

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session — Nineteenth Legislature

Thursday, April 19, 1979.

EVENING SESSION

COMMITTEE OF FINANCE — DEPARTMENT OF MINERAL RESOURCES — VOTE 23

ITEM 1 Continues

MR. R.A. LARTER (Estevan): — Mr. Chairman, I have a few questions I'd like to ask the minister. First of all, a Mr. Lahey wrote to you, Mr. Minister, regarding gross overriding royalties under Bill No. 47. It's the claim of many people, other than Mr. Lahey, that their tax structure now is about 30 to 60 per cent. They just feel that the people with gross overriding royalties are being singled out and are being really persecuted by a tax at this rate. You wrote him back and mentioned this allowance provides small taxpayers with up to 50 per cent tax relief. The small oil companies or the people with overriding royalties have indicated that they're doubtful. If there's even been one person that's been able to take advantage of that 50 per cent racket. Would you mind answering this, please?

HON. J.R. MESSER (Minister of Mineral Resources): — Well, the first answer I must give to the member from Estevan (Mr. Larter) is that there is more than one, in fact there are a number that have obtained the 50 per cent tax relief so that they are somewhat in error in suggesting no one has been able to take full advantage of it. I know the member has my correspondence to Mr. Lahey. I can't recollect specifically whether I mentioned it to him in that particular correspondence but we have evidence to believe there are in some instances some producers who appear to be taxed more heavily than others. We're prepared to discuss with them the reasoning behind that and see whether or not some corrective measures should be made. I can't expand with any more precision in regard to that particular situation at this time until we have an opportunity to have some more information and a little bit fuller discussion with them to see where the problem is, if there is one, and how it might be amended. I do want to emphasize to the member that there are producers who have been able to obtain full tax relief. It's in error to say that none have.

MR. LARTER: — Mr. Minister, in fact some of the people with overriding royalties that are taxed have stated that they have paid on certain wells as high as 76 per cent tax. Certainly they feel this is very unfair. They draw a parallel.

After all these years of gambling and taking part in the bringing on of oil wells in this province and possibly investing in some of these royalties, they draw a parallel of a cabinet minister or member of the government taking a large decrease in pay. I think this is really what has happened to them. They weren't originally assessed this high tax rate. They feel that certainly they have been discriminated against. Bill 47 has brought many heartaches to especially the small oil field companies. Would you care to comment on that?

MR. MESSER: — I think that the tax has always been explained as one which tries to capture some of the excess profits because of the increasing price of oil. It is not meant to adversely affect or tax those producers.

As I mentioned previously, and to Mr. Lahey, we're prepared to take a look at some of those instances where there appears to be a higher level of taxation than we had

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initially wanted to establish. It will take some time to monitor and discuss that situation with those producers before any corrective measure can be taken, if corrective measures are required. Perhaps Mr. Lahey is not willing to wait over that period of time, but we were sincere, not only in our response to him, but to other producers as well.

I don't know whether the relationship between cabinet ministers is a valid one. I don't know whether an oil producer would want to go into production with the situation of every four years risking the loss of those well, as do some elected members because there is certainly no guarantee that they are going to continue to enjoy the salary of an MLA or a member of the Executive Council when an election is called. So, I think the comparison is not a very legitimate one. Not that I want to say I risk a lot more running as an MLA or a cabinet minister because I think the party I represent is not likely to have the problems of some members sitting to your left, Mr. Chairman. The security is not there.

I do want to say that we've wanted to be sincere with these producers. We've talked to them. We're saying we're willing to monitor in some of those instances where they think there is a problem. If we can identify it, I can say to the member and to this legislature that we will attempt to correct it.

MR. LARTER: — Mr. Minister, would you say then that there is a possibility that these people with gross overriding royalties could get down below a tax level of 30 per cent, anywhere from 30 to 50 per cent? Would you say that in looking at it and with possible adjusting that it would be below the 30 per cent mark?

MR. MESSER: — No, I'm not prepared to say that. I'm saying that we're prepared to continue to allow them to receive a fair return on their investment. There may be instances where the application of the policy or that system deals adversely with some of those producers. There I am saying that we would be prepared to make a correction but I am not prepared to say what the consequence or the significance of that adjustment may be. But it will be fair.

MR. LARTER: — Mr. Minister, when Bill No. 47 was introduced I don't think there was too much thought on certain portions of this bill that required the oil companies to increase their book work and their reporting by, I think, 15 times, depending on the number of owners on royalties on a well.

Even the Premier made a statement to the effect that Bill No. 47 really was something of a nightmare and it was hoped it could be modified and improved so that, truly the people in the oil field wouldn't have quite as big a job of reporting as they have right now.

MR. MESSER: — I can appreciate the observation that the member makes. We do not disagree with him. I remind him that it was not our desire to have to introduce such legislation as Bill No. 47, but there was no other alternative. It certainly did bring about a more complicated bookkeeping system, a requirement for a complicated bookkeeping system for the producers. We have conveyed to the producers we recognize that and we have had some meaningful discussion. That discussions is continuing to see whether or not we can jointly ease or remove some of that excessive bookkeeping the member makes reference to.

I personally am optimistic we can make some movement there but I think it is premature to suggest to what extent.

MR. LARTER: — Mr. Minister, do you have a time frame on that? You must be working towards something. Do you have a time frame on when Bill No. 47 is going to be at least changed around so that this portion of it is improved upon? As you know, the oil patch is waiting anxiously for this to change somewhat. In many cases they have had to employ an extra bookkeeper to handle this work.

MR. MESSER: — We don't have a time frame in regard to having specific deadlines or dates that we would like to adhere to. I think it depends on the benefit of the ongoing discussions with the industry. I again convey to the member, that they are taking place now. I think they are creditable discussions. They are certainly reasonable discussions. Some of the companies have offered to us the services of their private law firms, their accountants, that that may be of some help. I think there is a sincere effort on both sides to try to take a look at how we may be able to ease the problem. We have to keep mindful we cannot make adjustment that in any way is going to affect the legislation in a manner that may make it questionable or ultra vires so that we have a pretty significant concern as I believe the companies do. They want the legislation to, as well, now that it is in place, be secure, although they would like to see it somewhat simplified as far as their accounting processes are concerned. I would hope that we make early solutions to some of those problems, but I can't give you a specific date or time frame.

MR. LARTER: — Mr. Minister, just going onto something else. You mentioned the other day that the Oil and Gas Conservation Board is still alive. Is Mr. Wotherspoon still the head of this board.

MR. MESSER: — Yes, that's correct. He is.

MR. LARTER: — Why, Mr. Minister, did you not budget for an expenditures in this department this year? Is this under item 4 on page 69? I notice on page 70, you have two areas really on this.

MR. MESSER: — Well, as the member, I think, will note under subvote 4, the Natural Gas Development and Conservation Board does have moneys allocated to it. The moneys that were previously allocated to the Oil and Gas Conservation Board have now been transferred to administrative services because the money is not significant or large and we thought that it would be more appropriate to provide the required expenditure there.

MR. LARTER: — Mr. Minister, can you tell me what has happened? I believe since the board was either formed or revamped under Mr. Wotherspoon, there was only one meeting held. They made certain recommendations to the government regarding the future development of gas, particularly gas, in Saskatchewan. I don't believe the government has paid any attention to the recommendations made. As a matter of fact, you only had the one meeting; you never did have another meeting with that board, with this oil field people.

MR. MESSER: — Well, if I may briefly review for the member, last year, the board held what he may refer to as one public meeting, but it went on for five days. So there was an extended public hearing and the board certainly met on far more numerous occasions. There was ultimately a report made available to the government; that report was tabled in the Legislative Assembly. I think the member will recall that virtually all of the recommendations were agreed to and implemented by the government. That was last year. This year, the board chose not to have public hearings. It was a decision of the board. They requested written submissions from the industry and on the basis of those

submissions they then undertook to put together a report for the government as well.

MR. LARTER: — Mr. Minister, don't you think that meeting with these people is probably the best public relations you can do as far as our department is concerned? I don't think there is anything better than meeting eyeball to eyeball to present any kind of a brief to your board. I think possibly meeting with the industry on a whole can be a lot more productive, and I think there can be a lot more meetings of the minds. I think you get a broader view. When they are presenting a brief to you it depends on who is interpreting it as to just what happens on something like this.

MR. MESSER: — Mr. Chairman, I think that it should be made clear that Mr. Wotherspoon is there on a day-to-day basis. The industry may and does meet with him on a one-to-one basis. That's an ongoing thing and that's why he is there and his door, I think, is open. The industry meets with my deputy minister and other officials of the department as well. We don't say that they cannot communicate with us until we decide that we are going to have a public hearing or whatever.

There has been constant, ongoing discussions with Mr. Wotherspoon and the board on a day-to-day basis on a one-to-one ratio.

I might say there were no requests from the industry for a public hearing. Again, they felt that they had extensive opportunity last year with the five-day public hearing and even though Mr. Wotherspoon and the board requested written submissions be made available to them for this year, there were in fact very few responses from the industry. I think that indicates that the industry felt satisfied with the process that is in place and the opportunity they had last year. It may well be that given another year it might be desirable again to have the public hearings, but there was certainly no outcry for hearings and there was very little response as far as written recommendations or observations were concerned.

MR. LARTER: — Mr. Chairman, just another question. I think one of my fellow MLAs has a couple of questions. It's not really a question; it's just more or less a comment on what you replied this afternoon to a question asked by the member for Thunder Creek (Mr. Thatcher). You were quoting from the oil well magazine on the increased number of wells being drilled in Saskatchewan. You mentioned there was quite a substantial increase. I would submit to you that most of this was in the Lloydminster area and although there was some drilling done in Swift Current, Success, Cantuar region, there was very little done in the medium and light oil, particularly in the Estevan area. There was very little drilling done in 1978. I would also suggest to you that . . . when I mentioned this afternoon about talking to these oil people, you say you find they are all quite happy; well, and I said you better look in their cheeks because you'll find their tongue is in their cheeks because they certainly wouldn't do anything to disturb the government. They are going to be drilling in here and they don't want to do anything to upset you. I would suggest to you that Bill 42 and Bill 47 has still disturbed the oil industry and the climate is still not right for them to explore in Saskatchewan. Sure, your exploring is going to increase in the Lloydminster area because they know what is there. Their gambling is very little but they are still afraid of the climate, in Saskatchewan. I don't think you are going to see any exploratory drilling going on in the light and medium oil field. I think that this is borne out by the fact that SaskOil isn't even going to do very much drilling in the light and medium oil fields.

The fact that they have become all of a sudden, automatically, a third partner in the

500,00 acre block in the Lloydminster area . . . I'm quite convinced that the moneys that the oil companies will be spending in Saskatchewan in the light and medium fields will be on production credits only and this has been conveyed to me many times and directly opposite to what the minister has told this House. I think he knows that, too, Mr. Minister.

MR. MESSER: — Mr. Chairman, I suggest that it is not the climate that is established by the government that is affecting the level of interest in the light, medium crude areas. To say that we have somehow gagged the oil industry in regard to expressing their views is just not credible. One only has to go back a couple of years ago and we can recollect that they were very vocal; in fact, they did not stop with being vocal, they undertook court action which continued to pursue their position. I just don't believe that they are now saying we can't talk to this government and we better not say anything because there is some way it's going to affect them.

If they had something to say, I am quite certain that they would say it. I don't think the oil industry is by any means strapped in voicing their opinions. They haven't been in the past and I would say that it would be in error to suggest that they are today. I think what the member is really saying is that the activity is where there are prospects of success. There are greater prospects for success in the heavy crude area. That's where the activity is going to be.

Having said that, one can look at the most recent drilling statistics that I have in the light-medium areas and we can look at the Kindersley area. You have a representative from that area. Last year there were virtually no wells drilled up to April 23, 1978. This year, they have completed 14 wells. That's a light-medium crude area and there is obviously an interest there when there wasn't any interest last year. If I look at the Estevan area, there were 26 wells drilled up to April 13 last year; we have 37 completed this year. So that there is a substantive increase in those areas — a 40 or 45 per cent increase. So that the facts, I think, say something different than what the member for Estevan is attempting to allude to.

