

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**December 16, 1986**

The Assembly met at 2 p.m.

Prayers

**INTRODUCTION OF GUESTS**

**Hon. Mr. Tusa:** — If you excuse me, I have an introduction then. I'd like to introduce to the House this afternoon the Urban Native Pre-employment Program participants here in Regina. They are a group of nine adults and they will be visiting the legislature and observing question period. I will be meeting with them in room 255 at approximately 2:30 and look forward to meeting with them. I would ask now all members to kindly receive them in the appropriate manner.

**Hon. Members:** — Hear, hear!

**Mr. Goodale:** — Mr. Speaker, I'm pleased to have the opportunity to introduce to you, and through you to other members of the Assembly, a fellow parliamentarian from Nova Scotia who is visiting Saskatchewan in the province this weekend for the RCMP graduation which has occurred in our city. The member has been a member of the Nova Scotia legislature since 1974 — is sitting there now. I hazard to say that he is a Liberal member of the legislature. I would ask other members of this Assembly to join me in welcoming Mr. Guy Brown, who is seated in the opposition gallery.

**Hon. Members:** — Hear, hear!

**ORAL QUESTIONS**

**Canada's Patent Drug Legislation**

**Hon. Mr. Blakeney:** — Mr. Speaker, my question is to the Minister of Health, and in his absence I will direct it to the Premier. It deals with the Saskatchewan government's decision to support the Mulroney government's Patent Act amendments, amendments which will drive up the cost of prescription drugs for lower income people in this province, the sick and the elderly, and which will increase costs for the Saskatchewan Prescription Drug Plan.

Last April, Mr. Premier, just prior to the possible provincial election, the former minister of Health sent a telex to Ottawa, to the government at Ottawa, saying that your government had "serious reservations" about the changes, and stating that they could add an extra \$15 million a year to the cost of the Saskatchewan drug plan.

Last May the executive director of that Saskatchewan drug plan, Mr. Ron Waschuk, said, and I quote:

We don't have sufficient detail to know how we would benefit from our additional expenditure. Until such time, our position is one of very deep concern.

My specific question is this: what firm guarantees have you received from the Mulroney government to put to rest these serious reservations on the part of the minister, and the very deep concern on the part of the senior

administrator, that convinced you to give your enthusiastic support to his proposal of the Mulroney government to give greater patent protection to the multinational drug companies?

**Hon. Mr. Devine:** — Well, Mr. Speaker, I would say to the hon. member that his allegation that more drug research and drug manufacturing in Canada is going to increase costs, is not accurate.

If we can manufacture more of the drugs here, and if we can have more of the research effort here, and if we can have the 5,000 jobs here, then not only can you have economic benefits associated with the new economic activity and employment, but, if we can do the research, we could be in a position where we could be exporting the new quality drugs, the various kinds of research data information base that others are exporting to us. We're taking it from internationals and multinationals, if you will, from the United States and Great Britain and Germany, bringing it in here.

If the federal government says that it can put up a block of money, I believe it's — and the Minister of Health may know the numbers — a hundred million dollars; if it's got a price review mechanism so that in the short run we're not going to see this dramatic increase, and obviously in the long run you're going to see lower costs for drugs for senior citizens and the general public across Canada if we do it here, then let's build in those mechanisms that allow us to phase this in while we get the long run benefit. And if there's some short run changes that we have to cope with, whether it is taking this pool of money at the federal level, whether it's a price review commission that studies it, fair enough, let's look at those.

But let's not every deny ourselves the opportunity to produce and research that huge health care mechanism in Canada. Now that's my argument when it comes to farm chemicals. It's the argument of the people of this province when it comes to manufacturing health care or research in health care. Let's at least do it here instead of just depending on some international or multinational charges from wherever. So my concern is partly addressed because we have a price review commission, because we have time to address it. We have, I believe it's in the neighbourhood of \$100 million that can be allocated over the Canadian piece. We're looking up to 5,000 new jobs. And I believe it's good that we do that.

**Hon. Mr. Blakeney:** — Supplementary, Mr. Premier. You are in effect justifying the undoubted increase in drug costs by reference to the transition fund and by a promise of more research and development in Canada. With respect to the fund: do you agree that the Mulroney government's changes in the prescription drug laws will add \$15 million a year to the cost of the Saskatchewan Prescription Drug Plan year after year, year after year, while the federal government fund will only last four years and provide Saskatchewan with probably less than \$2 million a year? Do you agree with those figures: \$15 million a year for the drug fund and at a high, I suggest, \$2 million a year from the transition fund? Do you deny those figures, and if so, what are your figures?

**Hon. Mr. Devine:** — Mr. Speaker, I would venture to say that the Leader of the Opposition doesn't believe those figures. I mean, he can be throwing them out . . . the reason that we set up a price review mechanism — and we take a great deal of credit for that — was to make sure that we could monitor this over time and make sure in the short run we don't have inordinate changes, so in the long run we can all benefit in Canada. Now he may want to see another mechanism if we have a transition fund of — whatever it is — \$100 million. He may want to say that that should be extended over a longer period of time, and that may be worthy of some consideration. But don't deny Canadians the opportunity to have the research and the manufacturing here in Canada. I haven't heard of one positive suggestion from the members opposite of how we could have that research and that manufacturing here.

We've said we want a price review mechanism to protect people in the short run, a great deal of money that can be allocated over time across various provinces to make sure that we can make sure that it's fair; that we want to spread the 5,000 jobs across the various jurisdictions so that they all don't go to Ontario and Quebec. And all I hear from the opposition is — cry wolf — well, it's going to cost you so much more money. And they never did look at any of the benefits.

I think collectively this House should look at how we can bring the benefits to the province of Saskatchewan and to Canada by doing — at least, I think it's time — some of that research and some of that manufacturing right here at home, as opposed to just giving the benefits to people internationally.

**Hon. Mr. Blakeney:** — Supplementary, Mr. Speaker. Mr. Premier, I said the costs for the drug plan would be an extra 15 million a year, and I am quoting the former minister. I am saying that the research fund will net Saskatchewan two million. You deny my figures. Please give me yours — please give me yours. And please give me why you believe there will be additional jobs producing patent drugs when there is going to be a loss of jobs producing generic drugs. Why do you believe that a job producing generic drugs is a less effective job than one producing patent drugs?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Devine:** — Mr. Speaker, there's the nub of the question right there. The members opposite don't understand what it means to put research money into developing new drugs. All they can do is copy. They want Canada to turn into a packaging country. We package for somebody else. We package for some other country that could design a new product.

We're talking about using our imagination, our research — Canadians with initiative — and creating new, better quality drugs for the people of Saskatchewan and the senior citizens for generations to come. All you're talking about is packaging somebody else's research.

It's time that this country was standing on its own two feet with respect to research and manufacturing and processing and diversification, and not just copying others.

We said that we wanted to have a price review mechanism to allow us to monitor what short-run changes there would be. The \$15 million was an estimate of what it might be — was an estimate. We decided and encouraged the federal government to have a price review mechanism, and you're running around trying to frighten senior citizens.

Why don't you tell them in the long run it would be better to have Canadians doing the research here, and we could have the quality drugs and the better drugs and the better service and the manufacturing and the jobs? And they would like to see that.

I mean, many of us are fastly approaching the world of senior citizens, individually. We may be retiring. Well I think we might want to look forward with some degree of confidence that we are going to have some production and some manufacturing and the research here in Canada, as opposed to some other place.

**Some Hon. Members:** Hear, hear!

**Ms. Atkinson:** — My question is to the Minister of Health, and it also deals with your government's support of the federal patent Act amendments, which will drive up the cost of prescription drugs to low-income families, the sick and the elderly, and ultimately will increase the prescription drug plan.

Previously the Premier referred to us standing on our own two feet. I'm wondering, what kind of studies has the Department of Health done in the cost implications of the Mulroney government changes? And I'd also like to know when those studies were completed and who performed them.

**Hon. Mr. McLeod:** — Mr. Speaker, the estimates that were given by the former minister of Health, and I believe as early as this spring during the estimates of the Department of Finance, estimates in the Department of Health were that there would be anywhere from 10 to \$15 million. The Leader of the Opposition used those numbers, and we don't deny those numbers.

What I suggest to the hon. member opposite, the Health critic, and to the Leader of the Opposition and other members of the New Democratic Party here and in this country, as the Premier has done just a few moments ago, is: think of this legislation — because it's complex, as much of this type of legislation is — and the complexity of it is that there are some risks and there are some benefits. There are risks and benefits to any of this type of complex sort of thing.

But the benefit to this legislation is, as has been eloquently outlined by our Premier here this day, and on other days before this, is that there's a tremendous benefit to Canada to be involved in the high-tech side of the research and development. That's the benefit side.

The risk side, and I have addressed that and I talked to this House about it just a few days ago, the risk side . . . and I've addressed those in a letter which I sent in late November or early December to the Minister of

Consumer Affairs, nationally, Mr. Andre. I referred to the three particular things that the Premier also addressed a few moments ago.

First of all, a drug prices review board and the workings of that. And we know that that is extremely important – how that will operate – especially for the entry price level of drugs. That's not a smoke screen, to the member from Quill Lakes, that's addressing a complex issue in a reasonable way.

