who in turn could do likewise, but only if they signed up 35 distributorships or more each. The reports that we have received go on to say that assuming just one distributorship to a family after five rounds of this chain-letter type of operation, every United States household would own a Koscot distributorship. The question that has to be asked is, where would the last 51,296,875 little guys who have invested, find another 35 each to enrol at \$5,000 and thereby earn their \$80,000? That was the enticement that these private enterprisers held out to induce others to invest in the plan. \$80,000 on a small down payment of \$5,000 was the private enterprise and free enterprise system of doing things. Perhaps that is why Mr. Turner called this system 'Koscot Interplanetary' because he needed extra support to make sure the plans would work.

Mr. Turner has other schemes. One is called Dare to be Great, a self-motivation course for free enterprise minded people which has also been promoted in Saskatchewan. There are still others which operate on the same principle as Dare to be Great and Koscot, but which apparently Turner has not yet brought into this province. We know nothing about them. One is called Cash is Best Incorporated, which is a cash discount card plan on a franchise basis. In addition, there is a plan called FashCot, a scheme for wigs and VitaCot for vitamins for those motivated by the free enterprise system. Glen W. Turner Enterprises is not the only promoter of pyramid schemes as naturally his system has been copied by others. In fact even before he set up his plans similar plans had operated in this province. Members opposite will no doubt recall NutroBio Products, Holiday Magic and others that one could think of, which operates on obtaining distributorships through the pyramid system.

Mr. Speaker, Members opposite have criticized in the newspaper the actions taken by this Government with respect to Koscot Interplanetary and Dare to be Great in the fall of 1971. In fact, Members opposite are very fond every time we introduce consumer legislation of accusing the Government of being well motivated, but not being able to carry out the intent of the motivation. I want to tell the House, Mr. Speaker, that in the fall of 1971, and in fact up to this time, the Government of Saskatchewan had no legislation whatsoever to protect the people of the province against this type of a scheme. Other provinces or other parts in the United States in particular were researching the problem trying to define it and to meet it. We had no other choice. We could either let the Koscot scheme operate on

The pyramid system as I have outlined to the Members, with a very fast distributorship, thereby sticking the little person at the bottom of the pyramid. We could have chosen to allow them to operate or we could take action. That's what we decided to do. We said that if Koscot was going to operate, it wasn't going to operate through the blessings of any government operated agency such as the Saskatchewan Centre of the Arts. Therefore a decision was made that the Saskatchewan Centre of the Arts would not lease space agreed to by contract to Koscot or to Dare to be Great. Liberal spokesmen opposite have criticised that decision. Somehow that was a violation of the sanctity of the principle of contract by the lease to Koscot of the Centre of the Arts. It may have been a violation of the contract, but, Mr. Speaker, knowing the operation of Koscot as I have outlined it, I make no apologies for this Government having acted in the interests of consumers when it did in the fall of 1971.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROMANOW:** — Members opposite can get up with respect to this legislation and say that it is well motivated, but the Government has somehow abused powers. That is their opinion and they are entitled to keep it. We'll let the consumers of Saskatchewan evaluate the stand of the Opposition when it comes to supporting unregulated and uncontrolled pyramid franchises as opposed to the efforts of this Government.

Mr. Speaker, in drafting this legislation one of our difficulties frankly has been to define legally within the framework of a statute the term 'pyramid franchise' so as not to sweep in all franchises. There are basically three tests to determine whether a franchise is a pyramid franchise within the meaning of this Act. I want to say that we had trouble in defining it because I also want to tell the Members of this House that there is no other legislation in Canada similar to the legislation that we seek to pioneer here in Saskatchewan this morning. If we make a mistake with respect to the drafting we have no other Act to compare it to.