MR. LARTER: — A comment on that, Mr. Minister. I think the amount of drilling rigs that are working in Saskatchewan and Alberta pretty well tells the story. There are over 300 working in Alberta, and I think, at the very most at any time in Saskatchewan, there are 15 to 20 rigs working in Saskatchewan. There is no denying that the price of new oil (as you've stated many times before and I agree with you) in a seven-year period is quite attractive to the oil industry. I suggest that other than the climate, it's attractive enough for them to come in and drill for oil. There is nothing wrong with the new oil prices. There is some argument on their old oil price but these are wells that are already established. Everything being equal and if there were a better climate, you'd see more than 20 rigs working in Saskatchewan in 1979.

MR. MESSER: — Well I differ with the member. I think we'll have 40 or 50 working in 1979. That's a significant improvement over last year. I might also say of the 300 rigs that are working in Alberta, I would think I could hazard a guess, probably not being out more than a dozen or so one way or the other, in saying that 200 of them are looking for natural gas and not looking for oil. We just do not have the same (I guess the term I used before) prospect of success for natural gas in Saskatchewan that exists in Alberta so that historically, there has always been a very much larger number of rigs active in the province of Alberta because the level of success first is greater there for gas. Secondly, it's greater there for oil because the potential is there. We can't expect to have the same level of activity here but having said that, when I look at the statistics for Alberta, again

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in oil week, April 9, I can see that in Alberta, the production is falling off modestly as far as wells drilled are concerned. In Saskatchewan, even though we're dealing with much smaller numbers (and I'm not trying to mislead the member, I admit that) but in percentage terms we are jumping very, very fast. I think that's got to be an indicator of something. I think it's an indicator or acceptance of the Saskatchewan policy and that the activity is starting to accelerate here.

MR. LARTER: — One comment, Mr. Chairman. I think the minister will agree that not too many of these well are exploratory wells, they are mostly offshoots in proven fields and they are not proving up any new oil field or any exploration.

MR. SWAN: — I'd like to ask the member if he will give me the salaries. I'd like the top two in each of your subvotes and if you would give them in writing, I would appreciate it. I think it would speed things up quite a bit here tonight. Will you give us the salaries, the 1978 estimate and the estimate for 1979?

AN HON. MEMBER: — And the actual.

MR. SWAN: — Yes, I asked for it.

MR. MESSER: — I don't know whether we have, in other departments of government, been breaking it down that specifically. I see the members nodding yes. I take it they're all hon. member gentlemen and would not mislead someone who is not well informed at this particular moment in regard to whether or not he would be setting a precedent in so doing. But if he wants it in writing I will provide him with whatever we have established as a policy regarding the executive salaries of the departments of government that are scrutinized in Committee of Finance. If the member would be patient we might be able to put that together tonight. I don't know whether he is requiring it immediately, but if we can't we'll get it to him as soon as possible and it will be consistent with what we've given to the other departments.

MR. ANDREW: — A couple of brief questions. As I understand the oil industry, though I don't profess to be any kind of an expert in the oil industry, in Alberta two or three years ago with the sizeable discovery in what they call the West Pembina Field, my understanding is that the oil industry in Alberta got a great shot in the arm. As a result, as I understand it, the oil that was discovered in West Pembina was a deeper level, resulting in a total — almost a second look at the whole province for oil. Has anything been spurred in Saskatchewan because of that development in West Pembina?

MR. MESSER: — No, not really. The geology between the two areas is substantively different, so it just doesn't continue across the border.

MR. ANDREW: — The fact that the geological people didn't anticipate that the West Pembina stuff was there as well still has not stirred new investigative work in Saskatchewan at all?

MR. MESSER: — I think that the answer has to be substantially no. I think that there has to be some basic geology that there was oil. I think that there was, as far as the West Pembina area was concerned, a misinterpretation of what was really there. Now one guess can always say that it could be a misinterpretation of what's on the Saskatchewan side of the border, but the knowledge they have of the geology of that area would lead them to conclude that there is not the reason for interest there that there was in West Pembina, and it could apply to other areas as well. I guess that's what

the oil industry is all about. If somebody thinks that somebody's made an error and they want to spend some time on it, they'll be in there taking a look. But as of now there does not appear to be a significant interest in Saskatchewan.

MR. ANDREW: — Would I be fair in making the assumption then that the geology in Saskatchewan for oil is pretty well then restricted to the Estevan field, the Swift Current field and the Coleville or Kindersley field?

MR. MESSER: — Excluding, I guess, the heavy oil area, I think those are more or less the general areas in which the interest is continuing to be exercised.

MR. ANDREW: — The geological formations then would suggest that there is probably not oil worth expending any kind of moneys on at all in any other area of Saskatchewan?

MR. MESSER: — I can't say that. I think that's up to the industry to decide. I'm not a geologist. But there are certain geographical indicators as to whether or not you are going to find oil. I guess you first relate to that and then you start to spend some money and refine that knowledge to see whether or not there is, in fact, recoverable oil there. It may well be that there are areas in the province that are categorized geologically as an area that doesn't have significant potential for oil and it may be proven to be wrong tomorrow, or five years from now, or ten years from now. But the department does not really try to refine that information; that's what the industry is doing and when they find interest they then ask for some abilities to acquire an interest there.

MR. G. TAYLOR (Indian Head-Wolseley): — There are a couple of questions I would like to ask you. The first one has to do with the by-product from your potash mines; the salt that you were describing to us the other day. Today in the Crown corporation, the minister in charge of Sask Minerals was saying that the sodium sulphate of Saskatchewan is a very efficient heat conductor in perhaps, something like solar energy. I would like to ask to what degree you have looked at alternate sources of this waste salt and have you considered a salt brine from this waste in something like a heat conductor for solar energy? Is it feasible?

MR. MESSER: — Well, I think the answer to that is that currently, it is not feasible. There have been preliminary investigations made, not entirely by the Department of Mineral Resources. Sask Minerals has sufficient sodium sulphate to meet the demand. They think that they have, I guess, a pure salt, a pure product to work with and that if there is potential, it will first take place there and if promotion has to be implemented, it would be better to do it there. We've looked at a whole variety of uses for the by-product of the potash industry. We've got, God knows, lots of it. The best information we have to date is that if we were go give it away, we might find a customer, but we would have to pay the freight and those customers are outside the province of Saskatchewan. It would clearly be a very uneconomic undertaking to get into and at best, we would only get rid of a small percentage of the salt. So that I think for the interim, for the medium-term future, we don't really appear to have any optimism about moving that by-product in significant quantities.

MR. TAYLOR: — I take it from your comments that you have looked at it as a conductor of heat, the brine solution of this salt. Is that correct?

MR. MESSER: — I'm not saying that we have. But I think we have benefited from the research and the investigations of other agencies, one of which you have already

mentioned. I think there have been other private individuals who have also looked at it. It just doesn't appear to be economically feasible at this point in time and there's little interest in it.

MR. TAYLOR: — Well, I would just encourage you to keep looking because if we could find an alternate use, I think it would be very valuable.

The other thing I want to ask you — and I'm still staggered from the salaries that you're paying your top officials in potash. Having been in Crown corporations, I think you said \$370,000 for six people, that was a year or so ago. Looking at today's figures. I imagine it is up to about \$400,000. I have seen other Crown corporations in which the salaries are nowhere comparable — in fact, many of them right within your jurisdiction — SaskOil, Sask Power and so on. I would like you to justify to me how these top administrative people in the potash corporation show an average which comes out to somewhere around \$66,000, and I am not so naive to think that they are all at \$66,000. Some of them must be at tremendous heights. I can't see where someone in this position is worth more to the people of Saskatchewan than our Premier. I would like you to justify that to me.

MR. MESSER: — I guess the easiest way of justifying that is raise the salary of the Premier and the Executive Council and then everybody will be happy. Perhaps some opposition members may not be. In fact I got three job applications for PCS (Potash Corporation of Saskatchewan) right now.

Let me say to the member that, yes, it may appear to be very significant salaries to pay but I can assure him there are private potash companies that are not as large operating in Saskatchewan, that are not as large as the potash company of Saskatchewan, as far as potash production is concerned, and their president gets almost the same amount of money as those top six people do in PCS and that is a matter of record. By comparison to other private industry we are very modest with out salaries.

I do not deny that by comparison to executive members of government, ministers and deputy ministers and directors, there may be a significant disparity. I think government relates to other government in the adjustment of the salary and I think Saskatchewan deputy ministers and other administrative people, key executive people, are comparably paid to say Manitoba or Alberta. I think we have to keep that into consideration so we can keep our people.

When you take the private industry I think you will find the people you relate to, in the potash industry, are comparably, but modestly, paid by comparison to other private industry and that is where they relate to. There are, I guess, two classes of relations that take place. You either pay the ticket or else you don't have the individual or the expertise.

MR. TAYLOR: — I can understand your relationship between the public and private sector, but I wonder, does the same not hold true on oil? If this is true I think you are getting a bargain in SaskOil compared to Saskatchewan potash.

MR. MESSER: — Well, I remind the member that as Minister of Mineral Resources, in estimates here, I don't really have anything to do with SaskOil or the Potash Corporation of Saskatchewan. I am very careful to disassociate myself so there is no conflict of interest that takes place.

I think the answer, if I may attempt to suggest one, I would hope that the minister would agree with me, or the chairman of the board, has to be that SaskOil is a relatively new company. It is building and I think those people who are there are willing to work, perhaps, for less than they may get in some other industry. In fact, we attracted some people from other very significant oil companies and they are willing to, I think, be modest as far as salary is concerned putting together, what I think is going to be a very beneficial activity for Saskatchewan people. Having achieved that success maybe they will come along with a request to have comparable salaries. I am not suggesting that to them. I like it the way it is but I can't guarantee it will continue like that.

MR. LARTER: — Mr. Chairman, we are not going to hold you up on the estimates. We just want to make a couple more points here . . . (inaudible interjection) . . . well not for very long anyhow.

Mr. Minister, I think you know that we've, for quite a number of years particularly since Bill 42, and I think more particularly where the government has become more and more involved in business in the private sector or resource industry, exported most of our geologists and most of our geophysicists who were in Saskatchewan. I think we had something over 70 private people who ran their own business as geologists in Saskatchewan. I think now there are only one or two or three geologists left in Saskatchewan in the private sector. Other than that the government employs them all, either in SMDC (Saskatchewan Mining Development Corporation) or in various parts of the government. We have exported all of our geologists and our geophysicists. It has got so bad that many times you even have to use part-time university teachers to do some of your work.

I think I have possibly a good example of what is happening to our local people — our people who are trained and educated in Saskatchewan — and I think I'll go right to this letter here.

I was born in Saskatchewan, graduated from the University of Saskatchewan, and operated my oil and gas consulting business in Saskatchewan until it was no longer possible to do so. I am a believer in the Saskatchewan oil and gas business and have consistently been one of your strongest boosters. I have spent 99 per cent of my last 12 years promoting Saskatchewan oil. I have been responsible for the drilling of a great number of holes and for you receiving a large amount of sale bonus money over these years. I will continue to perform in Saskatchewan if my efforts are going to be rewarded.

When you consider southeastern Saskatchewan along, I would guess that at least, 75 per cent of the activity there since 1966 has been generated by persons such as myself. Please allow us to continue in Saskatchewan and please don't take away from us what we've already earned.

I think this about sums up one of the natural wealths we have in our people. If we keep chasing them out . . .

MR. ROMANOW: — Multinationals . . .

AN HON. MEMBER: — Who wrote it? Who wrote it?

MR. LARTER: — Barry Lahey. I told him a while ago. The same fellow. He's one of the

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fellows who has been working on the exploration of oil in Saskatchewan for a number of years . . . (inaudible interjection) . . . I gave you his name. How about that? . . . (inaudible interjection) . . . PC? I don't even know him.

MR. MESSER: — I think even the best of governments are going to have somewhere a critic and I guess we've got one here in Mr. Lahey.

AN HON. MEMBER: — Well, we'll put him in the doubtful category anyway.

MR. MESSER: — I am somewhat surprised, but nevertheless we accept his criticisms. I think they should not go unanswered.

I can look around and see people who have been formerly Saskatchewan residents and have been out of the province for a number of years and have returned to this province because they have been able to find employment in the last six or seven years. That certainly was not the case in the late 60s and in the very early 70s. In fact, it was the opposite of that and that's the period that they left this province.