The second thing that we have addressed in that letter is the allotment to this province of the research and development. And there's no question that as Minister of Health for Saskatchewan this government and this Premier will stand up for Saskatchewan as it relates to the distribution of research and development money across this country, and Saskatchewan will get its fair share of that. And that letter addressed that.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. McLeod:** — And the third thing, Mr. Speaker, is the distribution, as well as was referred to by the Premier, the distribution of the \$100 million compensation fund.

Mr. Speaker, if I could just say one more thing in reference to this, to show the difference between addressing a complex issue in a complex and reasonable way and yelling: the sky is falling, the sky is falling! – as they suggest that they want to do. Mr. Speaker, I have with me a document which shows the position of the New Democratic Party as it relates to this, and that is to scare the people most vulnerable in this country – as it relates to it. And that is this document, Mr. Speaker.

**Ms. Atkinson:** — Supplementary, Mr. Speaker. Obviously the Minister of Health either didn't understand the question, didn't hear the question, or didn't want to answer the question, so we'll do this again.

Mr. Minister, does the Government of Saskatchewan have a cost impact study on what these changes will cost the taxpayers of Saskatchewan through the prescription drug plan, or increase cost to drugs? When were these studies completed, and who performed the work? I would ask you to answer the question, Mr. Minister. We're tired of listening to long harangues.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. McLeod:** — Mr. Speaker, the former minister of Health gave the numbers in good faith, the 10 to \$15 million, gave those numbers with the best possible estimate that can be done by the people in the Department of Health of this province, who are competent people. And they have looked at that.

Mr. Speaker, what the member opposite is saying, as are her colleagues here and across this country are saying to the people that are most vulnerable in this country, the elderly and those people who are most vulnerable – here, fill our NDP coffers. This is what this document says, Mr. Speaker – fill our NDP election coffers by scaring elderly people of this country. And I reject that, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Mitchell:** — My question is also to the Minister of Health, Mr. Speaker. It also deals with your government's support for Ottawa's plans to amend the patent legislation. Those who support higher drug prices claim that this is the price that Canadians must pay to get the multinational drug companies to do more research and development work in Canada. And these companies have promised Canada \$1.4 billion in new research over the next 10 years and claim that that will create 3,000 new jobs.

And my question to the minister is: can you table any information from the federal government which suggests that these investments are guaranteed, or is this simply a case of the Ottawa government and your government simply accepting the word of the drug companies on this point?

**Hon. Mr. McLeod:** — Mr. Speaker, I will not be tabling that type of information, but I will take notice of the question. If we have information that can be tabled, I would look carefully at it, and I could put something on the table if it's there and it's reasonable to do so. I'll take notice on that basis.

As far as . . . I will repeat one more time though, Mr. Speaker – this legislation proposed by the federal government and, in fact, working its way through parliament today is based on very definite risks and definite benefits. What we have said in our analysis of this, in a responsible analysis on behalf of the people of Saskatchewan is, it says those benefits can be substantial for Saskatchewan and for Canada and those risks we must address. And I outlined the three areas in which we have identified what we believe to be some risks.

Mr. Speaker, it's extremely important that no one, no responsible legislator of any political stripe, should be able to get away with saying in a very simplistic way, the sky is falling; the sky is falling; there's nothing complex about this. And that is what they are doing.

**Mr. Mitchell:** — Supplementary, Mr. Speaker, Nobody is saying that the sky is falling. That's not the issue here. Is the minister aware that even if the drug companies keep this promise that I talked about, about creating 3,000 new jobs over the next 10 years, that this will be about the same number of new jobs that drug companies have created under the current system, and that those numbers come from the government's own Eastman inquiry which show that the drug industry in Canada has created more than 3,000 new jobs between 1969 and 1982? And in that context, minister, and in the light of that background, can you explain why Canadians should shell out billions of dollars over the years in higher drug prices to get a little more than the current rate of new job creation?

**Hon. Mr. McLeod:** — Well, Mr. Speaker, the member talks about the number of jobs. And I would suggest to him that none of the jobs under the present system – none – are in Saskatchewan, in this province. None of them. And what I would say to the member as well, as the Premier outlined in an earlier answer, the kinds of jobs

which Canada and Saskatchewan must go after and must encourage are the jobs in the development in the research side, not just in the packaging and the copying which generic drug manufacturers in fact do.

This legislation does not in any way suggest that there will not be, or that there should not be, generic drug manufacturers in Canada or anywhere else. It does not suggest that. So what I'm saying is, there are some benefits to having the research development type jobs in this country and in this province.

**Mr. Goodale:** — Mr. Speaker, the Premier and the Minister of Health in responding to these questions have indicated that the legislation presently before parliament is necessary to encourage the kind of research and development that they're looking for. I wonder if the Premier or the Minister of Health could indicate specifically the basis upon which they make the assertion that the federal legislation with a patent protection period of 10 years is required, where the Eastman study indicated that a patent protection period of four years would be sufficient to obtain all of the research and development and the jobs that we are going to get. Why is 10 years required in the opinion of the federal government, whereas the expert commission suggested that four years would be more than sufficient?

**Hon. Mr. McLeod:** — Mr. Speaker, I don't know the details to that. I would say to the member from Assiniboia-Gravelbourg . . . I would say to him: the question becomes, should it be four years; should it be seven years? I don't know, and I can't answer for the federal government or the studies which they have done. I can't answer that. I'm sure representatives of your party at the national level have asked those questions, and of the other party at the national level have asked those questions. I don't know. But I do say, Mr. Speaker, there are some significant benefits which can accrue to Canada and to Saskatchewan.

**Mr. Mitchell:** — Thank you, Mr. Speaker. A further supplementary to the minister. Is the minister aware of a study undertaken by the Canadian Drug Manufacturers' Association which shows that the higher drug prices will take so much money out of the Canadian economy that they'll prevent the creation of anywhere from 9,000 to 10,000 new jobs in the next 10 years?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. McLeod:** — Well, Mr. Speaker, I am aware of studies which have been done by the drug manufacturers; I've been aware of some studies that have been done by the manufacturers of generic drugs which are in opposition to each other, obviously, because there's a great deal at stake for both. There's no question that that's true.

Legislators, nationally or provincially, need to be aware that the lobby groups from wherever they come will put their positions forward, in as strong a terms as they can, with whatever back-up studies that they may be able to generate. We know that's the case. But responsible legislators here and at the national level have to be able to cut through that and come up with the best benefits under

the circumstances. And I believe this legislation at the federal level attempts to do that, Mr. Speaker.

**Mr. Romanow:** — Mr. Speaker, supplementary to the Minister of Health. The Minister of Health, it is obvious in his answers this afternoon, is not very much aware of many of the studies that the members in this side have directed to him. I'll see if the member is aware of this. Will the Minister of Health please advise whether or not he is aware whether the issue of the drug patent legislation has been something demanded by the American negotiators in their discussions with the Canadian negotiators on the free trade discussions, discussions to which your Premier, of course, is a party to? And if it is not a party of that free trade negotiations, will he table the documents to this House to prove that they are not a casualty — yet another casualty — of the American concessions on Canadian people.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Andrew:** — Mr. Speaker, that same question was asked in the Parliament of Canada by Mr. Nystrom. Mr. Nystrom is becoming a more and more prominent person in Saskatchewan politics. The response to that question was a definite no, that has not been part of it. What interests me about the member from Riversdale is, while he stakes his ground as being definitely against the patent drug legislation, how it might develop our economy, he also stands against any kind of a trade relationship with the United States which shows you how backwards you are, and how you're still in the 1960's, just like your party.

**Mr. Romanow:** — Supplementary. The hon. member is wrong. I am not against a trading arrangement with the United States or with other countries of the world; that's not the issue. But I ask, as a supplementary of the minister in charge — and I don't know which one is speaking now for the Premier in this area — but I will ask it to the Minister of Health because they're all confused as between Health, Economic Development, and Premier. But I'll ask the Minister of Health this supplementary.

You say that it is not a part of the free trade negotiations. How then is it that you can explain to this House, please, that in April of 1986 before the free trade negotiations began, your government's position was in opposition of the drug patent changes. Now, six months after the free trade negotiations have gone, your government is for the drug patent changes. How else can you explain that, other than the fact that the Mulroney and Devine governments have caved in again to the United States' demands?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. McLeod:** — Mr. Speaker, to that member's final supplementary. The position taken by my colleague, the former minister of health this spring regarding this legislation, or the potential for this legislation, was that there were some risks to it and was that there were some benefits. He did. He outlined that there were risks to it and he negotiated and discussed with — his officials did — with officials in Ottawa, and this minister did with his counterpart in Ottawa, Mr. Epp, that these changes are

necessary, and several changes were made as a result of that representation by my colleague, the former minister of Health, and by his colleagues across this country from other provinces. Some of these changes took place.

What I say to you, Mr. Speaker, and to the hon. member from Riversdale is that there are those risks which I outlined earlier. We have addressed them on behalf of the people of Saskatchewan. We do that sincerely because we believe, as I've said before, that there are some risks, but there are also tremendous benefits, as is always the case with complex legislation, whether it be here or in Ottawa.