We will accept the comments made by the Members opposite who seek to improve that legislation in Committee of the Whole. But we make no apology again for not waiting until the Dominion of Canada or other provinces have sought to define the term 'pyramid franchises' because this is a matter that should be clearly set out for the Province of Saskatchewan. And I tell the pyramid franchise operators who seek to deny the provisions of this Bill who might be tempted to circumvent the law of the Province of Saskatchewan as it is written, that as far as I'm concerned as Attorney General and those in charge of consumer affairs that that type of operation will not be welcomed or condoned in the Province of Saskatchewan no matter whether it is a violation of free-enterprise or not.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROMANOW:** — Nevertheless, notwithstanding these difficulties of definition I think we have come up with a definition of pyramid franchise.

Basically there are three tests according to the law to

determine when a franchise becomes a pyramid franchise. The answers to these questions, Mr. Speaker, must be answered in the affirmative in order for a franchise to be a pyramid franchise.

1. Does the franchise give the purchaser of the franchise the right to sell goods or services?

If the answer is yes, we ask the next question.

2. Does it give the purchaser the right to recruit other distributors who in turn will have essentially the same right to recruit other distributors?

If the answer is yes, then we continue to the third question.

3. Is the marketing plan or system, the marketing plan of the franchises and the product, is that plan organized, directed, prescribed or controlled in substantial part by a franchise or at the top of the pyramid?

If the answer is yes to that question, as it would be to all three, we have a pyramid franchise. If we have a pyramid franchise we don't outlaw it, Mr. Speaker, we regulate it. That's the purpose of the Bill. If he falls under the definition the Bill then provides for the licencing and bonding of such a pyramid franchiser. It provides for cancellation or suspension of licence in certain circumstances. For example, where there has been a misrepresentation or dishonesty or where the franchiser had demonstrated a lack of competency, fitness or trustworthiness to carry on the business.

The Registrar is given wide discretionary powers under this Bill with respect to cancellation or even granting the licence, but his decision may be reviewed on appeal to a judge of the Court of Queen's Bench. And we give this discretion to the registrar, Mr. Speaker, because someone in the government services should be in the position to take a look at the proposed cancellation of the licence of the franchiser. Does the contract have certain limitations as to the number of distributorships that the franchisee in turn may sell? Because if there is no limit to it then you've got an uncontrolled pyramid franchise. Is there a provision for buy-back of the product, be it a cosmetic, a wig, or whatever. Is there a buy-back provision so that in fact if the goods are not satisfactorily produced that there will be someone that the franchisee can return the goods to. Someone has to take a look at these types of situations to make sure that they exist in the contract in order to really control the operation.

The Bill provides, Mr. Speaker, that the purchaser of a pyramid franchise may cancel the contract at any time within 60 days upon making the contract, and obtain the full refund of his money from the franchiser. It is expected that this provision will put an end to the chain-letter game introduced into these marketing plans. I remind Members that the chain-letter operations have been ruled illegal and against the law by the Parliament of Canada in the Criminal Code of Canada.

Indeed, instead of pushing the sale of distributorships on a chain-letter basis, promoters will have to push the sale of goods to consumers.

The Bill provides that unsold goods must be taken back by

the franchiser at any time within one year at 90 per cent of their value. In addition, the purchaser of the franchise is entitled to a refund of a portion of the franchise fee where he cancelled the contract after 60 days but within 180 days. The refund of the franchise fee ranges from 95 per cent down to 75 per cent, depending on how long the contract has been in force before it is cancelled.

When I'm talking about refunds, Mr. Speaker, I'm talking about a refund of the franchise fee. That's the fee paid to get the franchise, not any fee that is paid with respect to the purchase of the goods that may be attached to the franchise.

The Bill also regulates the form of advertising, and the form of agreement to be used in respect of pyramid franchising.

Perhaps, Mr. Speaker, you already know of someone, perhaps other Members in this House know already of someone who has put up \$5,000 of hard-earned money, perhaps borrowed it, encumbered a home, or part of a farm, who has put up the \$5,000 to become involved in one of these chain-letter operations already in the hope of supplementing his income. Instead of his improving his position he may now be facing serious financial problems.