When we talk about SaskOil, I can give you example after example of people who have left, significant executive positions in major oil companies to come back to Saskatchewan and perhaps take what would be a lesser future for them because they have faith in this province and they agree with the development of this province. SaskOil is a good example. Mr. Bob Craig makes no bones about it. He was one of the top four or five executives of Gulf Oil in Canada and he came back here, I think probably accepting a more modest salary over the next five years, in order to head up an oil company he thinks has a lot of potential and a lot of excitement. I give credit to those people because they come back to Saskatchewan.

I can go into the city of Saskatoon and without exception, I run into people who were formerly Saskatchewan residents and an number who were not Saskatchewan residents who are not employed in the province of Saskatchewan, with the resource development industry. Granted a lot of it is in northern Saskatchewan, but the level of activity there has brought back literally hundreds of people to jobs that have been newly created for this province and for those people. So I think the record speaks for itself.

One only has to go to Saskatoon. People are complaining that the price of housing there is \$10,000 or \$15,000 more than a comparable house in Regina because of the demand and the growth that takes place. That is unfortunate, but that comes about because there is very significant growth taking place there and that tells you something about the resource policies we are pursuing.

Items 1 to 10 agreed.

Vote 23 agreed.

MINERAL RESOURCES

Items 1 to 5 agreed.

MR. LARTER: — Mr. Chairman, one question on this — on the increase to \$37 million, Mr. Minister, is this the commitment made in the Lloydminster area, basically?

AN HON. MEMBER: — Or any of it, or what portion, or do you know?

MR. MESSER: — Well no, it's essentially a carry-over from previous years, so it is somewhat misleading, as it appears.

Mineral Resources Vote 73 agreed.

Supplementary Vote 43

Supplementaries agreed.

POTASH CORPORATION OF SASKATCHEWAN — VOTE 61

ITEM 1

Item 1 agreed.

Potash Corporation of Saskatchewan — Vote 61 agreed.

SASKATCHEWAN POWER CORPORATION — VOTE 60

ITEM 1

Item 1 agreed.

Saskatchewan Power Corporation — Vote 60 agreed.

SASKOIL

SaskOil agreed as nil.

SASKATCHEWAN POWER CORPORATION — VOTE 52

ITEM 1

Item 1 agreed.

Saskatchewan Power Corporation — Vote 52 agreed.

HEALTH — VOTE 32

MR. CHAIRMAN: — We are turning to the Health Estimates, page 50 and I will ask this minister to introduce his staff, please.

HON. E.L. TCHORZEWSKI (Minister of Health): — The staff who are with us here are Deputy Minister, Mel Derrick, who is on my right; Associate Deputy Minister, Ken Fyke, who is immediately behind me; Duane Adams who is the Assistant Deputy Minister at the back; C. Feader, Director of Administrative Services behind Mr. Derrick; and Wes Mazer who is the Budget Officer, and he is at the back as well.

MR. CHAIRMAN: — I will repeat, we are on page 50, Vote 32, Item 1.

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MR. E.A. BERNTSON (Souris-Cannington): — Mr. Chairman, health, over the last few weeks has from time to time popped up in discussion in this Assembly. I think with the co-operation of the minister, we can go through this one relatively quickly.

MR. CHAIRMAN: — Order. I wonder if we can get started off on a good note, please.

MR. BERNTSON: — I wonder if we can ask the Attorney General to leave, or muzzle him so we can get some work done in here.

First of all, I would like to compliment the minister on a few items.

AN HON. MEMBER: — Not too many though.

MR. BERNTSON: — The first one was his unleashing of the member for Saskatoon Centre (Mr. Mostoway) and turning him loose on a radio show in Saskatoon and giving us an issue.

Secondly, I would like to compliment the minister on his recent announcement, the ostomy program. As you know, that was one of our campaign promises last October and yours, I think, was another safe program which had to do with, what do they call it — toupees? I shouldn't say that but I think the minister deserves credit for stealing a good idea. No matter where it came from, it was a good idea, and he deserves credit for putting it in place.

I think the minister deserves credit for putting the Saskatchewan Health Research Fund legislation in place. I think it's a good program. We've talked about it in here before. My only criticism was that it was perhaps not quite generous enough.

Legislation was tabled today for a cancer foundation and I think that's great. He deserves credit for that. Dr. Watson, as you know, last June made certain recommendations and when I have had time to review the bill in detail — I think in general I would have no trouble supporting it — but after reviewing it in detail, if it comes close to these recommendations I think it will get our support.

I just want to review the recommendations made by Dr. Watson. The first recommendation was that the Saskatchewan Cancer Commission be replaced by a body with far more autonomy than the current commission, and it should be completely divorced from the civil service. I think that's a very important part of his recommendation — completely divorced from the civil service.

His second recommendation is that a strong medical advisory committee be set up with some authority in urgent professional matters.

The third recommendation was that steps be taken immediately to ensure that each clinic is directed by an experienced, qualified medical specialist. I think that's a good recommendation. It is recommended that consideration be given to the employment of medical and scientific staff of clinics on a contractual basis. Well, there is nothing wrong with that.

It is recommended that high energy linear accelerators be installed, in the Blair Memorial Clinic. I compliment the minister for finally making that announcement. If you recall, last spring when we brought it to his attention that he had once previously

promised this equipment and the money was diverted for other purposes.

It is recommended that serious consideration be given to setting up ambulant-cancer hostels for which we have some considerable support. It is recommended that re-establishment of a pediatric oncology clinic in Saskatoon be commenced. The only reason I went through those recommendations, Mr. Minister, was to draw a comparison between what Dr. Watson said in his report and what the Conservative opposition said in this House last spring while this whole matter was going on.

MR. MOSTOWAY: — You mean about the dirty hospitals.

AN HON. MEMBER: — Which guy is Penman?

MR. BERNTSON: — He's not here yet but we'll talk about that later.

The other thing I want to compliment the minister on is the announcement of his rural doctor establishment grant. I don't know if that's the proper title but it indicates that the minister has, in fact, recognized that we have a problem and after much urging from the opposition is moving toward rectifying that problem.

AN HON. MEMBER: — Ah, come on!

MR. BERNTSON: — One more interruption, Paul, and I'm going to get mean.

MR. MOSTOWAY: — You know, anything that's good you fellows thought of it 10 years ago, anything!

MR. BERNTSON: — I move now, Mr. Chairman, to the Pasqua regeneration program and I made some mention of this earlier in the House.

In recent months the South Saskatchewan Hospital Centre decided that the Pasqua Hospital should have no pediatrics ward. This decision was made in spite of the concern expressed by the medical staff at that hospital. They expressed the fear that the loss of the pediatrics ward would eventually lead to the demise of the hospital.

There are three hospitals in Saskatoon; there are three hospitals in Regina. The difference, of course, that the three hospitals in Saskatoon are owned by different organizations. The three different hospitals in Regina are owned by the government. There is no movement afoot in Saskatoon to centralize pediatrics. All of the people in Saskatoon involved with the hospitals are working in the best interest of their hospital.

In Regina, of course, the situation is different. All the hospitals are owned by the government and somebody, in their wisdom, decided we should centralize pediatrics.

It seems that you have not given any consideration to the expressed concerns of the medical staff at the Pasqua. It seems that you haven't given any consideration to the expressed concerns of the citizens of that area of Regina or remembered that that is the area of growth. That is where the young families are moving, the people who are most likely to need pediatrics. It seems to me that the concerns of these people are quite legitimate. The concerns of the medical staff were stated as, if the pediatrics ward was phased out at the Pasqua Hospital, pediatricians would not be readily available for the control of a nursery for the obstetrics ward. Without a first class nursery, physicians would probably elect to have their patients go to the General Hospital for maternity.

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leading to the loss of a 25-bed obstetrical ward. With the loss of the obstetrical ward, obstetricians who are also gynecologists would not be readily available at the Pasqua Hospital.

This would reduce the Pasqua Hospital to medical and surgical care only. Often in this care, female patients need gynecological consultations and since the gynecologists would no longer be there, it would reduce this hospital to medical and surgical care for males only.

I am the first to confess that that is slightly exaggerated, but on purpose, so that you might understand their concerns.

The other thing that I would like to point out is that last year there was about \$7 million spent on this regeneration. This year there is about \$14 million budgeted for the regeneration, and I just wonder if all of the considerations have been properly considered, bearing in mind that the people of that area of Regina are certainly concerned about the loss of this pediatrics ward, and certainly the medical professionals at the Pasqua Hospital are.

The other thing I would like to touch on which is also part of this regeneration, is the housing for the high energy equipment, the linear accelerator, in the Blair Memorial Clinic. We talked about this last spring; we recommended to the minister at that time that there be provision made for the accommodation of the housing of this high energy equipment. At that time it would have cost in the neighbourhood of \$100,000 to provide housing for this equipment.

The announcement the minister made a few weeks ago was that we are getting the equipment. I think it was \$850,000 for the equipment and \$400,000 or something like that to kick the wall out that was just built last spring to house this new high energy equipment.

The regeneration program is probably not one that got all the consideration or thought that it deserved.

I want to touch just briefly on a few of the things that concern me at this time and I'll be touching on one or two items as we go through the estimates and I see no reason to prolong this. We will, with your co-operation, get out of here tonight.

The next thing I want to touch on is funding in rural hospitals. We in Saskatchewan, the fathers of womb to tomb universal medicare, are falling a little short of it. Some place between the womb and the tomb, we lost. The deficit of the Kindersley Hospital over the last three years increased from \$21,000 to \$42,000 and ending this year, March 31, 1979, to \$140,000. In Maple Creek, it went from \$7,000 in the same period to \$10,500 to \$63,500 this year. That's almost a 1,000 per cent increase in the last instance.

You know, I agree that certainly medical costs are going up; they're going up all over the world. We've heard problems in other jurisdictions, but what bothers me is that this government doesn't seem to want to face reality and either admit that we are having problems where or get the problems fixed so that, in fact, we aren't having them.

I want to touch briefly on the drug plan. We think the Manitoba program was all right. We will give credit for a good idea no matter where it came from and the NDP . . . Mr.

Chairman, I wonder if you could get a hold of the member for Saskatoon Centre there (Mr. Mostoway); he seems to have lost control. Mr. Chairman, I have here a little item put together by Rene Chartier, Executive Director of Pharmacare in the province of Manitoba and special assistant to the hon. Ed Schreyer, ex-premier of Manitoba.

This was put together in April of 1977. I would just like to read some of this to you:

To the east and west of Manitoba's pharmacare office you have the paracost/extended drug benefit program and in Saskatchewan the Saskatchewan Prescription Drug Program. The latter has cost the taxpayer of that province over \$9.5 million for the first seven months of operation (September 1, 1975 to March 31, 1976). The Saskatchewan government publishes the following figures in an official report on the Saskatchewan Prescription Drug Plan. (It is broken down but the total is \$9,635,000).

Didn't I tell you? The period ending March 31, 1976, for the purpose of comparison, my friend.

Please remember that that is for seven months only and that the people of Saskatchewan also participate in the plan by paying at least \$2 for each prescription they receive. (This figure is now raised to \$2.75. This was written in 1977, using figures from 1975. That is for the benefit of the former minister of the environment.)

Furthermore, coverage is restricted to a stringent list of preparations. How does Manitoba's pharmacare compare? \$4.5 million for 12 months including \$100,000 for administration, which takes into account the subsidy on labels, informational brochures and other incidentals as required.

Total permanent staff in Manitoba: 1 part-time during peak period; 16 full-time staff; 750 practising community pharmacists in the province, who daily explain pharmacare to patients and who, for a moderate fee of \$3.15 as it is at present, essentially administer a great portion of North America's only universal pharmacare plan now in operation.

That was \$4.5 million in Manitoba for 12 months as opposed to \$9.6 million in Saskatchewan for 7 months.

This happy little report was put together by the College of Medicine, University of Saskatchewan, Saskatoon, Canada. I would ask you to pay attention, Neal.

It must further be born in mind that Saskatchewan and Manitoba are strikingly similar in many aspects. Although Saskatchewan has by far a larger percentage of its population in rural as opposed to urban centres, the pattern of population and age group distribution is very similar. Manitoba consumed \$70,470,000 worth of drugs (this is just for comparative purposes); in the same period Saskatchewan consumed \$61,952,000. Prescription drugs amounted to \$11,689,000 in Manitoba; \$13,129,000 in Saskatchewan. The Manitoba program, pharmacare, has by far the simplest administration. The pharmacare program . . . (inaudible) . . .