**Ms. Smart:** — My question is also the Minister of Health and it deals with the government's support for higher drug prices. The minister may not be aware of it, but consumers are certainly aware of the kind of prices they will be hit with under the Mulroney government's changes.

Is the minister aware that thanks to generic drugs Saskatchewan residents can purchase the generic equivalent of a medication commonly used by heart patients, propranolol, which sells to the pharmacies for \$16.70 per 1,000 tablets while the Canadian brand-name price is \$78.51, and the American brand-name price is \$170.73. In light of such savings, how can you say that legislation which will hamper the development of generic drugs is good for consumers?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. McLeod:** — Mr. Speaker, this government is not for a higher drug prices as this member suggests. What this government is for, is for Canada to be on the leading edge of this industry, as well as on any other industry which it is possible for Canada to be on the leading edge.

Why, I ask, Mr. Speaker, should Canada wait for someone else to do the research, someone else to do the development within the boundaries of some other country — some other jurisdiction when, in fact, the brainpower of Canada, the scientific power of Canada, the excellent educational levels that we have in this country can take us out to that leading edge that I talk about? That is the nub of the issue. That is why there is some benefit to this for all of Canada, whether they be consumers or whether they be people working in that very technical industry.

## INTRODUCTION OF BILLS

### Bill No. 7 — An Act to amend The Legislative Assembly and Executive Council Act

**Hon. Mr. Berntson:** — Mr. Speaker, I move first reading of a Bill to amend The Legislative Assembly and Executive Council Act.

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

## POINT OF ORDER

**Mr. Romanow:** — Mr. Speaker, before orders of the

day, I would like to rise on a point of order regarding the report of the special nominating committee, which is on the agenda for today, private member's day, and the motion with respect to that report which is, as I say, stands under adjourned debates.

Briefly put, my point of order is this: that committee improperly exceeded its mandate and authority and jurisdiction. Its report, I argue, is therefore *ultra vires* and out of order. The point at issue is the committee's improper recommendation, as I respectfully submit to you, sir, regarding the quorum of standing committees. The authorities are quite clear on this issue. First, the rules of the Assembly, specifically rule 86(1), states that:

... a special Committee ... shall be appointed whose duty it shall be to prepare and report, (I underline those words) ... lists of Members.

Note that, Mr. Speaker, "lists of members."

Second, that special committee was duly established by an order of the Assembly on the motion of the Premier, and seconded by the Deputy Premier on Wednesday, December 3rd. The Assembly ordered that there be established "a special committee to prepare and report lists of members," and I underline those words again.

It further ordered that this special nominating committee ... "considered the size of the standing committee and report thereon."

Now, Mr. Speaker, it is my point of order that its mandate from this Assembly was therefore simple, direct, clear, and unequivocal — to report on the size of the standing committee and the members to compose them. That's all. No mention, Mr. Speaker, of quorum, which is different than size, whatsoever.

Third, I refer all hon. members to *Beauchesne's*, article 621(1), page 198 which says:

A committee can only consider those matters which have been committed to it by the House.

In short, in my translation of it, Mr. Speaker, a committee cannot and must not exceed the mandate given to it by the Assembly. To do other wise is to be out of order.

Fourth, the action of the special nominating committee was out of keeping with the tradition and practices of this Assembly. Over the years, from time to time the quorum on committees has varied. However, Mr. Speaker, it has only been varied by a competent authority duly following the rules of the Assembly and parliamentary practice.

It is my argument, therefore, that the committee in its report has acted as the lawyers say *ultra vires*, or beyond the rules and the mandate of this superior governing body, which mandate limits it to the size but not to the quorums.

Now, one last point. I'm aware, sir, that in order to raise a point of order in a timely way, this must be done so according to *Beauchesne's* rule 237. My raising it now is, in my submission, indeed timely. This is the first private

member's day since the committee reported, and thus the first appropriate opportunity. The matter stands on private member's day under adjourned debates, and we are still debating an amendment, and many speakers on both sides of the House have yet to speak on that amendment. Therefore the matter has not yet passed beyond the stage where it would be inappropriate to raise such a point of order.

And finally, in any event, if the committee was exceeding its mandate and therefore out of order on December 4, as I argue with respect, sir, that it was and is, it is no less in order on December 16. In other words, no more in order, there is no effluxion of time which can grant a committee jurisdiction if it has no jurisdiction, as the lawyers say again, *ab initio*, from the start, which is the essence of my submission.

So to summarize, Mr. Speaker, on this point of order and to conclude, I say as follows: First, the report of that special committee is quote out of order because it clearly and manifestly exceeded its mandate and authority. The rules of the Assembly, the order of the Assembly, and the parliamentary authorities all in my respectful submission to you, sir, demonstrate the committees report to be out of order.

Second, if in your ruling you find against us, that will set, in my judgement, Mr. Speaker, an alarming and regrettable precedent and will encourage other committees in the future to exceed their proper mandate – the direction that we give to them – by adding additional clauses or elements of the report.

And thirdly, if in your ruling you find for our side, Mr. Speaker, that will send an equally clear and, may I add, salutary message to all future committees showing that they must adhere strictly to their mandate and not exceed it – that the committees are no more powerful than this House; that this House is the superior authority; the committees are junior and report to it. Such a ruling which, in my respectful submission, Mr. Speaker, would be the correct and proper one, will assist you and the House and all members to uphold the rules and the practices of the Assembly, without which the effectiveness of this Assembly can be very easily eroded. Thank you, sir.

**Hon. Mr. McLeod:** — Mr. Speaker, to be very brief on this, and we dealt with this at some length at an earlier date in session, I refer to rule 90(1) of the *Rules and Procedures of the Legislative Assembly*, where it says:

One third of the number of Members of a select, special or standing committee shall be a quorum unless the Assembly has otherwise ordered.

And the member suggests, the opposition House Leader suggests in his argument that somehow the committee to which he referred, of which I am a member, somehow the committee changed the rules of quorum. The committee did nothing of the sort.

The committee is recommending, in the motion which is in question which the member questions, is recommending to the Assembly, to the House, that it be

changed. In other words, we have not suggested that it be taken from the Assembly – that decision be taken from the Assembly. We are to vote on that, and the House will vote on it at the time.

So, Mr. Speaker, I suggest to you that rule 90(1), where it says at the end of the quotation, “unless the Assembly has otherwise ordered,” what I’m suggesting is that the motion brought forward by the member from Yorkton ask the House to change that rule. And it is before the House, as it properly should be, Mr. Speaker.

**Hon. Mr. Blakeney:** — I rise in the point of order briefly, and I rise to rebut the argument now made by the House Leader.

No one is arguing whether or not the House can order otherwise. We are arguing whether or not it can do so by the procedure which is before us. We are arguing whether or not a committee can recommend it to the House and that the adoption of that committee report will produce that result. And our simple submission is that the special committee of the legislature which made that recommendation had no authority to make that recommendation.

May I refer all hon. members to the *Votes and Proceedings* of December 3 at page 12, where it is very clear that the committee – and I will quote again:

On motion of the Hon. Mr. Devine, seconded by the Hon. Mr. Berntson:

Ordered, That Members McLaren, Gerich, Koskie, McLeod and Shillington be constituted a Special Committee (one, and I’m inserting the one) to prepare and report, with all convenient speed, lists of Members to compose the Standing Committees of this Assembly, provided under Rule 86.

And then I’ll leave out about the standing committees having power to call for witnesses; it’s not relevant. And:

That the said Special Committee consider the size of the Standing Committees and to report thereon with all convenient speed.

It is very clear, Mr. Speaker, that the committee was authorized to prepare lists and to consider the size, and that is all. And it is equally clear that a special committee cannot widen or broaden its mandate. This will be clear from a reference to *Beauchesne’s*, and I refer all hon. members to *Beauchesne’s*, the Fifth Edition, at page 198 under paragraph 621:

A committee can only consider those matters which have been committed to it by the House.

A committee is bound by, and is not at liberty to depart from, the Order of Reference.

And that’s what I just quoted. And it is clear – and I will cease on this point – it is clear that the order of reference authorized the committee to prepare lists for committees under rule 86 and to consider the size of those committees.

It is equally clear that the committee had no authority to broaden its mandate but could only consider those matters which had been committed to it by the House. It considered something else, under quite a different rule, Mr. Speaker – not under rule 86. It exceeded its authority, and that part of the report beyond the mandate of the committee and is therefore not in order.

**Mr. Speaker:** — I have listened to the arguments of those on the opposition side and those on the government side, and I would ask hon. members to give me an opportunity to consider it further and come in with a ruling later on.

## ORDERS OF THE DAY

### MOTIONS FOR RETURNS (Not Debatable)

**Hon. Mr. McLeod:** — Mr. Speaker, I move that Motions for Returns (Not Debatable), items number 1 through 45, be converted to Motions for Returns (Debatable).

**Mr. Speaker:** — Debatable.

### MOTION UNDER RULE 16

#### Canada's Patent Drug Legislation

**Ms. Atkinson:** — Mr. Speaker, I rise today in support of this motion, which I hope all members will support. In doing so I want to outline to the members of the Assembly why it's absolutely essential that we unanimously advise the Government of Canada that we oppose any change in the Patent Act that would drive up the prices of drugs for Canadian consumers, particularly those consumers who are sick and are senior citizens.