I want to tell the House that many have demanded the refund of their money from the companies, certain companies, without any success at all and without any practical recourse against the company at all. The companies and their promoters are often located outside of Saskatchewan. Possibly even outside of this country and they are thriving on money taken from the little people of this province, those who work hard to earn that money. They are thriving off those people in this province and elsewhere in a scheme that was basically doomed to failure from the outset and they knew it and they sought to sell that to the franchisee.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROMANOW:** — Mr. Speaker, Members opposite may not agree with that. That, of course, is their right in this House to take that position. I want to tell you, Mr. Speaker, that one of the provisions of the Consumer Protection Bill, the Department of Consumer Affairs, has a provision which allows the Minister of Consumer Affairs, the man who will likely be administering this particular Bill that I introduce, the right to suspend an operation for a five-day period. Mr. Speaker, it is precisely for this type of an operation that that power is given to the Minister of Consumer Affairs. That is what we had in mind when we introduced that Department of Consumer Affairs legislation. Because very often these are whirlwind schemes. Anything short of a cease and desist order taken by a Minister of Consumer Affairs forthwith might thwart the purpose of trying to help a large number of consumers. That Department of Consumer Affairs Bill also has a section giving the Attorney General — because he is the law officer for the Government — giving him the right to bring an action on behalf of those people who have borrowed \$5,000 or more to get into a scheme and now have no recourse against the company, because it's gone, because it's fled, or it's fighting the matter in court, or because they are defunct. The Attorney General has the right to bring that form of an action to protect the little people.

Now, Mr. Speaker, we must read these two Bills together,



the Pyramid Franchise Bill and the Department of Consumer Affairs Bill. Those who would say, as according to the newspaper of yesterday, a man by the name of Mr. Purdy of the Employers' Association, that this type of power is a hatchet over business, are deliberately misleading the Province of Saskatchewan and the people of the province.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROMANOW:** — Every legitimate businessman in Saskatchewan has nothing to fear and in fact does not fear any strong consumer affairs legislation or any legislation with respect to pyramid franchise sales, Mr. Speaker. None whatsoever. Those who seek to sell franchises have nothing to fear of this legislation because it doesn't outlaw it. What those two Bills, the one that we introduced and the Consumer Affairs Department Bill have done is place the power for protection of consumers in the hands of the elected representatives of the consumer, the Government of the Province of Saskatchewan who must act in the best interests of the public. Newspapers, such as the Leader-Post and the Star-Phoenix who misrepresent the position of consumers' interests are living in an age that by-passed them at least 100 years before.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROMANOW:** — Editorials that talk in harried terms about the need of a delicate balance between the interests of consumers and the balance of the businessman and then end up by saying that the businessman should in effect be allowed to go unregulated, are editorials that belong back in the 1850s.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROMANOW:** — Speeches from Members opposite who maintain that position also belong back in the 1850s. I don't know how anybody could say that legislation which seeks to equalize the opportunities of consumers has somehow created a hatchet over the head of legitimate businessmen in the Province of Saskatchewan. This Government wants legitimate businessmen to thrive and to grow. We hope in a four-year program they will thrive and grow. The success or failure of any business operation in Saskatchewan will not depend on whether or not the assignment of wages or a Department of Consumer Affairs is set up, or whether a Pyramid Franchise Bill is set up. In fact I say, Mr. Speaker, because of these Bills we will eliminate the shyster operator, the man who is not a legitimate businessman, the man who does not live in the community, the man who doesn't give two hoots about his fellow citizens. We'll eliminate him leaving his field to a better operation for the businessmen of all of Saskatchewan and anybody who says this is anti-businessman is not telling the truth.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ROMANOW:** — Mr. Speaker, Saskatchewan is the first Province in Canada, the first Province in Canada, to experiment with this type of legislation on pyramid franchises.

I'm hoping that the Federal Government will get into a field of pyramid franchises as well because we are going to need their co-operation and if they come up with a better definition or better situation we'll amend this Bill. We'll change the Bill if we have to in order to comply with it because we want the Government of Canada to work together with our province and I can assure the Members of the House, the new Minister of Consumer Affairs that the Government will continue to work with the Federal Government in this area. But I do say that this is a first for our Government and for our people. It is another attempt to provide consumer protection laws to the benefit of consumers and businessmen unequalled by any other province in the Dominion of Canada. I invite all of the free-enterprisers and Liberals opposite to join us in this task to improve society as a whole. I move second reading of an Act respecting the Pyramid Franchises.