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MR. MOSTOWAY: — And you pay the first \$50 in Manitoba.

MR. BYERS: — \$75 now.

MR. BERNTSON: — The pharmacare program operates under the authority of the provincial Minister of Health. There is a permanent staff of five people with twelve part-time staff from January to March for a total of seventeen people. This study put together by the College of Medicine, University of Saskatchewan, say by comparison the administration of the Saskatchewan drug program is a formidable brute when compared to pharmacare. At the time this report was written in 1976, administering essentially the same number of people with the same age breakdown, the only difference was that more of our people lived in rural Saskatchewan than did Manitoba's. We had 82 people employed in our program and in Manitoba they had less than 20.

AN HON. MEMBER: — Eighty-two? Shame!

MR. BERNTSON: — As it relates to our happy little member from Saskatoon Centre (Mr. Mostoway) and his \$50 deterrent fee, I would ask him to calculate what the deterrent fee is in Saskatchewan for the chronically ill when they have to crank out their little dispensing fee every time they go in there? Add it up sometime. You'll find that the pharmacare program in Manitoba overall costs about 50 per cent of what ours does. I'm sure if the Minister of Health (Mr. Tchorzewski) can't answer these questions, the minister for Saskatoon Centre (Mr. Mostoway) will.

MR. CHAIRMAN: — Order. I think both sides of the House know the rules and the regulations governing the procedures here and it is my duty to try and keep things rolling and keep things going ahead. I'm not here to hinder anyone. I'm here to give you ample opportunity to speak when you arise from your seats. You'll be acknowledged. You'll have that opportunity. So I ask you to kindly refrain and control yourselves, both sides, and we will carry on, please.

MR. MOSTOWAY: — Mr. Chairman, can I apologize. I said \$50. It's \$75 . . . (inaudible interjection) . . .

MR. BERNTSON: — Good call, Mr. Chairman . . . (inaudible interjection) . . . No, it's not. He's got me mad, so I'm delaying.

What we've seen here, Mr. Chairman, in our womb to tomb universality, some place along the line universality has gone out of universal medicare in Saskatchewan. We have a deterrent fee at the municipal level picking up the deficits for our hospitals. We have a deterrent fee in our drug plan and more recently we have a deterrent fee at the doctor's office. You people call it mode three billing.

AN HON. MEMBER: — It's only 2 per cent.

MR. BERNTSON: — Any way you look at it, it's a dollar out of the patient's pocket. It denies access to those who don't have the dollar in their pocket. We question the motives of this particular deterrent fee. We have seen members from the government side spreading propaganda abusive to

doctors while these delicate negotiations were going on (particularly the member for Saskatoon Centre when he got on his happy little talk show in Saskatoon).

AN HON. MEMBER: — You've flipped.

MR. MOSTOWAY: — That's a fact, Paul, he's right.

AN HON. MEMBER: — Give it to him! Give it to him!

MR. BERNTSON: — We've seen several of the MLAs with their letters to the editor. We've seen the government caucus research man with his letters to the editors, all while these delicate negotiations were going on.

Probably what was the worst, the single most condemning factor (in my view), was when the chairman of MCIC (Medical Care Insurance Commission) berated the doctors . . . (inaudible interjection) . . . as a greedy lot, all during the time of these rather delicate negotiations. I have the feeling that it was all well-orchestrated and well-planned because if you look at the record of this government, they don't have a lot to hang their hat on. They've got land bank tenants from Crowbar hotel. They don't have a lot to hang their hat on, so every time an election comes up they take the only thing they've ever been given credit for and whale it to death, whip up the emotions of the people. What have we got? We've got another health scare in Saskatchewan with this NDP government hoping to capitalize on a few votes, federally. I can tell you it won't happen. Saskatchewan is going solidly Tory.

Essentially what I have said tonight is that we give you credit for implementing one, two, three, four programs that we suggested you should implement. We wish you would listen to us a little more. But I am condemning you for not listening to the professional staff at Pasqua Hospital, for not listening to the citizens of Regina who are affected by that decision. I am condemning you for your deterrent fee at the municipal level; your deterrent fee on the drug plan and your deterrent fee at the doctor's office through your inability or unwillingness to negotiate properly a fee schedule with the doctors of Saskatchewan.

I will drop it there for now, Mr. Chairman, and allow the minister to respond.

MR. TCHORZEWSKI: — Mr. Chairman, I indeed would like to respond very briefly to the comments of the member for Souris-Cannington. I won't take a great deal of time because I think that I can adequately deal with his comments without taking a lot of time.

I began to listen to the things he was saying initially and appreciated his compliments. He went on to such an extent I was almost believing the next thing he would say was the he would move over to this side of the House after the estimates were over.

AN HON. MEMBER: — We have a few principles over on this side.

MR. TCHORZEWSKI: — I think though, putting that aside, Mr. Chairman, I do want to say that those comments he did make really pay a compliment to the

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legislative process we have in this province, in that even though we may disagree and we may disagree very firmly in a lot of cases, we indeed can agree in some situations.

He made some extensive comments, Mr. Chairman, on the Saskatchewan Cancer Foundation and the report of Dr. Watson and I am pleased to the House, as the House already knows, because of the second reading speech I gave on the Cancer Foundation Act, that essentially the recommendations Dr. Watson made have been, or are in the process of being implemented. We considered them carefully and we agree as a government and the cancer commission agrees that those recommendations had a great deal of work.

One of the areas that the member, the health critic raised, was the question of pediatrics in Regina. I just want to make a brief comment on that. First of all let me point out, Mr. Chairman, that the decision to bring about the hospital regeneration program in this city was not made lightly or not made without a great deal of thought, nor was it made without a great deal of study by a lot of people, including substantial members of the medical profession. That was done, and in spite of what the member might say, it was considered important to have that input. Not only the profession locally, Mr. Chairman, but also some very prominent people who were spoken to from outside of this province. I want to also say that what we see happening in this city is an example of a unique kind of pioneering in co-ordination of the delivery of hospital services, not unique, in that it is the only one effort of its kind, but unique in that it is one of the few efforts in this country where that is taking place. And I think that's important. I think it's important that there be some rationalization and some co-ordination of services in a city like the city of Regina because you can by doing that (and that is by specialization in some hospitals for certain services) provide the degree of specialization that you otherwise would not be able to provide. I think that's important.

The primary advantage of centralized pediatrics is that it improves (and I want to underline this portion of it!) It improves the quality of care for the child and after all, the paramount interest of any health program, is the kind of service and program it provides to the patient who needs the treatment. It does that because of the kind of specialization that will now be available and because of the possibilities for recruitment of specialists that will now be available with that co-ordination and centralization that would otherwise likely not be available. The member may think that is not true, but that's a debatable point, I suppose. He will have his point of view and I will have my point of view.

Another issue I want to comment on is the question of rural hospitals. Now I don't think, Mr. Chairman, there's anyone in Saskatchewan who will accept other than the point of view that there has been no government in the province of Saskatchewan that has had a greater commitment to rural hospitals than this government. Now, there was a day — we remember, not too long ago, nine or ten years ago — when we did have a government that had a policy and a very deliberate one of closing down rural hospitals. I'm not going to dwell on that because that was several years ago and it was a different government. It wasn't even any of those people over there. But that was the fact in this province! We turned that around in 1971, we said rural

hospitals were important to rural people and therefore we instituted a policy which not only has maintained our rural hospitals, but in which we have spent millions of dollars building new rural hospitals and renovating existing ones. You can go to Kamsack or you can go to Borden or you can go to a great town like Nokomis and you will find examples of the new hospitals which have been built since 1971.

I want to say, Mr. Chairman, in reply to the member who said something about deficits in rural hospitals, well, deficits in rural hospitals are not new. Deficits in a lot of hospitals are not new from time to time. But it has to be understood that the budget for a hospital and the payment that comes from the Saskatchewan Hospital Services Plan is determined on the basis of a standard formula which is developed in consultation with each individual hospital one at a time and whether it's Kindersley or Humboldt or Watrous, that's the way it's done. But we do not say to hospitals after that process has been accomplished, and a budget has been established that you cannot spend any more money.

If we were to say that, we would essentially be saying to hospital boards, you've got no right to make decisions other than the formula which we have established for you and the funding we have given. We leave them the right to be able to levy money locally, if they choose on their own to spend beyond the standard allocation of money that has been provided to them in the consultation.

I want to also inform the House that the net deficits in this province, of hospitals, as a percentage of payment, has decreased very substantially in the last several years. The net deficit has decreased by about 99 per cent in three years and I think that's a pretty fair indication of the kind of responsible attitude that we have had towards rural hospitals which are doing a tremendous service for the people of Saskatchewan.

Let me also make one brief comment on the matter of the drug plan because that is an issue that the member dealt with at some length. I don't want to spend a great deal of time on it because in the budget debate, we both made our positions quite clear, I think. That's there and it's on the record so there is no need for me to repeat a lot of it, but I can't let one or two comments go without correction.

One of the things I cannot agree with is that the burden to the taxpayer in Manitoba is so much less because somehow the pharmacare plan in the province of Manitoba is so much more efficient. It's true that there is a smaller amount of money spent by the provincial government in Manitoba. I don't deny that.

I will disagree with the figures the member used in the spread that's there because, in fact, in 1977-78, the government in Manitoba spent \$17 million on drugs provided to people of Manitoba — not the \$9 million but \$17 million. The budget provided in Saskatchewan . . . I'm sorry, it was \$13 million, not \$17 million. \$13 million, still \$4 million more than \$9 million, in the province of Saskatchewan. I will admit quite readily that the amount of money that the province expended in 1977-78 was \$17 million.

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But there are some very good reasons for that. For example, in the province of Saskatchewan, under our plan, 347,000 families benefited. In the province of Manitoba, (because there is so much similarity between the two, we can make these comparisons), only 78,000 families had some benefit from the pharmacare plan. Now that means that there were substantial numbers of families probably in great need, which under the Manitoba program did not benefit at all. Now sometimes there is a debate about the costs to Manitoba individuals. Well let me indicate something else. Just checking on the year that this information that I have was for. In 1977-78 I want to give some comparisons of the differences in amounts that the individual had to pay in order to be able to get a benefit from our two respective drug plans, prescription drug plans. Let me give you one example of a drug called Intal which are Intal capsules to prevent asthmatic attacks.

In the province of Saskatchewan in 1977-78 the cost to the individual was \$31. In the province of Manitoba the cost to the individual was \$118. Now that's only one example; if we need I can go through a whole list of them. I think that it makes the point that I think is so important to make. It is true that the Manitoba plan maybe cost \$13 million to the Manitoba government whereas the one in Saskatchewan maybe \$17 million. There is the reason that there are so many fewer people who will benefit and also the reason that the burden of that plan to a large extent rests on the individual who has to take the drug.

Now, once again, that may be a difference of opinion and a difference of philosophy. That's their philosophy; this plan we have here is our philosophy. We happen to believe in universal accessibility to health plans and that's the way our drug plan was put together. Now, recently, our dispensing fee was increased modestly because of negotiations with the pharmaceutical association. The province still picks up a substantial amount of the cost of the drugs. I might also add, that in Manitoba this year the initial amount the individual has to spend was increased from \$50 to \$75 and then he has to pay 20 per cent of each and every drug that he buys after that. That's why there is such a differentiation in the amount the individual has to pay, which I have pointed out, Mr. Chairman.

I think there was also a comment made on the negotiations that we have been having with the Saskatchewan Medical Association. We have also had opportunity to debate that issue on a certain resolution which the health critic had introduced into this House. I am not going to repeat many of the arguments that were made there. We also have had a number of good question periods in which we dealt with the issue as well. I think that area is very well covered.

I want to disagree with one basic allegation that the member makes. That is that somehow this government has attempted to establish a situation of confrontation with the medical profession. Well, I don't agree with that nor do I agree with the suggestion that any individual member in this legislature who has a point of view should somehow be restricted from making it. Now, the members opposite may not always agree . . . (inaudible interjection) . . . The members opposite may disagree with what I or any other member in the legislature may say. Indeed, I may disagree sometimes with what an individual member may say, either on this side or that side, not very often on

this side, quite often on that side. But the fact of the matter is that he or she is a duly elected member and has a right to a point of view and should, in fact, be expected to make it. So any suggestion that somehow members who are not on the Executive Council should be restricted in what they say, I reject out of hand. I do not agree with it. There is no confrontation in this province. The negotiations have been difficult. I have said that before and I say it again. The negotiations have been prolonged and, because of that . . . (inaudible interjections).