Since 1969 prescription drugs have not been protected by extensive patent legislation. In 1969 federal legislation ended a monopoly in the drug industry, a monopoly by large multinational corporations. The legislation, Mr. Speaker, allowed generic competition. It allowed Canadian manufacturers of generic drugs to copy new drugs, and it substantially lowered prices to the consumer.

It is estimated, Mr. Speaker, that Canadian drug prices fell, on average, 20 per cent below the U.S. prices compared to Canadian prices, which were well above U.S. prices prior to 1969. Let me be clear about that. The present legislation which the Mulroney government wants to change has saved Canadian taxpayers 20 per cent.

Mr. Speaker, I think it's important to review the situation that existed in Canada prior to 1969. This Canadian policy to change the patent legislation in '69 did not come about by accident. In the 1960s the restrictive trade practices commission, the Hall royal commission on health services, and the Harley special commission of the House of Commons on drug costs and prices, all investigated the pharmaceutical industry in Canada. All three of these major national inquiries agreed that drug prices were too high and recommended government action to stimulate price competition in the industry. The Hall commission concluded that Canadian drug prices at that time were, and I quote, "... among the highest in any

industrialized nation in the world." All three inquiries felt that the foreign-based, multinational drug companies who have dominated the Canadian drug industry were using their seven-year patent periods to set unduly high prices.

In 1969 the patent law was amended. The amendment ended the multinational drug companies monopoly on drug pricing and forced competition in the industry – competition that the members opposite like to talk about. Mr. Speaker, the multinationals have never accepted the 1969 legislation and have continued their massive lobbying campaign to have the legislation revoked or undermined. They have done this even though every major objective study of the industry has concluded that every major objective study of the industry has concluded that generic drug competition has saved Canadian taxpayers millions of dollars.

Even the most recent report, that of Harry Eastman, who was appointed by the federal government in April of 1984 to head a commission of inquiry of the pharmaceutical industry, concluded the following:

(1445)

First, the multinationals had continued to be profitable and ahead of other industries in profits and growth; second, that the patent legislation has saved Canadian taxpayers \$221 million alone in 1983; and third, that employment in the Canadian drug industry between 1967 and 1982 rose by 29 per cent compared to a growth in the U.S. market of 23 per cent.

Under normal circumstances, Mr. Deputy Speaker, the Eastman report, commissioned by the federal government, would have been sent to committee of Parliament, but not this time. The Government of Canada ignored, Mr. Speaker, no less than seven studies supporting the present legislation. Instead, they charged in with legislation that would return Canada to a period prior to 1969 when Canadians were subjected to some of the highest drug prices in the world. In other words, Mr. Speaker, price gouging.

The big question is: why would the Mulroney government want to amend the patent Act provisions on pharmaceuticals or drugs? As I indicated before, the multinational drug companies operating in Canada – the vast majority of them American owned – have lobbied the Canadian government to shelter them from generic drug competition. And it's interesting to note that two years ago they enlisted the support of the Reagan administration which decided that the drug patent issue was one of those irritants it wanted resolved before agreeing to free trade with Canada. The issue, Mr. Speaker, was even discussed at the "Shamrock" summit in March of 1985 when Ronald Reagan and Brian Mulroney agreed to co-operate to protect property rights from trade in counterfeit goods and other abuses of copyright and patent laws.

Mr. Speaker, those who support this alarming policy change claim there will be major benefits to Canadians. In fact we heard that here this afternoon. That is an argument, Mr. Speaker, that's used by the multinational drug companies. That argument is also used by the

Mulroney government, and it now seems to be the argument that's used by the members opposite, the PC Government of Saskatchewan. To the people of Saskatchewan, however, these so-called benefits seem vague, distant, and spurious.

I therefore invite the members opposite, when they enter this debate, to explain what they believe the benefits will be for Saskatchewan people if the Patent Act is changed. Will they argue it's going to create more jobs in pharmaceutical manufacturing in Saskatchewan? I somehow doubt it. Will they admit that the main benefits do not go to Canadians at all, but instead to large U.S. drug companies?

Like every major public policy change, this one being pushed by the Mulroney government has its benefits and its costs. To me, and to my constituents and to the people of Saskatchewan, the benefits are not all that clear or certain. The costs, however, are a good deal more clear, a good deal more certain. There can simply be no doubt in the mind of anyone in this Chamber, no doubt in the mind of anyone in Canada, Mr. Speaker, this move by the Mulroney government will substantially increase the cost of medical drugs borne by Canadians. It's that simple.

Let's just take a few examples. We can assess the impact of this move to undermine generic drugs by comparing the price of generic drugs now available in Canada to the patent-protected drugs now being sold in the United States.

An example, Mr. Speaker: for treatment of diabetes, chlorpropamide — \$19.03 in Canada; \$431 in the United States — a difference, Mr. Speaker, of 2,167 per cent. For treatment of heart patients, chlorthalidone — \$37.25 in Canada; \$613 in the United States — a difference, Mr. Speaker, of 1,543 per cent. For treatment of anxiety of the medical condition, many people in Saskatchewan use diazepam — \$2.31 in Canada; \$346 in the United States — a difference, Mr. Speaker, of 14,875 per cent. For treatment of ulcers, cimetidine — \$84.15 in Canada; \$497 in the United States — for a difference, Mr. Speaker, of 490 per cent.

Example after example, Mr. Speaker, of cases where the benefits of the Mulroney government changes are unclear, but the costs are very clear and very substantial indeed.

**Some Hon. Members:** Hear, hear!

**Ms. Atkinson:** — And those costs, Mr. Speaker, will be felt by those who are least able to afford it — the sick, the elderly, low-income families — for it is they who will bear the burden of sharply increased drug costs in the cases of provincial drug plans that they don't cover. The cost of pharmaceutical drugs in Canada will go up because of this PC measure, and it is those who are least able to pay who will bear those costs.

But there will be other costs too — other costs that will have to be borne by all Saskatchewan taxpayers because of the increased pressure on the Saskatchewan drug plan. Mr. Speaker, the PC government opposite has estimated these additional costs to Saskatchewan taxpayers at \$15

million per year. That's right — an additional \$15 million a year on the taxpayer.

Mr. Speaker, a couple of years ago Brian Mulroney assured Canadians that he would honour what he called the sacred trust of Canada's social programs. But that was a hollow promise, and the reality has fallen far short of that rhetoric. The Mulroney government moved quickly to cut back on federal transfer payments for medical care and post-secondary education.

There are also federal cuts . . . We also saw some interesting moves by the Mulroney government to de-index pensions of Canada's seniors. Again Canadians saw that the Mulroney sacred trust was nothing but a sham. And now the Mulroney government is determined to change Canada's drug patent legislation, a change, Mr. Speaker, that will impose a severe and unfair burden on those least able to pay.

And how has the PC government here in Saskatchewan responded to these negative and hurtful policies of the PC government in Ottawa? In every single case the PC Government of Saskatchewan has fully endorsed and supported the Mulroney government and its hurtful policies. When they chose to cut medical care and post-secondary education funds, the members opposite supported it. When they chose federally to de-index the old age pension, the members opposite supported it. And now, Mr. Speaker, the PC government in Ottawa proposes to change the drug patent legislation, and what do these people over there do? They support it.

Mr. Speaker, there's a great deal at stake here, and it seems that the PC members opposite are trying to ignore and overlook that fact. For it is not an exaggeration to say that this proposal of the Mulroney government, this proposal to change the drug patent legislation, represents an erosion of medical care in Canada.

The PC members opposite have tried to pretend that they support medical care. But they have caused increases in hospital waiting lists. They've caused severe understaffing in base hospitals, and they've supported the Mulroney cuts to medical care by supporting the changes to this drug legislation. And now we once again see that they are supporting cuts to medical care in Saskatchewan.

Mr. Speaker, the PC members opposite have clearly changed the position on the drug patent legislation issue. Last spring they pretended to be against it. Now, however, they've abandoned their position on it. I wonder how the PC members will explain that policy to their constituents. How will they explain to the people of Saskatchewan that they support higher medical drug prices for Canadians. I'd like to know how the member from Swift Current will explain that to her constituents, or the member from Weyburn, the Minister of Education, or the member from Kelvington-Wadena.

I submit, Mr. Speaker, that the PC members opposite are doing to have a very difficult time explaining to the people of Saskatchewan why they are in Brian Mulroney's ball court and supporting the U.S. drug companies, and why they're opposed to the best interests



of Saskatchewan people.

It is for these reasons, Mr. Speaker, that I am proud to put forward the motion before the Assembly today. I sincerely hope that all members on both sides of the legislature will join me in supporting it.

I therefore move, seconded by the member for Regina North West:

That this Assembly urge the Government of Saskatchewan to oppose vigorously the proposed changes to federal drug patent legislation, which will impose unacceptably high costs on Saskatchewan seniors and low-income families.

**Some Hon. Members:** Hear, hear!

**Mr. Solomon:** — Thank you, Mr. Deputy Speaker. I'm very pleased to enter this debate at this time and second the motion moved by the member from Saskatoon Nutana.