**SOME HON. MEMBERS:** Hear, hear!

**MR. K.R. MacLEOD (Regina Albert Park):** — Mr. Speaker, I should like to assure the Attorney General that he is not likely to receive any great criticism from this side of the House in connection with this Bill or the presentation of it.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MacLEOD:** — Pyramid franchising is something that has been with us for a little while but it has only recently become the kind of a problem that is represented by the operation of Koscot Interplanetary.

The days, a few years ago, when a person could have some cosmetics or vitamins left over in his basement has been altered drastically in the last year or two, to the point where people can put up thousands and thousands of dollars and can lose their money because the value of the product is deteriorating in their basements.

You can't say Mr. Turner was thinking small. You can't accuse him of thinking small. Anybody who names his organization Koscot Interplanetary obviously has some grandiose things in mind, and the result of these grandiose thoughts is the type of Bill that we are getting here today, and the type of Bill which is likely to occur all across the North American continent. Already some half dozen American states, have, largely as a result of the Koscot Interplanetary operations, brought in bills of this kind. Saskatchewan is the first Canadian province to do so, but it is a relatively new phenomenon and everybody is moving quickly, largely thanks to people like Koscot Interplanetary who have brought the pyramid franchise game to newer and grander heights.

I appreciate the difficulty that the Hon. Attorney General has in defining 'pyramid franchise' and I assume that he will get a pretty easy time from us knowing that if it is not adequately defined that alterations can be made.

Of course we are concerned. We are concerned that people like the sellers of the Encyclopaedia Britannica and other book sellers and similar types of operations are, hopefully, not unduly hampered by this type of an Act. I assume also that

sensible application of the powers of the registrar will ease the burden of those other legitimate operators who are not in any way to be compared with Koscot Interplanetary.

I totally and absolutely condemn the kind of operation of Koscot Interplanetary and I compliment the Government for carrying to the House this Bill which is obviously an extension of the Liberal Consumer Legislation begun and carried on so vigorously by the previous Hon. Attorney General, Mr. Darrel Heald. When it comes to the field of consumer legislation you are unlikely to get any serious opposition from us because undoubtedly it will be an extension of the kind of a program that was begun several years ago, as I say, under the previous Liberal Government.

It may well be said that the Bill we have here today, which is rather a lengthy and powerful Bill, may operate a little bit in a heavy-handed fashion. There are those, I'm sure, who will accuse this House of using a sledgehammer to crack a walnut. That may well be so, and undoubtedly we shall have to look at this Bill and its operation in future sessions of this Legislature.

In the meantime, I can assure the Government and the Hon. Attorney General (Mr. Romanow) that while we shall scrutinize the clauses very carefully for draftsmanship on how it will operate in actual fact, the entire substance of the Bill, the intention of the Bill is one we shall support and, therefore, without further ado we will wish to look at it briefly and I assure the Government that it will be briefly, I ask leave that debate on this Bill be adjourned.

Debate adjourned.

## ADJOURNED DEBATES

### SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Smishek that Bill No. 99 – **An Act to amend The Mutual Medical and Hospital Benefit Association Act** be now read a second time.

**MR. J.G. RICHARDS (Saskatoon University):** — Mr. Speaker, Bill No. 99 is a very significant Bill in the Health Department.

It allows for a significant experiment in new methods of payment for medical services. The Member for Whitmore Park (Mr. Grant) the former Minister of Health, has said that global budgeting for community clinics is no experiment, but a significant new program. In a certain sense the Hon. Member may be correct. We are launching what we hope will become a significant new program. We hope not to the exclusion of other forms of medical practice that community clinics, community health centres will become very significant instruments for the delivery of health care in the Province of Saskatchewan.