When the member is finished, Mr. Chairman, I shall proceed. We had to agree with the Saskatchewan Medical Association to bring a mediator and we did. What has happened after that and since then I think is history and is well known. I could make a comparison to the kind of, what you could call 'confrontation' between doctors and the government, that you see happening in Alberta, where the minister is making certain threats to the medical profession, which we have not made here, or I could make reference to the kinds of things that we've seen happening in Ontario, where there has been a public squabble between the minister there and the medical profession.

I want the member to think carefully about whether he can give that same kind of example between the minister in Saskatchewan and the medical profession in Saskatchewan, in the last eight, nine, or ten months, or whatever it has been.

I wanted to make that point, Mr. Chairman. I want to say that, in this health budget, we have a substantial increase of funding for the citizens of this province, including a number of new programs, such as the ostomy program, which I know the member opposite has had a strong feeling for and has spoken to me about on several occasions, not only this year but prior to this. I'm pleased that we're able to introduce a lot of these new innovations and I'm pleased to be part of a government that is sufficiently committed to health care and not only will we do it this year but we will do it in future years as well.

MR. BERNTSON: — Mr. Chairman, I think the minister has got it right. We have whaled the drug program to death and I think he's as inflexible as I am.

One question which arises out of your funding of the hospitals in Saskatchewan (a deficit is a deficit any way you look at it) is that you said that the formula for this funding is negotiated. Can you tell me who it is who sits around and negotiates this formula?

MR. TCHORZEWSKI: — I want to comment on that, but before that I just want to inform the House that a complete, precise outline of the procedure that is used, and a sample formula in fact, is outlined in the annual report on page 12. So it is there. The standard which is established by the Saskatchewan Hospital Services Plan is established on the basis of a lot of factors, including such things as the size and mix of the population, the age mix, the sex mix, the sort of environmental circumstances that may be found in the region and so on. I think all of those factors can give a fairly accurate indication of the standard of care that may be needed in a particular area. That is determined. Then the allocation of the funding in each budgetary year is worked out between the Saskatchewan Hospital Services Plan and individual hospitals after they make out their

budget and submit them. There is, in most cases, a considerable amount of dialogue which goes with that.

I am not suggesting that from time to time there are not some disagreements. But I will say that that is very rare in this province. Well, the member laughs. He should some day accompany me to some of the function which I attend where there are representatives who come to Saskatchewan from hospital associations across this country. They find it very difficult to believe that kind of co-operation that exists here between our hospital services plan and the people who work there and the Department of Health and our individual hospitals throughout the province, when they compare to the kind of circumstances which they have to work under in their respective provinces.

I want to add one other thing, because I think it is particularly important. Not only is the budget determined on the standard formula which is established on the basis of the factors which I have outlined, and in consultation with the individual hospitals, but at the end of the year there is a review that is made of the budgets. In many cases adjustments are made because of new circumstances and new things which have developed in that hospital area justifying an increase in the funding above and beyond what was initially provided in the initial budget.

MR. BERTSON: — What you are saying, Mr. Minister, is that it is not a negotiated formula. It's a standard formula with adjustments perhaps at the end of the year if they are in terrible shape and there have been some circumstances which have changed during the year. I suggest to you that a standard formula is not negotiated with each hospital.

Moving away from that for a minute, we were talking about MCIC and whether in fact MCIC was in a confrontation situation with SMA (Saskatchewan Medical Association). I think you said that there were long and hard negotiations and I think that's true. I think they were never concluded because you imposed a fee schedule, it wasn't a negotiated fee schedule.

It was Saturday, March 10, Dr. Penman was quoted in the Leader Post, saying that some doctors have lost sight of their real goals and have eyes only for money.

The Premier of this province, in response to a question on that very thing, indicated that — his quote: 'I agree the statement was an unwise statement and that it was an improper statement.' Can you indicate to this Assembly whether or not that statement was made as a part of government policy or by your direction?

MR. TCHORZEWSKI: — Well, Mr. Chairman, in answer to the member's question, I think the Premier and I later made it quite clear that the statement was made by an individual. I stand by what the Premier said in this particular circumstance and that is where the matter is. That isolated circumstance the member refers to appears to be in the minds of some of the members opposite the great thing that somehow, in their view, interfered with the sort of a consultation process that was going on between the Saskatchewan Medical Association and the Medical Care Insurance Commission.

AN HON. MEMBER: — It didn't help.

MR. TCHORZEWSKI: — Maybe it didn't help. I am not going to agree or disagree with that. But don't hang all of your arguments on that one quote that came along in the newspaper and came across a radio station. I am sure that you will understand that and

certainly I understand, and from time to time we have the members of the media phone us, as they must and should, to ask us certain questions. Then we say things that maybe could have been said in different words. That does happen, but that should not in any way indicate or be taken as clear evidence that this government is in a state of confrontation with the medical profession.

There are all kinds of examples, which I could provide to the member opposite which would show otherwise and I give you one. Last spring there was a disagreement on the way the professional review committee of the medical association was operating vis-a-vis the function of the Medical Care Insurance Commission. There was some play in the media about this, and the Saskatchewan Medical Association was unhappy. I was interested obviously because there was something there that needed some attention. We co-operatively established a task force. One of the people who was on it is here — Mr. Adams. There were representatives from the medical association, representatives from the College of Physicians and Surgeons and the Medical Care Insurance Commission. Over several months, it was chaired by Dr. Paul Good, who is a member of the Medical Care Insurance Commission. They considered the situation and indeed, we came up with a unanimous recommendation, approved unanimously, to establish a joint professional review committee.

Now, I have to say that the Saskatchewan Medical Association (you can sort of read into that) gave something up to establish that in that before it had not been a joint committee. And I commend them for it because I think we now have a system that will adequately work and in which everyone is represented when it comes to the review of claims some physicians made and over which there may be some concern because of errors or whatever the case may be.

That is one example. I could use others, Mr. Chairman, but I don't think that I need to give you more.

MR. BERNTSON: — Mr. Chairman, the minister, I think has told us that he agrees that the statement of Dr. Penman was improper. He has told us that he wasn't making this statement under the minister's direction. Since you agree that the statement was improper, did you ask Dr. Penman at any time to make a retraction?

MR. TCHORZEWSKI: — Mr. Chairman, I'm not going to discuss in this Chamber the discussions I have with individual members of my staff. Obviously, Dr. Penman and I had a discussion over the matter because I certainly would not, in any way, want to be making any comments on it unless I got the first hand indication of the individual who was being quoted as to what the situation was. We obviously had a discussion but I did not think that an apology was necessary and I did not ask for one.

MR. BERNTSON: — Well, would you not agree, Mr. Minister, that during this time there were some very delicate negotiations going on between MCIC (Medical Care Insurance Commission) and SMA (Saskatchewan Medical Association). Dr. Penman, being the permanent head of MCIC or one of the negotiating parties stirring the pot is something less than a desirable atmosphere for these negotiations to have taken place. Would you not agree that it would have been right and proper, no matter how these utterances slipped out . . . I'm sure any of us at one time or another have said something that would have been best left unsaid but some of us do have the courtesy at least to admit that this was wrong and to make the apology and to get on with the business. Now would you not agree that an apology or a retraction would be in order and if that wasn't forthcoming, then he should have been fired?

MR. TCHORZEWSKI: — In brief, Mr. Chairman, no. But I want to point out that I did hear throughout the several weeks that we have been in this legislature, a number of rather interesting remarks from some of the members opposite including the member who was just asking the question which I think could clearly be interpreted. I indicated, in my remarks on Resolution No. 1, or is it 7 that we were debating here several days ago, that from the comments some of the members opposite were making in that resolution that they were contributing very, very significantly to a potential breakdown of the consultations that were going on. I said that then and I say that now. When we have delicate negotiations, maybe the member (the health critic) and other might have waited for them to run their course before some of the things they were saying (and I'm not being critical because they can say them if they like) could have been interpreted as being rather inflammatory. Now, that's once again a matter of history but if that's the kind of debate the member wants to get into, I think that that's a point that maybe needs to be made.

MR. BERTSON: — Well, Mr. Chairman, I'd just like to point out that the minister is making a big thing about the timing of that particular debate. I would like to point out that we would have liked to have had the debate out of the road several weeks before it finally came to the floor. The reason that we didn't get it out of the road several weeks before is because we were waiting for your MCIC annual report. The day that we had it tabled out of courtesy to the minister who had to be out of town, I did not move that particular motion but at the very next opportunity we had to move it we did, at which time it was debated.

Can you indicate to us at this time what percentage of the payouts of MCIC are going toward Mode 3?

MR. TCHORZEWSKI: — Currently, Mr. Chairman, 6 per cent of the claims that come in are being billed by Mode 3. It has been at 6 per cent now for several weeks.

MR. ANDREW: — Mr. Chairman, can the minister advise the Assembly as to how many medical doctors are presently practising in Saskatchewan at this point in time?

MR. TCHORZEWSKI: — I'm informed that during the past quarter, which will be fairly up to date, there are about 1,020 physicians who are billing the Saskatchewan Medical Care Insurance Commission.

MR. ANDREW: — So there are 1,020 practising physicians — Could you break down for me how many of those would be classified as general practitioners and how many would be classified as specialists?

MR. TCHORZEWSKI: — Yes, if you look on page 43 you'll see table 18 and it indicates practitioners by range of patient contacts in the Annual Report of the Saskatchewan Medical Care Insurance Commission.

MR. ANDREW: — The reason I asked, Mr. Minister, is that in the town of Kindersley there is one medical clinic and, quite frankly, there are five very excellent doctors in the particular clinic. As I understand it, they are all using the select billing system under Mode 3. Now, I believe the minister has indicated to this House, and certainly the Premier has indicated to this House, that as a solution to that problem, those people in Kindersley who resent having to pay what we'll call a deterrent fee can go to some other doctor. Would you be in a position to advise the people of Kindersley what other

doctors they could go to?

MR. TCHORZEWSKI: — I guess the short answer is no. It's not my responsibility, nor do I think it ought to be, to begin advising individual citizens about what each individual doctor is doing. If the doctors in Kindersley, as the member opposite indicates, are all billing selectively under Mode 3, and I think the important thing to notice is 'selectively under Mode 3,' because that's what he says. I would assume from that that they are billing a certain number of procedures. I don't necessarily agree that's the kind of thing which should be happening. I want to say that it's an opportunity and a right which has existed for individual practising physicians since 1962. That is certainly a case which is not prevalent among the majority of the doctors in this province. There is a vast majority who are not billing mode 3 and I commend them for it. But no, I am not in a position where I can indicate by individual doctors who is or who is not mode 3 billing.

MR. ANDREW: — I might suggest, Mr. Minister, although that vehicle was available since 1962, it has only been recently and perhaps in the last three or four months that that type of billing system has, in fact, been used. I say selectively and perhaps they are selecting which patients they are going to bill.

Does your department have available to it which doctors are in fact billing mode 3 and which doctors are not billing mode 3 of the 1,020 doctors involved? Do you have that statistical information?

MR. TCHORZEWSKI: — Mr. Chairman, yes, we could have access to that kind of information. We don't have it readily available because of the doctors submitting their claims for procedures to the Medical Care Insurance Commission. It's put on a computer and it's a matter of programming it. I am sure that the information could be had. It is not the kind of information that I would at this time be prepared to publish because it is not something that's been done before.

The member says that it's only in the last several months that the mode 3 system has been utilized. I want to point out that there was a time when mode 3 was utilized to a much greater extent than it is even now, so it's not a new phenomena, that is taking place. In 1967 — '68 — '69 the amount of mode 3 billings was just slightly over 10 per cent. Now those were different kinds of circumstances. I think in that case it was a protest against deterrent fees — I'm not sure whether that's completely accurate but it was connected to the imposition of deterrent fees. So it's not something that's new. It is something that I hope is going to reduce over the next several months.