I believe that if the proposed changes to the federal drug patent legislation takes place, this will mean very simple three or four things to Canada. Number one, less competition between pharmaceutical manufacturers; number two, increased prices in drugs to Canadians; three, erosion of medicare in Saskatchewan and in Canada generally; and importantly, finally, hundreds of millions of dollars leaving the country, stifling economic development in Canada, and stifling job creation and ultimately increasing taxes for all Canadian taxpayers.

If the proposed changes to the federal drug patent legislation takes place, this will also mean that profits of U.S. and European drug manufacturers will sky-rocket beyond their now record levels, and Canadians will be paying a great deal more for drugs – somewhere 25 per cent more.

No one supports changes to the federal drug patent legislation except two groups: one, the multinational foreign pharmaceuticals; and two, the Progressive Conservatives in Ottawa and in Regina. And I wonder why? Many people are asking that question.

Well, Mr. Speaker, I think the answer is found in a newspaper article and substantiated by, in fact, other reports around the country. The pharmaceutical drug association, which represents 65 multinational drug companies in Canada, operating in Canada, have hired an Ottawa lobbying firm with very strong Tory connections to press the government for patent amendments.

**An Hon. Member:** — What's the name?

**Mr. Solomon:** — The name of the company, you ask? Government Consultants International, which is run by independent Frank Moores, who is the former Conservative premier of Newfoundland; Gerald Doucet, the former Conservative member of Nova Scotia, from Nova Scotia; and Gary Ouellet, a Quebec City lawyer who helped to organize the Conservatives in that province in the last election. The most influential lobby

group in Ottawa right now are the three Tory members that I have named who have very strong ties to the Prime Minister's office and are being paid handsomely, I am suggesting to you, by the drug companies.

But who opposes it? Well everybody that's not on that list: the sick, the elderly, senior citizens, low-income people, generally all taxpayers, the generic Canadian drug companies, people in health care fields, the pharmacists, and the nurses, and the doctors, and anybody else you care to mention. The only people that seem to support these amendments are the Conservative Party in Canada and in Saskatchewan.

At present, the sole supplier of drugs, that is manufacturers that supply only one drug that is used by hospitals and doctors, prices are being jammed – jammed, Mr. Deputy Speaker – and the reference to that, the definition very simply is that they're priced as high as the drug companies can get away with and not competitively priced, which should concern members opposite. They believe in competition as we all do.

With the production of generic drugs, who by the way do pay a royalty to the original manufacturer, the costs have been significantly less and have created jobs in Canada for Canadians. I'd like to take this opportunity to illustrate to you some of the generic drug industry results.

Tagamet, for example, is an ulcer drug, generically known as cimetidine, was introduced by a pharmaceutical company named Smith Kline & French in 1978. In 1978 this firm was the 14th largest firm in all the pharmaceutical industry. Because of that one drug they went from 14 to number one by 1980, just two years later, largely due to that one development.

In 1981, the last year of the monopoly on this drug, Tagamet, it sold for \$27.94 per hundred tablets. Five years later, right now in '86, generics have drive the price down to \$5.15 per hundred tablets, a saving of \$22.89 or 543 per cent, one-fifth the cost. If Smith Kline & French stayed as sole supplier for Tagamet, Saskatchewan hospitals would have paid over \$67,000 in 1981 dollars more just for that one pill. Ontario hospitals would be paying about half a million dollars per year more. These are just the hospitals, not the patients themselves.

Competition, very important in this whole debate, is one of the key elements in the world market and, in particular, the drug industry. The pharmaceuticals don't believe in competition; they believe in patents, they believe in monopolies, and that's how they're operating. And certainly one would question why the Conservatives support this when competition should be one of the underlying elements of their philosophy. The reason they support this is probably because they receive substantial – absolutely substantial – contributions to their political coffers.

Now there's some real major problems with this, Mr. Speaker, in particular when it comes to injectible drugs. One example I'd like to use is a diuretic. It's ethacrynic acid. It helps basically remove fluid from the body. It's a hypertension drug. Merck-Frosst Canada

produces it. In January '85 one injection cost \$8.95 to the hospital. Two years later, as of January 1, '87 it will go from 8.95 to \$11, a 23 per cent increase that's been staged in between as well, when inflation was only 7 per cent.

(1500)

Aldomet which generic is methyldopa, January '85 was \$7.21; in '87 it will be \$8.77 – a 22 per cent increase. Intravenous solutions which are very important in our hospitals these days, and always has been since their discovery – in 1980 one manufacturer sold a 500 ml bottle for \$24.50. Now there are three, because of generic companies, and the price has come down from \$24.50 for this bottle to \$9.40 – 260 per cent saving. And Saskatchewan hospitals, by the way, still buy from the original manufacturer, and they're now making that saving as a result of generics entering the market.

Dopamine was introduced in 1977 — \$8.40 per injection in 1977. One year later a generic company . . . actually a new company started producing it and the price as of today is \$1.89, down from \$8.40. Only two companies still produce it, but certainly a saving of 444 per cent.

Dibutamine, which is produced by Lilly Pharmaceuticals, which is in the same class as dopamine and has the same action as the other drug, does basically the same job, has only one producer, Lilly Pharmaceuticals. It was introduced in 1978 at \$9 per injection. It is now being sold for \$22 per injection, and some doctors are prescribing this even though the generic is selling for one-eighteenth of the cost.

Mr. Deputy Speaker, I believe that Ottawa should be giving money to universities for the research and development of new drugs, rather than making changes to the Patent Act. Fundamental drug research is done almost exclusively at universities. Companies then take the newly discovered compounds and do research – they do research – to determine how to produce the drug commercially. But in almost all cases new drugs are funded at the research level at universities across North America and Europe. Thus the federal Progressive Conservative Party and the provincial Progressive Conservative Party contention that proposed changes to the Act would foster more new drug research in Canada isn't accurate at all. It's totally false. It's misrepresentation, in my view.

At present no patent drugs are actually manufactured in Canada, only the generics, and the compounds are imported to Canadian plants where they are mixed to be made into tablet or capsule form. The key PC argument that this new Act will create jobs is false because the drug Patent Act does not require – does not require, at all, under any clause or circumstance – that companies establish chemical manufacturing plants in Canada, just does not produce that.

The federal government seems determined to hurt provincial health programs, the Canadian generic drug industry and the sick, by its policy. This seems to be another example, in my view, Mr. Deputy Speaker, of awarding the contract to the highest bidder and this time

out of the country as well. First of all, the CF-18 contract which was totally incomprehensible as to why they would do it except for pure politics, and now the multinational pharmaceuticals getting the big pay-off, again strictly for politics.

Mr. Speaker, I support the motion, and I ask all members to support this motion so we can convey our concerns, which are concerns not of the individual members in his House alone but for many people in Saskatchewan, to the federal government. Thank you very much.

**Some Hon. Members:** Hear, hear!

**Mr. Sauder:** — Thank you, Mr. Deputy Speaker. It's indeed a pleasure for me to be able to rise and speak to this motion today as we deal with a very, very timely and important topic in Canada and in Saskatchewan as well. It's good that we are able to debate these types of topics, to be able to get the facts out on the table, discuss them, and present them to the people who are going to make the decisions on it.

I think it's very important that when we deal with important topics like this that we have very accurate information so that informed, intelligent decisions can be made. In my remarks, Mr. Deputy Speaker, I want to set the record straight on some aspects of the proposed amendments to the drug Patent Act.

Unfortunately what we see here in this legislature today is an opposition bringing a motion forward and dealing with some of the instances, and only parts of it. We see again two things for which they are becoming very famous, particularly in rural Saskatchewan, the place where they had their roots as an NDP party.

They've once again taken the tactic – the low road – choosing to use scare tactics against senior citizens and low-income families, claiming that they are going to be the ones that are hit with all the consequences of this Act; that it's all going to impact on them – the people who can't defend themselves; the people who don't have increases of income or fixed incomes and have to pay things out of their own pocket.

First of all, to me that shows that they don't seemingly understand the prescription drug plan – the drug plan that's in effect in this province as it is in many other places, so that it doesn't create a direct hardship on those types of people, the people who can least afford it.

The second thing they have taken, the tactic that they have chosen to use is a tactic of being against development. They're once again showing their true colours that they don't want any research done. They don't want the development and the manufacturing done in Canada or in Saskatchewan that is going to come from this legislation.

Mr. Speaker, as I said before, their claims that the proposed amendments are going to result in substantial increases in the cost of prescription drugs to seniors and low-income families – Mr. Speaker, that simply isn't true. They obviously, as I said, haven't taken the time to examine how the plans work.

The only direct cost to the public is the nominal dispensing fee. That fee is presently set at \$3.95, and it's remained unchanged, I might add, since 1984 under the Progressive Conservative government, a government that does care about health in this province, does care about the seniors, and does care about the low-income people.

Mr. Speaker, I would contrast that to their record when they were in power, that every year when they were in power they had an increase in that fee; an increase to those seniors; an increase to those with low incomes. The remaining part of that dispensing fee, plus the entire cost of the drug materials, is born directly by the provincial government, not by the consumer.

In other words, there is no direct connection whatsoever between the cost of the prescription drugs and the cost to the Saskatchewan public in obtaining those drugs. For the NDP to suggest otherwise is totally inaccurate, and I believe that it is most unfortunate that they should raise unfounded doubts and fears in the minds of Saskatchewan residents.