To that extent we can agree. We agree that it is a new departure, an exciting departure, which the previous Government was not prepared to undertake for health delivery in Saskatchewan. However, I shall return to the statement – that it is a new program and not an experiment – because it is indeed an

experiment. There are many aspects of this Bill which are exploratory and exciting.

Before we go further in discussing the Bill, Mr. Speaker, I should like to say two simple things about community clinics in the Province of Saskatchewan. There are two reasons that we, as Members of the New Democratic Party, as the Government of Saskatchewan, believe that community clinics have a significant role to play in the delivery of health services.

The first is that community clinics are willing to experiment. They have a notable reputation of willingness to experiment with new health delivery systems. They have experimented with new techniques of preventive medicine at the family practice level. They are willing to experiment with the use of para-medical health workers. They are willing to experiment with other than fee-for-service methods of physician payment.

Mr. Speaker, a second reason why community clinics are significant and must constitute an important aspect in any health delivery system which this Government establishes, is that community clinics allow for the involvement of ordinary people, of lay people, in the making of health decisions. This is not to put down the professional and deny the doctor an excruciatingly important role to play, but to say that ordinary people have a role to play.

The Occupational Health Act, on which the Minister opened second reading today also illustrates this important principle, the involvement of lay people in the making of health decisions. In that Bill are provisions for occupational health communities at the place of work. They will hopefully allow workers to understand and become involved in the making of health and safety decisions affecting them.

The Hon. Member opposite said that we 'jumped the gun' that we have 'moved too quickly', that we haven't waited for John Hastings' Federal study of community clinics to conclude and bring forth its recommendations. Mr. Speaker, if we had waited for that committee to report, I strongly suspect that the Members opposite would have accused us of dilly-dallying and being unprepared to act. When the Government has a specific new program on which it is prepared to act, to say, wait for somebody's Royal Commission to report, is a feeble excuse.

Royal Commissions are the Liberal way of governing. A Royal Commission on this and a Royal Commission on that, and no decisions or anything. There would have been no Federal commission on community clinics if ten years ago the CCF Government and Saskatchewan people had not been prepared to experiment with community clinics. Mr. Speaker, as with so many health care improvements it is in Saskatchewan that the experiments begin.

Community clinics became a reality in Saskatchewan. People got themselves together; they took the risk; they made the experiment, and they launched community clinics a decade ago. Now the Federal Government finally realized that the people of Saskatchewan have a good thing going and it launches a study.

We in the NDP, do not intend to wait for a Federal White Paper, a Federal study, a Federal report with recommendations, before acting.

Now the question of costs. This is a significant question, and has been a cause of differences between the Liberals and the NDP for a number of years. We removed deterrent fees from Medicare and Members opposite said that the extra costs incurred would be the death of Medicare. The Members opposite are now saying that because we are experimenting via the community clinics in non-fee-for-service methods of payment, that this will mean doom and destruction from mounting health costs.

This is the typical conservative reaction that one can expect from Members opposite who are unwilling to experiment, unwilling to try new ideas. Surely there can be no solace taken from the present escalating health cost statistics and given the escalations we are experiencing, it is important to try to reduce costs by experimenting with alternative methods of financing health care.

I can agree with the Hon. Member from Whitmore Park that if, via the community clinics, we introduce para-medical people — nurse practitioners, physician assistants, etc. — without reversing the upward trend in number of physicians in the Province there will merely be an expansion of demand to use the additional para-medical services and we will realize no savings in costs.

However, I submit, Mr. Speaker, that in the course of the next decade there will be a certain substitution of para-medical health people performing some of the services which physicians are now providing. Physicians can then concentrate upon the medical services requiring the high degree of skill and competence possessed by them and not waste time on colds, sniffles, sore throats, and such routine medicine as could be better handled by para-medical people.

But we will never know, Mr. Speaker, to what extent we can effect this substitution unless we try. Members opposite are Cassandra's crying doom and destruction as soon as we begin important experiments.

Members opposite also referred to two alternative methods of physician remuneration, fee-for-service relative to salary.