One of the reasons obviously some physicians have decided to go into mode 3 billings and extra billings is because there has not been a 1979 fee schedule. There is now a 1979 fee schedule that is going to become effective on May 1. There will be retroactive payments to physicians from January to May. There will be retroactive payments to individual patients who had to pay extra because the fee schedule was less than what their doctors have charged. I think there is a lot of relief in the minds of the public, as well as in the minds of a goodly number of physicians, that there is now in the process being established a 1979 new fee schedule so that they can operate under it.

MR. ANDREW: — I believe Mr. Minister, you indicated because of the computerization of the MCIC that it would not be, I take it, that difficult of a statistic to obtain as to the number of doctors of the total of 1,020 who are billing under mode 3.

MR. TCHORZEWSKI: — I'm sorry, I thought you were talking about the names. I was

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saying if it was the names I wouldn't be prepared to divulge names. If it is a question of number I can certainly give you that right now. The claims are 6 per cent; the number of physicians is about 300 out of 1,020. That is selective billings, so as I have said to the press and others, you have to use that figure with some discretion because there will be some physicians in that 300 who may have put in to mode 3 claims and that is all because of the selectivity of mode 3.

MR. ANDREW: — What you are saying then I take it is that 30 per cent of the doctors, 300 out of 1,000, are using the mode 3 system of billing at some point in time and, perhaps selectively?

MR. TCHORZEWSKI: — Selectively, that is the largest number that has been recorded.

MR. ANDREW: — One other question, I am just curious to know. A number of years ago I was sitting on a local hospital board and it happened to be a hospital board that was not unionized. The formula that you spoke of earlier provided a discrimination against that given hospital in a sense that it paid a lesser rate per individual employee, relative to the hospital that was unionized. Is that system, or that formula, still in place now or has it been eliminated.?

MR. TCHORZEWSKI: — The answer is yes.

MR. ANDREW: — That system is, in fact, still being used.

Can the minister explain to me the reason behind that formula? I will give you this given situation, in the Eston Union Hospital, where I was involved as a member of the board. The employees clearly did not at that point in time wish to belong to a trade union. Perhaps that has changed now. The board, at that point in time, felt they were being discriminated against, that really their local authority was being eroded to a certain degree because of that system. Would you agree with that, Mr. Minister?

MR. TCHORZEWSKI: — Mr. Chairman, this is a policy that has existed for many, many years before I was closely connected with the hospital field.

There are certain benefits that are available or are negotiated between unionized groups of working people and management on a philosophical basis or however you want to put it. Because they were able to gain those things, through the process of collective bargaining, they don't necessarily or automatically apply in situations where there has not been the kind of negotiations in a non-union hospital situation where those things have been brought about. So as a matter of policy, there is a small variance between hospitals where there indeed are unionized employees and hospitals where there are none.

MR. ANDREW: — What is that variance at this point in time?

MR. TCHORZEWSKI: — I am informed the average is 8 per cent.

MR. ANDREW: — How much did you say? Eight?

MR. TCHORZEWSKI: — Yes.

MR. E.A. BERNTSON: — A couple of quick questions because they are going to be very quick and if the answers are equally as quick, we'll get out of here tonight.

Down in nasty old Tory Ontario, 17 per cent of the doctors are operating outside of the plan. There is no option, as you know, to direct bill down there, or mode 3 as they say. The Ontario Minister of Health has guaranteed access to all patients in Ontario to doctors operating inside the plan. Have you given any consideration to providing the patients of Saskatchewan information as it relates to doctors operating totally within your imposed schedule?

MR. TCHORZEWSKI: — Well, Mr. Chairman, first of all in answering that question, we have to make something very clear; we haven't considered that in this province and haven't had to because there is a very, very significant difference between the mode 3 availability in Saskatchewan which can be on a selective basis and the complete opt-in and opt-out situation in the province of Ontario. If Dr. Berntson was a doctor in the province of Ontario and he wanted to opt-out, he is out 100 per cent. So, that 17 per cent figure is pretty substantial under those circumstances. In the province of Saskatchewan with the mode 3, selective billing option, Dr. Taylor might bill one patient, or one particular service that he provided in that particular year and nothing else. So, under those circumstances, we haven't felt that it was necessary for us to consider that kind of an option.

MR. BERNTSON: — That particular service to the particular patient who required it, is paid out of HIP national. I suggest to you that perhaps, (I don't say that it is right or wrong), but perhaps the information would be of some assistance to those who are otherwise denied access to universal health care.

My next question, and maybe my final for the evening, how much is Dr. Penman paid by MCIC (Medical Care Insurance Commission)?

MR. TCHORZEWSKI: — Mr. Chairman, the salary of Dr. Penman at the present time is \$52,439 a year.

MR. BIRKBECK: — Mr. Minister, a while ago you were discussing the philosophy of the NDP as it pertains to the medicare plan. You were suggesting that the Progressive Conservative Party did not agree with that particular philosophy. Mr. Chairman, Mr. Minister, you know that that is not the case; we do in fact agree with the philosophy of medicare.

AN HON. MEMBER: — Prove it.

MR. BIRKBECK: — But there is something I have for you to prove. Mr. Chairman, there are comments that come from the government side of the House that would indicate that they do not agree with the Minister of Health's statement that this philosophy is their philosophy. Mr. Chairman, my comments are not without substantiation as they very seldom are.

I quote from January 3, 1978 the hon. member for Yorkton (Mr. Nelson) who says, 'Let's cut out hospitalization.' That's in the Hansard of January 3, 1978. Now I replied, Mr. Chairman, and after hearing such deplorable comments from a government member for Yorkton, saying let's cut hospitalization, I said now the member for Yorkton suggests cutting out hospitalization. Let's make that clear; let's make sure that's on the record. The member for Yorkton wants to cut out hospitalization. That is my reply after hearing his reply.

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Mr. Chairman, Mr. Minister, I just have a question for you. Firstly have you given that member ten lashes? Or, secondly, are you prepared to apologize on his behalf because he has contradicted government philosophy and for that matter, a philosophy which we on this side of the House also believe in — universal health care.

MR. CHAIRMAN: — Order, please. The minister should answer questions for which he is responsible and I ask the member to continue his remarks to that, with questions to that.

MR. BIRKBECK: — I just asked a very simple question of the Minister of Health. We're discussing health. There is a lot of money in this government invested in health, half a billion dollars. The philosophy they believe in. My question is, are there other members on the government side of the House who believe as well what the member for Yorkton stated, as I said on January 3, 1978? That's a legitimate question, Mr. Chairman. That's the only question I have for the Minister of Health.

MR. TCHORZEWSKI: — If that is a legitimate question I will leave you to rule on that as Chairman. I have a lot of respect for your judgment. All I can say is that any quote that is taken out of context as badly as the member for Moosomin (Mr. Birkbeck) has just done, Mr. Chairman, I don't think it deserves comment.

MR. J. GARNER (Wilkie): — Mr. Minister, I would like clarification. I think you stated in the House a couple of weeks ago that you will not be accepting the proposals by the Law Reform Commission of Saskatchewan on the tentative proposals for consent of minors to the health care act.

MR. TCHORZEWSKI: — Mr. Chairman, I said that the government does not have any plan to introduce amendments that would do as is spoken about in the report of the Law Reform Commission. That's what I said. I also pointed out something which the member, I think, should know, that the report of the Law Reform Commission was a narrative of situations which exist in other parts of the country and in fact in other parts of the world. The report of the Law Reform Commission also indicated that that was for the purposes of a discussion paper. The Law Reform Commission is in the process of receiving submissions from interested individuals and I hope that the member for Arm River (Mr. Muirhead) has been able to take a copy of the petition, which he presented in the House and spoke about to the Law Reform Commission, so that he could indicate on behalf of his constituents what those (I think 400 people) felt about the issue. Because that's where, at the present time . . . Was it the member for Wilkie (Mr. Garner)? I'm sorry. It was the member for Wilkie. May I recommend very highly that you take that petition and present it to the Law Reform Commission so that they can be influenced by your views, because that's what they are very much desirous of having. I can assure you that I have had a lot of constituents of mine, including church organizations and other organizations, express a point of view to me and I have referred them and their letters to the Law Reform Commission. That is the process which is taking place. I have not in mind the purpose or the intent at the present time of introducing any legislation that would change the present situation.

MR. GARNER: — Mr. Minister, then am I to understand that if the Law Reform Commission still decided, on their own, that this proposal should be brought forward, you will look at it, or you will not look at it? Would you please clarify that for me?

MR. TCHORZEWSKI: — Well obviously, Mr. Chairman, whether it is a report of the Law

Reform Commission or whether it is a problem that is brought to me by the member for Rosetown-Elrose (Mr. Swan), I will look at it, indeed. That is not saying, because we are looking at it and considering it, because there is some recommendation that is made there and some arguments made for and against the recommendation, that we are going to accept it. But, indeed, the direct answer to the question is when a report is finally put together and is presented to the public, the government will look at it.

MR. GARNER: — Well, Mr. Chairman, I guess we have a big wall between us. The people of Saskatchewan do not want this. Why can you not stand up in the House and tell the Legislative Assembly that you are aware of this? You will not accept it. This trying to tell me, Mr. Minister, that to send the petition to them, they're going to look it over, then three months down the road they're going to send it to you and all of a sudden — boom, we're going to have a bill. I want you, Mr. Minister, to tell me and tell this Assembly that you will not be bringing in a bill on this proposal as it is right now. That's all I'm saying.

MR. TCHORZEWSKI: — Mr. Chairman, there is no proposal right now. There is a discussion paper and I wish the member would take a look at that and recognize it for what it is. I have said we have no intention of introducing changes to the legislation. I personally am not convinced that all of the things physicians need to do, they cannot do now without even having those changes. But I am prepared, before I make sort of a conclusive decision on that view of mind, to give others a change to make their point of view. Otherwise, why do we have a democratic system that we operate under in this province or this country? Now, I have said we don't have any intention of introducing that. I am not going to say, Mr. Speaker, that when the law reform commission provides its report I am going to throw it away in the wastepaper basket and not even look at it. I think I have an obligation to do that.

MR. P. ROUSSEAU (Regina South): — Mr. Chairman, since the Attorney General (Mr. Romanow) objects very strongly to the kind of questions that I am asking in this Assembly, I'll do it while he's out of the House. If you will write this down so that I don't have to repeat it. You can provide the answers tomorrow, if you can button up the guy in the back of the health. Will you provide us with the salaries as I've asked for before? I would also like you to indicate in your health estimates the total number of employees in your department. What I'd like to know is the number of office employees and the amount of office space you rent, own or lease and occupy. Do you have all that now? If he's got that I've got other questions.

Mr. Minister, I'd like to know what factors are included in the calculation of the statistics, I mean now of the average doctor's wages in the province?

MR. TCHORZEWSKI: — First of all, doctors aren't on wages, they are on a fee for service. I guess you understand that in asking the question. The factors that are considered, it's very simple. We total up the numbers of positions and the amount of pay outs under the Medical Care Insurance Commission and work on an average. We can break that down as it is in the report of the Medical Care Insurance Commission on the basis of specialists and on the basis of particular specialists, and so on. If you will look on, I think, page 48, you will see that it's all there, quite readily available.

As to the other two questions which you asked before the latter one, which I have recommended to now, yes, we will provide you with that information — no problem.

MR. ROUSSEAU: — I take it, then, the newspaper article which I was reading the other day where the average income for the doctors in the province was \$72,000, doesn't

take into consideration their expenses — the nurses they pay, the rent and the supplies and everything else? What's their net income.

MR. TCHORZEWSKI: — Nobody has ever argued otherwise. If you look, again, on page 48, you will find in a footnote there, three represents gross payments by the commission from which the practitioner must pay overhead costs which may be higher in specialties such as radiology and pathology and lower in others. So, that's also in the Medical Care Insurance Commission report. That's very deliberately put there, that little footnote, to make it clear that it is the gross payments that come to individual physicians from the Medical Care Insurance Commission which make up a part — the largest portion, but only a portion, of the gross income. It is calculated by the Saskatchewan Medical Care Insurance Commission that above and beyond that most doctors make about ten per cent more from . . .

MR. BERNTSON: — That's nonsense! That's nonsense.

MR. TCHORZEWSKI: — . . . services . . . Ask the SMA (Saskatchewan Medical Association) . . . which they provide that are not covered by the Saskatchewan Medical Care Insurance Commission fee schedule.

MR. ROUSSEAU: — Just to refer back to a comment you made a minute ago that they're not on wages. The way you treat them, I would suggest to you that maybe they are on wages.