Unfortunate, but, Mr. Deputy Speaker, I believe that it's just once again, as I said, in keeping with their philosophy of using scare tactics, of dealing with half-truths, only parts of the issue, of trying to use them for their political purposes and not for the benefit of the people that should be served by government.

Mr. Speaker, in regards to that I also find it very despicable that they would use an issue like this as an issue to raise funds for a provincial party. It's shameful that they would take such a thing and only use half-truths and mention to try and raise money for their political purposes rather than to address the real needs of this country.

I think it's also very interesting to see them posing as the protector of seniors in our province. Mr. Speaker, when they were in government through the period of the 1970s, it was the NDP that placed a moratorium on the nursing home construction. If ever there was a need out there to be filled for seniors, one of them certainly is the need for special care homes. Yet at that time they said no, no more. We're not going to build more; we're not going to look after our elderly.

Mr. Speaker, as Legislative Secretary to the Minister of Health, I've had opportunity on many occasions to visit with community people, to visit communities where nursing homes have been built, are being built, and I'm finding just an excellent response in every one of those communities. It's a need that's definitely there, and a need that this government is committed to, and we are filling that need.

Mr. Speaker, just this past weekend I visited with people from a rural municipality in north-western Saskatchewan who told me how under the former administration their member, who was a senior cabinet minister at that time, told them to forget about it. They didn't need a nursing home; forget about it. They weren't interested in building one for their community. Their response was that they did need it. They came back to this government, hence they

have approval and are proceeding with construction.

But even at this time that philosophy of the party opposite has not changed. Throughout the course of this last election campaign that former minister in his re-election, when he met with the people in that community, told them that he would not honour the commitment of this government to build a nursing home in their community, that they didn't need it. I find that shameful and despicable. And, Mr. Deputy Speaker, it's little wonder that those people in that community did not support that former minister and they returned a Progressive Conservative member back to the government of this province.

**Mr. Brockelbank:** — Mr. Speaker, is it permitted to raise a point of order?

**Mr. Deputy Speaker:** — State your point of order.

**Mr. Brockelbank:** — The point of order is that the resolution deals with prescription drugs and patent legislation. The member is talking about nursing homes and election campaigns, neither of which are in the resolution.

**Mr. Deputy Speaker:** — The point of order is not well taken. The member that moved the motion brought other issues into the debate and . . . (inaudible interjection) . . . Order, order. The Speaker is on his feet. There was far ranging . . . there was other things brought into the debate from the member that moved the motion. I find the point of order not well taken. The debate continues.

**Mr. Brockelbank:** — Mr. Speaker, may I raise a further point of order? It is incumbent upon the Speaker, or the Deputy Speaker, when a point of order or a breach of the rules occurs, to raise a point of order. If the member who raised the original question brought in information which was not supposed to be in the debate, a point of order should have been raised at that time. I'm raising a point of order with regard to the member who has the floor now, and you, I feel, Mr. Speaker, must rule on that point of order and not relate back to something that happened before.

**Hon. Mr. McLeod:** — Mr. Deputy Speaker, I suggest to you that the — I'm speaking to the point of order raised by the member from Westmount — that the Rule 16 debate is set out in the rules as a wide-ranging debate, and it is that. The member who moved this particular motion under Rule 16 developed her arguments on a wide-ranging manner. The member on our side of the House who was speaking before being interrupted by the point of order was doing a similar thing, and I suggest to you, Mr. Deputy Speaker, that the point of order should not be well taken.

**Mr. Deputy Speaker:** — The point of order is not well taken. Anything that is brought into debate is allowed to be commented on, and the debate continues.

**Mr. Sauder:** — Thank you, Mr. Deputy Speaker, for that excellent ruling.

Mr. Speaker, seniors have always been a priority, as I was

saying earlier, for this government, and they always will continue to be for Progressive Conservative government. Our commitment to seniors' health care needs have been demonstrated over and over. I think we only have to look at the new chiropody program; the cap on ambulance charges for seniors, as I said earlier; the special care home construction program; increased funding for home care, to name just a few examples. We're going to continue to develop effective and innovative programs so that seniors can live with independence and dignity.

(1515)

Mr. Speaker, I referred earlier to the NDP's consistently negative attitude to any economic development and job creation that isn't directly run by government. They're opposed to the Weyerhaeuser project; they're opposed to the Rafferty dam; they complain about the idea of a bacon processing plant in North Battleford; and now, Mr. Speaker, they're apparently against the idea of more research and development on prescription drugs in Canada.

Mr. Deputy Speaker, high-tech development, high-tech research, many, many jobs by intellectual people who are going to contribute much to this country — all they can focus on is unfounded speculation about how bad things might be. They attempt to portray this as a sell-out to the United States in the interests of freer trade when, in fact, the industry will be putting \$1.4 billion into our country creating jobs for Canadians.

Let me just put this whole matter into perspective, Mr. Speaker. The Government of Saskatchewan has been in continuous contact with federal officials with regards to amendments. We certainly have raised concerns about it. The legislation has been tabled in the House of Commons containing several major revisions that have come about as a result of this consultation. Let me highlight some of the ways in which the current version differs from the one proposed earlier this year. First of all, the clause is now included to clarify that all generic drugs now being produced are exempt. Mr. Speaker, they would have us believe that those people who are working in the generic drug industry presently are going to lose their jobs as a result of this legislation. That simply, Mr. Deputy Speaker, is not true. They're going to continue to . . .

**Mr. Deputy Speaker:** — Order. The member's time has elapsed.

**Ms. Smart:** — Mr. Deputy Speaker, I am pleased to rise in support of this motion on an issue which is critical to the constituents of Saskatoon Centre, one-third of whom are senior citizens and many of whom are persons with illnesses or disabilities that require medication.

I also want to address my remarks to the farm families in Saskatchewan who use agricultural chemicals on their land to point out the very close link between the issue of drug prescriptions and the issue of access to cheaper farm chemicals.

Indeed the proposal to change our Canadian patent legislation which the Mulroney government is whole-heartedly supporting will cost us all a lot of money

as farmers, as consumers, and as taxpayers.

But perhaps the members opposite are not aware of all the ramifications of the proposed change to the Patent Act, especially as it will affect the farmers whom they say they represent. So I ask them to have the courtesy to listen carefully while I outline the issue.

As I said, the Patent Act which is under attack by the multinational drug companies, controls access to both prescription drugs and farm chemicals. Just a few days ago the agricultural committee of the federal government, which is an all-party committee composed of members of parliament concerned about agricultural issues, met with officials of Agriculture Canada to discuss what farmers must spend in order to produce. The meeting was intended to give an overview of farm costs, according to an article in the *Leader-Post* of December 3rd.

Now most Saskatchewan people, including those in the core areas of the major cities, realize that one of the major costs facing farmers is the cost of pesticides, herbicides, and fertilizers. These chemicals are outrageously expensive. I personally remember the shock that we received when we had to pay over \$200 for a very small container of Roundup. And most farmers are looking at chemical bills in the thousands of dollars. These farm chemicals are currently controlled . . .

**Mr. Speaker:** — Order, please. Order!

**Ms. Smart:** — . . . prescription drugs. But the members opposite may not be aware of this. As I understand it, the section controlling agricultural chemicals allows the multinational chemical companies to have exclusive rights to their brand name chemicals for 17 years before cheaper generic brands can be produced. And the director of technology for Agriculture Canada, Dr. McKenzie, told the agricultural committee of the federal government that the department was working on policy modifications so that generic chemicals could become available much faster.

So here we have the situation, Mr. Speaker, where one area of this government is looking on reducing the time frame for generic chemicals to become available to Canadians, as they should do, I suggest, while another area of the government works to extend the time frame for the availability of generic drugs.

Mr. Speaker, this conveys to me the impression that the government is not working for the best interests of all consumers in Canada. This conveys to me the impression that the government is blowing in the wind.

Mr. Speaker, the government can't have it both ways or all ways all at once. The federal government and the provincial government must decide which side of this issue they are on. Do they want to continue high prices for agricultural chemicals and reinstate high prices for prescription drugs, both in order to appease the multinational corporations, or do they want to stand up for Canadians, take a consistent approach to support generic chemicals, and thereby help us all, especially as consumers and as taxpayers. Dr. McKenzie, director of the technology department of Agriculture Canada told

the committee, and I quote the newspaper:

In the patent protection area, we note quite clearly that chemicals still under patent are generally at a higher price per unit of active ingredient than those that have come off patent and where you have more competition (you have a lower price).

He went on to point out that prices are higher because this, and I quote:

... is by and large the intent of (the) patent legislation, to reward those individuals and companies who invent something new so they can reap a return to that product while it is in the market-place.

So since the motive is to make as much money as possible, one would expect the prices to be higher. And of course, Mr. Speaker, they are higher under patent as my colleagues have already described. The solution to this impasse that's proposed by the government is that we lure the multinational producers away from the cheap labour and establish factories of the southern United States where they already operate and get them to manufacture both agricultural chemicals and prescription drugs right here at home.