It is their impression that fee-for-service keeps doctors honest. If we have a salaried service we will have lazy physicians who will not work they allege. Fee-for-service encourages overutilization and discourages preventive service. If a physician is operating solely on the basis of maximizing his personal income — and I am not suggesting that he is — it is foolish for him to inoculate the rest of the household when one gets the chicken pox, because of course, it is financially advantageous to let the whole family get chicken pox. He can then treat and charge the entire family. Although here is a simple and overexaggerated example, it illustrates the elementary truth that fee-for-service discourages preventive medicine. There are also specific idiocies in our fee schedule, different items which reward physicians for different services in a manner completely unrelated to the time and trouble necessary to perform the different services.

Salary service avoids these idiocies. However, as Members opposite said, there are disadvantages to it. If one thereby creates a mentality or feeling among doctors that they are bureaucrats obligated to work just from 9 to 5 one risks the problem of a curtailed supply of physician services.

There remains a third alternative which, personally, I favor: per capita payment. It is not new. It implies that a physician has a list of patients whom he treats and he is paid according to the number of people on his list.

Per capita remuneration encourages preventive service inasmuch as a doctor who keeps the patients on his list healthy by good preventive practices thereby minimizes the amount of curative services he has to perform. It is a system which allows there to be some variation in the income a physician earns, as a function of the size of his patient list. That allows him discretion as to whether he wants to work a great deal or a little. It would be an interesting experiment to introduce a per capita system in North America.

One of the community clinics, the Prince Albert Community Clinic has expressed considerable interest in undertaking such an experiment, and if it is considered advantageous we in the Provincial Government are desirous to help.

Debate on physician remuneration centres around three basic systems, fee-for-service, salary, and per capita. I have added nothing new to the debate, Mr. Speaker. Medical journals, professors, physicians, public health administrators have been discussing for 50 years the relative merits of these various systems. We don't need more White Papers and studies. We need actual controlled experiments by groups of physicians and lay people prepared to undertake them. We have in community clinics people who are willing to experiment. It is the policy of our Government that we shall encourage them to do so.

Mr. Speaker, I now conclude my remarks on this Bill permitting community clinic associations to enter into global budget agreements. I shall certainly support it.

**SOME HON. MEMBERS:** Hear, hear!

Motion agreed to and Bill read a second time.

The Assembly recessed until 2:30 o'clock p.m.

### **WELCOME TO STUDENTS**

**MR. H.H. ROLFES (Saskatoon Nutana Centre):** — Mr. Speaker, I should like to introduce to the Members of this House a group of 77 students from Queen Elizabeth Elementary School from Saskatoon. They are accompanied by their teachers, John Grant and Sandy Belan. Queen Elizabeth School is one of the older schools in Saskatoon but certainly has made its reputation known over the years. I hope that their stay here this afternoon in the House will be one that will be rather informative and the memory of the things that happened here will remain with them for the rest of their lives. I ask the Members of the House to join with me in greeting them here and wishing them a safe return home.

**HON. MEMBERS:** Hear, hear!

**MR. B.M. DYCK (Saskatoon City Park):** — I should like to take this opportunity to welcome to this Assembly a group of 40 students from St. Paul's North Elementary School in Saskatoon. I understand that they are accompanied here by their teacher Mr. Fogel. I hope that they

have an informative and educational and worthwhile afternoon and a safe journey back to Saskatoon.

**HON. MEMBERS:** Hear, hear!

**MR. K.R. MacLEOD (Regina Albert Park):** — Mr. Speaker, I should like to introduce to the Members of the Legislature, in the east gallery and in the Speaker's Gallery and in the west gallery, 175 students from W.C. How School in Regina, one of the very fine schools in Albert Park constituency. They are accompanied today by Mrs. Huber, Mr. A. Olson, Mr. D. Wollenberg and Mrs. Hill. This school and these students, under the principalship of Mr. Bud McNeil have made this one of the finest schools in Saskatchewan and we have a fine bunch of people here to testify to that today.

**HON. MEMBERS:** Hear, hear!

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