I was also referring to the inference that was made in a newspaper article. I believe they were quoting you, Mr. Minister, saying that the average income (income is the word that was used in the newspaper article) of the doctors in the province of Saskatchewan as \$72,000. In fact, it's below \$40,000 and well below that paid to your deputy ministers, I might add! So, I don't know where the justification comes in at that point.

How many specialists are there in the province of Saskatchewan?

MR. TCHORZEWSKI: — Once again, Mr. Chairman, page 48, table 22, there is a breakdown of all specialists, pediatricians, internists, neurologists. I could read them off, but it's an extensive list, and if you would refer to that it will give you that information.

MR. ROUSSEAU: — I'm sure every citizen in the province does too.

AN HON. MEMBER: — We don't need any comments from the white knight!

MR. TCHORZEWSKI: — I'm sorry. I was looking at the wrong page. It's not the table I gave you. It's table 19.

MR. ROUSSEAU: — Mr. Minister, you and I have had a couple of discussions relating to level IV hospital care. Referring to the situation that exists today in our nursing home care where a patient reaches a certain level, or reaches that level IV care requirement, the need. The suggestion that I made to you was an alternative instead of moving that patient to a hospital, taking the patient away from the home care atmosphere into a hospital care atmosphere. Have you taken any steps with respect to this and do you plan on doing something in the future? Have you discussed it with the Minister of the Department of Social Services? Can you give me some clarification on that at this point?

MR. TCHORZEWSKI: — Mr. Chairman, I am pleased to inform the House that, indeed, we are giving a great deal of consideration and will be having public discussion this year on the question of beds for, not only level IV but level III, level II in the nursing home beds and level IV. That is something we have made a commitment to. It is something I spoke about last year when we introduced a program which, very substantially, changed our policy towards level IV beds. The program did two things:

1. It provided the opportunity for hospitals to add beyond their average daily census and beds allocated for acute care an additional two beds. We provided the funding for level IV patients throughout Saskatchewan and a number of hospitals have, at their choice, opted for that. We also have provided, through the Department of Social Services, to nursing homes as of 1978, additional funding. This us up to 10 per cent of their beds, to pay for the cost of level IV patients or heavy care patients (many people define them in different ways, we refer to them as heavy care patients), who may be in those beds, sometimes because they are waiting to get other beds, sometimes because they stay there. That additional funding we are providing is over \$3,000 a year per bed, which is fairly substantial.

We have made some changes. We are considering (in answer to the question) the options that are available to us in changes that we may want to make in the very near future as well.

MR. ROUSSEAU: — Mr. Chairman, that is typical of the kind of answer we have been getting. I think it is a favourite subject or topic or saying of the Attorney General — you must gain political points. That was the statement you made yesterday, but that is about exactly what you are doing right now. There is a fairly good audience here tonight so you are trying to gain some political points in making a statement like \$3,000 per year pre bed. You know, 10 per cent of those beds is not \$3,000 per year per bed. If you consider that there are 100 beds in a hospital, you are only going to do it on 10 beds not on 100. That is the inference you made, again, tonight.

The point that I guess I am not getting across to you is this. As you know there are nursing are homes in this province who are able to look after level IV care patients. Yes, you are providing a small pittance extra, over and above \$300 per month on 10 per cent of the beds, which isn't nearly what they require to look after level IV care. As you yourself will agree, level IV care requires registered nurses around the clock and far more care than level III nursing home care does. The \$300 is a token; it's a pittance.

What I'm asking you is, would you, without having the nursing homes apply to you, offer this to the nursing homes that would qualify to look after level IV patients, rather than having to move them out of there and creating, as one nurse in this city has suggested, a situation that borders on euthanasia, and as one of the social workers in this province replies, 'is that so bad?'

Frankly, I'm suggesting to you, Mr. Minister, that it should come from your department. You should offer to those nursing homes which have the potential and the possibilities of offering level IV care, that level of costs to provide it.

MR. TCHORZEWSKI: — Mr. Chairman, I think I should point out to the member that there is a difference between nursing homes and level IV facilities. Nursing homes are not made, constructed or equipped to be a medical, long-term care kind of facility. We have come a long way in making some provision for nursing homes in this last year. In

the change of policy which I outlined, it provides nursing homes with additional funding because of some different costs that they have due to heavier care patients than one might normally define as a level III kind of patient.

I, for one, happen to believe, and there are many others who share my point of view, that we need to review the funding. We made a commitment as a government and as a party in the last provincial election regarding the funding that we provide for nursing home care. We are in the process now of considering what it is we might be able to do, precisely so that we can meet some of those needs.

When we've had the opportunity to do those studies and when we've had some public input and input from nursing home people, hospital people and so on, we will then make the decision. But we're not going to make a decision on change of policy in a vacuum. I know that there are some problems that exist. That's true and we will assist as we are trying to do the best we can. But first of all, we are going to carefully consider what our options are so that when we do make major change in the funding we provide it's going to be meaningful; it's going to be worthwhile and it's going to be of benefit across the piece rather than to one or two individual situations.

MRS. J. DUNCAN (Maple Creek): — Mr. Minister, when you came up with the increase in level IV bed program, what criteria were applied o what study was done before you allocated two beds per rural hospital?

MR. TCHORZEWSKI: — Mr. Chairman, there were representations made to us by nursing home associations and some hospital boards, I think I can remember, from my constituency and the constituency of Arm River. Those representations were considered carefully and there was work done in the department. What the objective is in the long run, is to provide a ratio of 1.2 beds (this is level IV) per 1,000 population across the province. It is considered that because of work done over a large number of years, that could be the kind of figure we ought to be hitting for.

The move we made last year was a move, fairly substantially, to achieve that particular ratio. As we have done that, I indicated then that that was a temporary step we were taking while we did a more extensive study on how we might go beyond that and indeed, find some way of rationalizing the way we provide levels of care in the province and how they are classified as well. That is the kind of thing we want to attack in the next little while so we can come up with an even better system.

MRS. DUNCAN: — Mr. Minister, how many rural hospitals are taking part in this program and how many have opted out?

MR. TCHORZEWSKI: — As of the latest report I have, March 7, 65 hospitals are participating under the rural hospital level IV program.

MRS. DUNCAN: — Was there a survey done in rural hospitals to ascertain how many patients were actually classified as non-acute level IV? I know in Maple Creek they figure they have at least 10 to 14 patients daily who are not acute patients but are actually chronically level IV patients.

MR. TCHORZEWSKI: — We knew that one of the circumstances we were operating under is that it would vary from community to community. In some communities, because there are substantially more than 64 or 65 hospitals in the province that might be interested in providing level IV beds, that the addition of two beds might not meet

every individual situation. We are aware of the kind of an instance that would sometimes arise.

MRS. DUNCAN: — I think it is a step in the right direction. I don't think much thought went into it actually. I think you find in rural centres, in any rural hospital, the beds taken up by chronically ill persons are really, really quite high and offering two beds in a place like Leader or Gull Lake or Maple Creek, really does nothing. It actually takes away acute beds because of the restrictions they have to go under. I know the board in Maple Creek passed a motion setting aside 10 beds themselves and funding it themselves. Surely the government is motivated in this direction. It seems to me a pattern is evolving where level IV patients are being taken out of homes and being sent to larger centres such as Weyburn and North Battleford. As my seat mate stated, that's just as good as signing their death warrant. Isn't there some way that we can update existing nursing homes to facilitate level IV care?

MR. TCHORZEWSKI: — first of all, let me point out what I consider to be a very fundamental and important point here. When we talk about the care for the elderly — because predominantly this is care for the elderly, although not totally — we should keep in mind, I believe, that maybe in the past, we have tended to focus too much on institutionalization and not enough on alternative kinds of care. We recognize that and I'm sure the member for Maple Creek (Mrs. Duncan) will agree with that. So, we instituted a home-care program which tries to deal with the other side of the problem and that is, inadequate kind of programming that would permit people to stay longer in their home and in their own communities where I think they're better off, quite frankly, and a lot happier and would prefer to be. So, we are in a process of doing that. Now, it's kind of (and I'm not trying to be critical because I believe the member is sincere when she talks about expanding nursing homes to include facilities for level IV patients) I'm not sure that is, at this point in time, the right direction to go, because one of the things that level IV acute care long-term patients need is a certain kind of specialized care. They need physiotherapy care. They need occupational therapy and other kinds of related specialized care that you will not be able to provide in each and every nursing home or indeed, in each and every hospital throughout the province, that's not feasible. I don't think it's going to be. So, there has to be to some degree, the facility you have at Swift Current or Weyburn or Regina where you can bring some of these long-term care individuals so they can get some of that physiotherapy.

I've seen examples, in my visits to hospitals of level IV facilities, where acute long-term care patients have come in at level IV and after therapy have walked out of the facility. I don't think we should lose sight of that. It's true. I think we should try in every way that we can to provide that. There are, and we should recognize it, situations where that isn't going to help. O.K. Those kinds of individuals can just as well probably stay in the hospital in their community. That's why we've provided that change in our policy.

MR. CHAIRMAN: — Order! I find it very difficult to follow the remarks of either the questioner or the minister replying. I'd ask the members to please shut down some of these little meetings on both sides of the House which are a hindrance to us to proceed.

MRS. DUNCAN: — Mr. Minister, I agree with you on what you say about physiotherapists, but I go a step further. I think that nursing homes with levels I, II, and III should also be provided with physiotherapists to keep those people healthy and active and use it as a preventative measure.

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I'm going to get off the subject of nursing homes right now. Could you tell me, Mr. Minister, does the government own any shares in Novopharm, Hartz Standard Surgical Supply, or ICM?

MR. TCHORZEWSKI: — No.

MR. TAYLOR: — Mr. Minister, I have a series of questions here. I'm quite willing to be brief in my remarks. If you can be brief and to the point, we'll move along quickly and finish this tonight.

Some of the things that I may be asking you, you might be able to answer on the spot. If you can't, I'm willing to accept a written reply from you in the next day.

Also, some of the things which I am going to put in the form of questions, you may not have considered before. If you haven't I would appreciate it if you would take these under study and consideration because there may be ways in which we can improve some of the medical services in Saskatchewan today.

The first thing I would like to know . . . I guess MCIC (Medical Care Insurance Commission) has been in since 1962. I'm sure you have a considerable number of statistics. I wonder, to what degree are you using the statistics? Could you, on a geographical basis, to do some analysis which may indicate certain trends or certain areas of illness? I don't know if you can do this but if you can, I want to know to what degree are you doing this? Are you compiling these statistics and looking at areas . . . are there areas . . . I've been led to believe that maybe drinking water causes heart problems and things of that nature. Are you using your MCIC (Medical Care Insurance Commission) statistics for diagnostic trends in Saskatchewan sickness and medicine?

MR. TCHORZEWSKI: — Mr. Chairman, the member is certainly very correct when he says there is a lot of data that is available. There is and it's good that there is. When qualified researchers are doing a particular study and request certain formation as long as it does not in any way divulge sort of personal information that should not be divulged, that is made available, yes, indeed.

MR. TAYLOR: — Fine, I think there can be something gained in using these statistics. I'm looking at geographical studies. There may be something we could put our finger on that might be in the preventative sphere.

The second thing I'd like to ask you, I know that hospital beds (from listening to you and reading papers and so on) are at a premium and space in Saskatchewan, and it is costly to build this. I also believe that the Indian hospital at Fort Qu'Appelle is not utilized to its full potential. I think there are two operating rooms there. Fort Qu'Appelle is just a small driving distance from Regina and I wonder have you ever given any thought of negotiating with the federal government or looking at the utilization of this rather good facility to do minor types of surgery or what one might call cold surgery? You could use your doctors from Regina and utilize this facility without having to build new ones. Has that been considered at all?

MR. TCHORZEWSKI: — Well, I guess, the answer is no and there's very good reason for that. It's an old facility probably. That's one I haven't been in nor have I seen so I can't make a judgment that way. But it's not just a simple matter of walking into a hospital by a specialist or surgeon and doing an operation. You have to have available the specialized staff and the most up-to-date kind of equipment which, I am sure probably

would not be available at that hospital in Qu'Appelle. I just add that as sort of an editorial and explanation but the simple answer to the question is as far as I know and as far as my staff know that decision or that approach has not been taken.