Now, Mr. Speaker, it's my understanding that Lee Clark, a Conservative member of parliament for Brandon, Manitoba, told the agricultural committee about a fertilizer produced by the Simplot Chemical Co. Ltd. Of Brandon, a branch of a multinational corporation. This fertilizer apparently can be purchased for a lower price in North Dakota than in Manitoba where it is produced. So even if we manufacture chemicals here under multinational corporations, as this government is proposing to do, the price is not lowered until there is competition from the generic firms. And, Mr. Speaker, I note with interest that this example is a fertilizer plant, similar perhaps to the one that Federated Co-op has decided is unprofitable to build at this time in Regina.

Mr. Speaker, Federated Co-op is one of the largest corporations we have in western Canada. If Federated can't find the money to invest in the fertilizer plant, and if multinational companies won't sell their patent chemicals cheaper to farmers – using the example from Brandon, Manitoba – even when they're produced here, then I suggest to you that the promise to set up our own manufacturing plants may be another one of the Premier's visions – images without much substance. Nevertheless, there is no doubt that the Premier will try to do something to lure a multinational company to Saskatchewan. And I suggest it will cost us, as taxpayers, a hefty price, similar to the dreadful give-aways this government has already contracted to Weyerhaeuser.

We will pay and we will pay dearly. We will have to pay the companies to relocate. We will have to continue paying the farmers heavy social assistance to cover their high costs of production, a major cost being their farm chemicals. We will have to pay into the provincial treasury the higher costs to our Saskatchewan drug plan so that that cost is not borne entirely by those needing prescription drugs.

And I ask, what we will get in return for these pay-outs? Expensive brand name drugs and farm chemicals, not generics. A greater and greater provincial deficit. Little or no return for the people on their investment in Saskatchewan, as profits go back to the multinational shareholders.

Mr. Speaker, prescription drugs and farm chemicals are not products that people can easily choose to do without. They are products that are seen as necessary, essential, for many people to survive. Therefore we as Canadians cannot afford to fool around with our access to these products. We cannot afford to protect those who want to deny access to a product that is useful to so many of us.

The argument that a few individuals deserve to profit excessively at the expense of the rest of us, won't hold up. We must be on the side of Canadians – farmers, senior citizens, those with health problems. We must take a consistent position in support of access to generic drugs and chemicals. We must oppose these proposed changes to the Patent Act, and we must all vote in favour of this resolution.

**Some Hon. Members:** Hear, hear!

**Mr. Martin:** — Thank you, Mr. Speaker. I am pleased to enter this debate regarding proposed changes to the Canadian patent legislation, and I believe there are some important points that must be made.

Mr. Speaker, the very wording of the motion presented by the opposition is one of the many reasons they are sitting on the opposite side of the House. Saskatchewan people have long been tired of the confrontational attitude of those members opposite, and they made that fact abundantly clear less than two months ago. The people of this province want to see us co-operate and consult with those involved in every issue in order to produce the best results for Saskatchewan.

And, Mr. Speaker, your Progressive Conservative government firmly believes that some important changes and amendments have been made to the proposed legislation over the past few months. We believe that some important changes and amendments have been made to the proposed legislation over the last few months, directly resulting from our input, a fact that members opposite fail to realize, or deliberately ignore.

Mr. Speaker, let me give you a few examples of the results of this consultation and co-operation by the former minister of health, the member from Indian Head-Wolseley. In order to protect existing competitions, a clause has been added to amend proposals made in June of this year to clarify that all generic drugs currently being produced will be exempt, and we will have continued access to them. Mr. Speaker, for new drugs, exclusive rights are effectively reduced from 10 years to seven years, providing that the generic company manufactures the ingredients in Canada – an important point.

Mr. Speaker, again I point out that the June version specified 10 years for all new drugs, and in practice this

seven-year period represents very little change from current experience. However, Mr. Speaker, what it does do is encourage the manufacture of generic drugs in this country, resulting in new and exciting job opportunities and spin-off benefits for many others.

Mr. Speaker, because of the input of your PC government and others throughout the country, monitoring of research and development commitment will be improved. Mr. Speaker, industry must now provide sales revenue information for all of their drugs in Canada. Again, the June version required this information only on patented products.

Of course this will help the price review board hold industry to its commitment to double research and development expenditures, currently 5 per cent of sales, to 10 per cent of sales by 1995 and is expected to generate an extra \$1.4 billion in research, research money, Mr. Speaker, that can come to Saskatchewan, that can come to the University of Saskatchewan or to the University of Regina for research purposes.

Mr. Speaker, the new version also allows a government to make regulations defining research and development. The June version had no such provision. Mr. Speaker, a further change from the June version allows the drug prices review board hearings to now go public, aiding the board's effectiveness. And Mr. Speaker, still another amendment to the June proposal for changes to the Patent Act allows a federal minister to establish a panel to advise on review board appointments, better assuring a fully independent board, a review board, Mr. Speaker, that can control drug price increases. Mr. Speaker, these are a few of the results of consultation and co-operation.

(1530)

When it comes to protecting low-income families, the sick and the elderly, based on the track records of the parties represented in this Assembly, your PC government has no peers. Mr. Speaker, through our build-a-home and first time home buyers programs, low income families in this province had an opportunity to improve their quality of life by owning their own home. Without these programs, Mr. Speaker, many of the thousands who took advantage of these opportunities would have had great difficulty in ever realizing their dreams of owning their own home.

Mr. Speaker, other initiatives have also assisted low-income families: elimination of sales tax on clothing under \$300; elimination of the gas tax, saving families an average of 400 per year; elimination of taxes on utility bills, and many other initiatives, Mr. Speaker, to assist low-income families.

Your PC government's commitment to the sick and those suffering from illness is well documented. To assure Saskatchewan people have first rate health care facilities, in 1985 the PC government announced that they will provide \$300 million for facility renovation and construction over five years.

Your government has also made a major commitment to cancer research and treatment facilities, equipment and

staff. For example, Mr. Speaker, a total commitment of \$17 million for capital construction and expanded services of the Saskatchewan Cancer Clinic in Saskatoon; six new C.T. scanners have been purchased, helping to reduce waiting time for diagnostic work. By designating funding for a five-year period, your PC government has made it possible for the cancer foundation to plan its equipment needs and purchases in a rational, cost-effective manner. A new computer system will improve treatment planning, and two linear accelerators have been purchased for Saskatoon and for Regina.

Mr. Speaker, \$1,200 is being spent by your PC government for every man, woman and child in this province on their health care needs.

Mr. Speaker, as part of our government's commitment to protecting the people of Saskatchewan, we have ended the practice of extra-billing by doctors. Mr. Speaker, again, through negotiation, consultation, and co-operation with doctors, health care officials, and the public, this practice was eliminated.

Mr. Speaker, to the senior citizens of Saskatchewan I am proud to list the accomplishments of your government to assist the senior citizens of Saskatoon Centre, for instance, or of Regina Wascana, but the senior citizens throughout the province, a province that respects its senior citizens.

We have long recognized the importance of health care for seniors. Our comprehensive strategy for the elderly includes the following innovative programs: establishment of a chiropody program, providing foot care services in all 10 health regions of the province and 23 satellite locations; integrated hospital special care homes are under construction at Goodsoil, Lampman, Nokomis, Rabbit Lake, and Rose Valley; a total of \$11 million was allocated over the past two years in government, plus a commitment of \$25 million more over the subsequent five years, generating \$125 million worth of construction; a total of 438 nursing home beds were added in 1985-86 and another 330 beds are planned for 1986-87 – just a part of the 1,600 beds to be added in the five-year period 1985-86 to 1989-1990.

Mr. Speaker, over \$1 million for initiatives and special care homes and home care for services such as respite care, day programs for seniors, enhanced home care for clients with intensive service needs has also been provided. And, Mr. Speaker, your PC government made a decision to build a 238-bed, special care home in Saskatoon which, in addition to creating more beds, will provide several services not previously available in the province, such as beds for disabled people and for behaviour management patients.

Mr. Speaker, many of the accomplishments came about after our government had lifted the six-year moratorium that had been placed on nursing home construction in this province by the previous government. Mr. Speaker, other programs to benefit the elderly include the senior citizens' home repair program, the senior citizens' heritage grants, increases to senior citizens' assistance payments through the Saskatchewan income plan.

The record of your PC government in protecting low-income families, the sick and the elderly, is among the best in the entire country and your PC government makes no apologies for its record. The Progressive Conservative government has and will continue to protect Saskatchewan against economic hardships beyond their control. We have the record to prove it and we are working hard to ensure that Saskatchewan people do not suffer because of any changes to the Canadian patent legislation.

Thank you, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Ms. Simard:** — Mr. Speaker, I rise in support of this motion. There has been a very interesting progression of events in Saskatchewan over the Mulroney drug patent legislation. Last spring the minister of Health was quoted as saying that he was opposed to the move if a hike in the drug plan isn't compensated for an increase in research dollars. In other words, Mr. Deputy Speaker, he was prepared to compromise increased drug costs to the sick and elderly for research dollars. Later he's quoted as saying that he favoured the Eastman recommendations and was against the patent legislation being proposed. He didn't like this proposed drug patent legislation so much that he convinced Ottawa to shelve the idea, but Ottawa wasn't convinced for long, obviously.

And now, Mr. Deputy Speaker, we have a new Minister of Health who appears to be in league with Brian Mulroney and Ronald Reagan and who appears to support this regressive policy of the federal PC government, and still no one seems to know exactly how much the drug patent legislation is going to cost us.