MR. TAYLOR: — I certainly agree there may be some equipment needed. I think there are types of operations that are performed where people are not hospitalized too long. I think it's something worth looking at when you're looking at space. There is space that's not being utilized as I'm led to believe and I think there could be something gained by looking at that.

Another question I'd have, Mr. Minister, is the school dental plan and the X-rays that are used, I would suggest rather freely. I know your intention is to extend this right through the school spectrum and I'm led to believe by medical colleagues that it probably isn't the best practice to be continually X-raying young developing people and especially in the area of the thyroid gland. I wonder if you've given consideration to the number of X-rays that maybe a student from K — 12 would be subject to? Although the objectives of the dental plan, I think, are worthwhile ones, is there a danger over a prolonged period to the health of our students by this use of X-ray?

MR. TCHORZEWSKI: — Mr. Chairman, first of all, the dental plan is under the supervision of dentists who supervise the work that's done by dental nurses and dental assistants, who make and are qualified to make the judgments that are necessary. It is correct to say that when the plan was first implemented and in its early stages with new plan and new children coming in for the first time that the X-rays were used fairly freely. I want to say to the member that since then it has changed. At the present time that is done on a very selective kind of basis as the diagnosis indicates that there may be a need to do it. No, it's not a question of just doing it, taking an X-ray because there is a child in a chair who is being examined. That's not the present practice.

MR. TAYLOR: — I am glad to hear, Mr. Minister, that there is some concern in this regard. It's a concern I have. I, also, would suggest to you that I think it would be wise to evaluate the dental plan as I know there is considerable dissatisfaction with some aspects of it and there are parents who are opting out of it. Although it is a good plan in theory, I think by maybe just evaluating its operation a bit, it could be improved. I am glad to hear that you are looking at this matter of the X-rays because I think it's important.

The next question I have I don't think you could give me the answer to tonight, but I'll accept it at a later date. I would like to know the monthly admittances to the major hospitals in Saskatchewan. Let's take the Regina and Saskatoon ones, that would be sufficient. I would like to look at these over the past year by month. You can supply that?

MR. TCHORZEWSKI: — Yes, I will supply it.

MR. TAYLOR: — Fine, then. The next question I have is how many physiotherapists are there in Saskatchewan today?

MR. TCHORZEWSKI: — We can get that. We have a manpower report with statistics available which we will be making available to you. Can I get one of the pages to take over for the member the Saskatchewan Dental Plan X-ray policy which I think, pretty clearly, explains what the policy is. Probably you would find it of interest.

MR. TAYLOR: — Now, I have a few questions about the drug plan, Mr. Minister. I would

like a relative comparison here and maybe, again you might have to supply the information later. Can you tell me how many pharmacists there are in Saskatchewan? We will get it later? When you're doing that can you tell me how many civil servants there are in the administration of the drug plan. How many there were when the drug plan first came in, that is, how many there are now and how many there were then?

MR. TCHORZEWSKI: — Mr. Chairman, we can get this very easily. If the member wishes he can ask those questions when we come to the subvote under the drug plan and it will all be made pretty well available. We could certainly provide it by tomorrow or the day after as well.

MR. TAYLOR: — Mr. Chairman, as I said earlier, I'd accept these answers tomorrow.

The next thing then, and I turn to one of your reports here. That is your report on the Saskatchewan Hospital Services Plan. I'd like to turn to page 62. Not being a medical person and not maybe understanding all these terminologies, I'll put my question very plainly. How many of these obstetrical procedures are abortions? How many were performed in Saskatchewan in the last year and what was the cost to the taxpayers?

MR. TCHORZEWSKI: — Once again, Mr. Chairman, that's something we can consider under the particular subvote when it comes up. I thought that was the procedure we had been utilizing in estimates.

MR. CHAIRMAN: — Yes, I realize that, Mr. Minister. I'll ask it because I think it makes a difference with the support staff as they move up to assist on the different subvotes.

MR. TCHORZEWSKI: — We'll get the answer for him tomorrow.

MR. J.G. LANE (Qu'Appelle): — I have a couple of questions if the minister can supply me with the information. I would like to know, last year, the number of people or the percentage of the population in the province using less than \$50 worth of medical services, the percentage using less than \$100, \$150 and \$200. I believe you used to keep that so I'm sure it can be updated.

My second question, if you would supply me with the answer. It's rather involved, but I would like to know what types of treatment or operations or whatever were done outside the province that were paid through MCIC? I would like to know where the treatment or the operation of whatever was in fact performed. In other words, if you're paying something down at Rochester, the types of treatment, number and where it was performed — outside of the province. Outside the province includes outside of Canada.

MR. TCHORZEWSKI: — I don't want to make a commitment to the member that I may have difficulty delivering. I can't tell you for sure whether we have those kinds of statistics readily available. For example, in your first question, it's going to take some (I think from my limited knowledge of computerization and the way the thing has to operate) considerable amount of work and effort and time to be able to break it down. It may be so costly to do that that I may have to come back to you and say will you reconsider. Certainly, to the extent that we can, I shall undertake to try to arrange to get that information for you.

MR. LANE: — Let me ease your concerns. It's been done before. It has been supplied in the past and I'm sure it can be updated very easily.

MRS. DUNCAN: — One more question. On the member for Wolseley's request on abortion, would you give that in an age group breakdown?

AN HON. MEMBER: — No.

Item 1 agreed.

ITEM 2

MR. KATZMAN: — Mr. Chairman, are you considering testing, as was suggested last year on the air ambulance, certain areas? I notice Saskatoon has now approved helicopter bases at the hospitals. Are you considering using or testing that method of transporting people?

MR. TCHORZEWSKI: — Yes, indeed! We're not only considering it, but in some cases we use helicopter services. We have an arrangement on a stand-by basis with DNS (Department of Northern Saskatchewan) because it has a helicopter available and as need arises it's available. We indeed use it.

MR. KATZMAN: — One other question on that. Is there any agreement or suggestion, being as the city of Saskatoon has agreed at all three hospitals to construct teleport landing sports (it's in council minutes of a while ago), is there any consideration to allowing the road ambulance type of payment to be used if helicopters are used in an area other than DNS area?

MR. TCHORZEWSKI: — No, Mr. Chairman, there hasn't been. There's very limited use for that kind of thing that's available. Our program presently is a road ambulance program that is made available to the municipalities. That's what the program presently is.

MR. KATZMAN: — I'd just make one suggestion. Would the minister have his department check it out in co-operation with the Saskatoon Board of Trade who is now looking at it also?

Items 2 to 10 agreed.

MR. H. SWAN (Rosetown-Elrose): — I notice that in health promotion you've quite a cutback — \$327,000. Are you not going to promote good health or what is the reason for the cut?

MR. TCHORZEWSKI: — Mr. Chairman, I think, first of all for the benefit of the member, I should indicate that health promotion as it is here is a lot broader than what he sees under this subvote. This subvote basically deals with the two programs through which we do advertising through the media — The Aware program and the Feeling Good program. Health promotion is something that the department particularly — in all branches but particularly through regional community services put a lot of focus in so this is not the total extent of health promotion. The reason the figure is reduced is because what we are in the process of doing is that we are consolidating or amalgamating the Aware program with the Feeling Good program because we have had the Aware program for five or six years. It was originally established to be a pilot program. It's turned out very good; it is time now to redo some of the work that we've

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been doing with it. You will notice that a lot of the commercials have been coming on lately (and I think I'm correct in this) have been old productions that were put together some time ago. So we're in the process of revising, as I think we must do in any department, the programs we have had and sort of developing some new input. That's the reason why now there is a smaller amount of money there.

Items 11 to 17 agreed.

ITEM 18

MR. BERNTSON: — I see about a \$400,00 increase in this budget. How much of that is going towards your ostomy program?

MR. TCHORZEWSKI: — Mr. Chairman, the amount going to the ostomy program is about \$143,000.

Items 18 and 20 agreed.

ITEM 20

MR. BERNTSON: — Mr. Chairman, I asked a while ago what Dr. Penman received in the year past was \$52,000. That's what he's getting now. Can you tell me what he got a year ago?

MR. TCHORZEWSKI: — I'll get it for you and provide it to you. I don't have it on the sheet that I've got here. O.K. We'll undertake to get it for you.

Item 20 agreed.

ITEM 21

MR. BERNTSON: — Pardon me, Mr. Chairman. I wonder if I could revert back to MCIC (Medical Care Insurance Commission) just briefly. When you're providing the information which relates to Dr. Penman, would you also indicate as to whether he gets a government car, whether he gets free pass on Norcanair, all of that sort of thing?

MR. TCHORZEWSKI: — I can tell you now he doesn't.

Item 21 agreed.

Items 22 to 24 agreed.

ITEM 25

MR. BERNTSON: — Mr. Chairman, just a real quick calculation here indicates that that increase is about 3 per cent, something short of the inflation rate over the same period. I wonder if that wouldn't account for some of the deficits in rural hospitals in Saskatchewan.

MR. TCHORZEWSKI: — Mr. Chairman, it may appear that way. I think, in fact, the Minister of Finance (Mr. Smishek) did outline that the Saskatchewan Hospital Services Plan was under expended last year because of certain things as University Hospital expansion, for example, which did not come on stream, an over estimation of the costs

that would come or the utilization of the level IV program by rural hospitals and son on. So, if you consider the actual expenditure last year and the increase provided this year, the increase is really 9.4 per cent rather than the 3 per cent which the member opposite mentions. I just wanted to point that out.

Item 25 agreed.

Items 26 to 27 agreed.

MR. LANE: — Mr. Chairman, we've followed the practice, out of convenience to all, that we've asked series of questions in different estimates. We've been promised the answers. We note, for example, in highways, a lot of commitment to answers we haven't got yet. We think that when the convenience is being followed, in fact, we should get the answers as soon as possible.

I'm going to suggest that perhaps what we do is not vote that final item. It doesn't mean the staff has to come back and tell the answers. Perhaps we can, I'm not suggesting that the minister opposite won't supply is with the answers as rapidly as possible. We note a couple of other ministers haven't been as prompt as we think they should be. Perhaps we can withhold the final vote so that we can get those answers. It doesn't require the officials coming back.

MR. CHAIRMAN: — If I might just mention to the House that the question has been put. I'll put myself in the hands of the Assembly here.

AN HON. MEMBER: — He's a good minister.

MR. TCHORZEWSKI: — I can assure the member that I can provide that information. We did last year and I don't know whether he wants to press the issue. I'm really not . . .

MR. LANE: — I'm suggesting that we're putting the cabinet on notice. That if we are going to follow that practice which is a convenient stall; that the answers be turned in as rapidly as possible.

MR. BERNTSON: — Yes, Mr. Chairman, I would just like to, before we put this to the question, thank the minister for his co-operation in getting through this tonight and I'm sure that he'll get the answers to us as quickly as possible. I know there are several people down the line here that asked questions as well. If you could provide me with the answers as well as them, I'd appreciate it and . . . I talk to some of them from time to time but . . .

MR. TCHORZEWSKI: — Mr. Chairman, I want to assure the member for Souris-Cannington (Mr. Berntson, the health critic) that anything I would give to his other members, as a critic he will get because I think he ought to.

I, also, would like to express my thanks to the member for Souris-Cannington (Mr. Berntson) for the way he handled the estimates this year. I don't know whether I should be disappointed that we never broke the record we established last year of 19 some hours, at which time, it was kind of interesting. But, also while I am on my feet, want to point out, Mr. Chairman, maybe you are already aware of it, that on page 116 there is another item dealing with health and provincial development expenditure. Whether we can vote that now before the legislation on the cancer foundation is through, I don't know. I'm at your decision. Is that right?

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AN HON. MEMBER: — Yes.

MR. CHAIRMAN: — I think there's just one question here and that's Vote 32, Item 1, on page 116. I do not think that the Cancer Commission (not having been set up yet) . . . that we can pass . . .

AN HON. MEMBER: — Yes, we can. This is a grant to the commission, not the foundation.

MR. CHAIRMAN: — It's a grant to the Saskatchewan Cancer Commission for the purchase of high energy radiation therapy equipment.

MR. TCHORZEWSKI: — There is a Saskatchewan Cancer Commission now. So, that's, I don't think a difficulty.

Item 1 agreed.

Provincial Development Expenditure — Vote 32 agreed.

The committee reported progress.

The Assembly adjourned at 10:13 p.m.