As late as December 9, 1986, the Premier is quoted in the Saskatoon *Star-Phoenix* as saying he didn't know how much more Saskatchewan consumers were going to have to pay through increased drug prices through the drug prescription plan.

Mr. Speaker, how can the Premier support Mr. Mulroney and the drug patent legislation. Indeed, how can any member of this House support it if they don't have some ideas as to the cost to the taxpayer of Saskatchewan and to those who need medication.

**Some Hon. Members:** Hear, hear!

**Ms. Simard:** — That doesn't make any business sense, Mr. Deputy Speaker, no business sense at all. I don't know of one single small-business man in this province who would agree to go along with an increase in rent when he doesn't know what the increase will be.

But, Mr. Deputy Speaker, I don't believe that the Premier and the Minister of Health and the PC government believe for one minute that the drug patent legislation is the best alternative for Saskatchewan and Canada. They know that it's not for the benefit of Canadian and Saskatchewan consumers. They know it is simply the federal government caving in to the U.S. drug manufacturers in its pursuit of a free trade pact with America.

**Some Hon. Members:** Hear, hear!

**Ms. Simard:** — They know it's a Reagan and Mulroney pact to co-operate to protect intellectual property rights. Translated, Mr. Deputy Speaker, that means to protect big multinational drug companies at the expense of Canadian and Saskatchewan consumers and at the expense of the sick and the elderly. To say drug prices would not increase is, to put it politely, to deceive oneself, Mr. Speaker. Dr. Harry Eastman, who headed a study of the drug patent situation in 1984, has stated unequivocally that prices would rise and that the purpose of changing the legislation would be to allow a bigger reward for the drug firms. A bigger reward, Mr. Deputy Speaker, for an industry that already enjoys substantial profits.

Mr. Speaker, I've recently had an opportunity to speak to a representative from Policy Concepts, which is a Toronto consulting firm, and this firm has done considerable amount of research into the drug patent question and into the impact with respect to the drug industry and the economy. And I think it is imperative that I share the information I received over the telephone in a conversation with a representative, with this House, and if the members opposite are not aware of the research done by Policy Concepts, I think they should be. If the public's not aware, I think they should be. It's important that these facts be brought out for consideration by everyone.

I was informed, Mr. Speaker, that the generic industry represents 20 per cent of the pharmaceutical market. Generic drugs sell at 50 per cent of the cost of brand name drugs, so in effect 20 per cent of the drugs are being sold at 50 per cent of the cost.

In addition, the price of brand name drugs has been discounted by 20 per cent in response to generic drugs, so we have 80 per cent of the drug market being sold at 80 per cent of the cost. But it's also important to note, Mr. Deputy Speaker, that pharmaceutical sales are growing at a compound rate of 15 per cent per year. And it's also important to know that recently some introductory prices on some drugs have been significantly high. However, given these givens, and even if sales continue to grow at only 15 per cent a year, we will be seeing a substantial increase in drug profits.

The estimated loss of savings, according to policy concepts, would grow to \$650 million in the year 1995 — \$650 million, Mr. Deputy Speaker, for 1995 alone. I was informed that it is estimated that \$4.2 billion will be lost to drug companies from 1986 to 1995. This is pure profit, Mr. Speaker, an additional \$650 million in 1995 and \$4.2 billion over 10 years. But even, Mr. Speaker, if it's half that, it's too much.

According to policy concepts, Mr. Speaker, Coopers & Lybrand, a national accounting firm, took a look at the impact of money being taken out of the economy, the impact of money being lost. They looked at what the net loss of jobs would be if one took a certain number of dollars out of the economy. They arrived at the conclusion that 26 man-years are lost for every million

dollars. That means that in 1995, if indeed 650 million leaves the economy, we are talking about 17,000 man-years that will be lost.

And if one does a purely statistical extrapolation over 10 years, the figures are absolutely astounding. I couldn't believe it, so I contacted the firm again and I was told that if one was to give it a very conservative estimate, we would be talking about 9 to 10,000 jobs over the 10 years not being created because of the money that is drained out of Canada and flowing to multinational foreign-owned companies.

**Some Hon. Members:** Hear, hear!

**Ms. Simard:** — But we are told, Mr. Deputy Speaker, that there will be 3,000 jobs created over the next 10 years. We're not sure where they'll be — whether they'll be in Saskatchewan or in Eastern Canada. We are told these jobs will be increased through a \$1.4 billion input by the drug industry in research dollars. Well, Mr. Speaker, that's pretty miserly, if indeed 4.2 billion is drained out of the Canadian economy by an increase in drug profits, or if indeed 2 billion is drained out of the economy.

And when one considers that approximately 9 to 10,000 jobs will not be created because of a drain of our money to the South or to some European countries, 3,000 jobs doesn't have the appearance that the members opposite would like it to have.

I have to ask myself, Mr. Deputy Speaker, how the Premier and Brian Mulroney can be so duped by Ronald Reagan and the multinational companies that they would approve this drug patent legislation. That's like when my son talks my daughter, Mr. Speaker, into giving up her quarter for two pennies. But, Mr. Deputy Speaker, my daughter is only two years old and she doesn't know better. But can we say the same of the Premier of Saskatchewan? Can we say the same of the Minister of Health?

Let's look at the people who are going to pay the price — the taxpayers, the sick and the elderly. They'll pay the price, Mr. Deputy Speaker. Costs will go up for our prescription drug plan. And I bet it's not unreasonable to speculate that we'll see an increase in the dispensing fee. Even if it only goes up to \$.475, for example, it's a substantial increase for seniors, some of whom take five and six drugs at a time; or for people with certain illnesses who are required to take three or four drugs at a time.

(1545)

Last but certainly not least, it will be a substantial increase to the Saskatchewan taxpayers. Does this province have extra money, Mr. Speaker, to send out of this country to create 3,000 jobs in who knows where — perhaps eastern Canada — and lose many, many more jobs by the drain of money out of our province and out of Canada? I think not.

**Mr. Speaker:** — Order. The member's time has elapsed.

**Hon. Mrs. Duncan:** — Thank you, Mr. Deputy Speaker. It's a pleasure for me to be able to speak on this motion. This is a motion which condemns the Government of

Canada for proposed changes to the Canadian patent legislation.

Let me begin by noting that Saskatchewan residents currently enjoy the only universal drug program in Canada. This means that the residents of our province are and have been protected against major cost fluctuations in drug prices. Mr. Deputy Speaker, there is no doubt that the drug plan in this province is the best in the country. And let me assure this House and the people of our province that under our Progressive Conservative government our province's drug plan will continue to be the best in the country.

**Some Hon. Members:** Hear, hear!

**Hon. Mrs. Duncan:** — Mr. Deputy Speaker, I believe that to discuss this issue knowledgeably we must have some background on the present drug situation in Canada, and I would like to lead off with that.

In 1969 the federal government's Patent Act was amended as it applied to pharmaceuticals. It was amended so as to allow generic companies to import and sell drug products that had been patented elsewhere. In return for this right, Mr. Deputy Speaker, the generic companies were required to pay a royalty of 4 per cent of their selling price to the patent holder until expiration of the 17-year patent period. This was called compulsory licensing. Not surprisingly, Mr. Deputy Speaker, the patent holders felt that they should have exclusive rights to their patents for the full 17-year period, just like those who patent other inventions.

In April of 1984 the federal government, which was Liberal at that time, called a commission of inquiry on the pharmaceutical industry. This commission was chaired by Dr. Harry Eastman, a professor economics from the University of Toronto. The commission released its report on May 22, 1985.

Mr. Deputy Speaker, the Eastman commission recognized the value of the competition from the generic drug firms that had resulted from amendments to the Patent Act in 1969. As a result it recommended retention of most of the Patent Act amendments of 1969 which had allowed for the growth of the generic industry here in Canada.

The federal government's first proposals for a new Patent Act were brought out in June of 1986, but these left something to be desired from Saskatchewan's point of view. And I'm pleased, Mr. Deputy Speaker, to report that after serious consultation with the provinces, including ourselves, further changes were made, amendments were made to those June proposals.

On November 10, 1986 the federal government tabled a new Patent Act. The new Act, which included changes made to the June proposals, would provide more substantial patent protection. In fact, it recommended exclusive periods ranging from seven to 10 years for most new products. The changes made in the original proposals, in fact, have substantially improved the new Act, Mr. Deputy Speaker. And I would like to inform the House of some of these changes that members opposite



choose, by design, to ignore.

First, a clause was added to clarify that all generic drugs now being produced will be exempt and we will have continuing access to them. No such clause was in the June version.

Secondly, the exclusive rights for new drugs were effectively reduced from 10 years to seven years, providing that the generic company manufactures the ingredients in Canada. This compares to the June version which specified 10 years for all new drugs. Let me say that in practice this new seven-year period represents very little change from current experience.

In the third change, Mr. Deputy Speaker, the industry will be required to provide sales revenue information for all of their drugs in Canada. The June version required this information only on patented products. This sales revenue information will help the drug prices review board hold industry to its commitment to double research and development expenditures from the present 5 per cent to 10 per cent of sales by 1995. It's expected to generate an extra \$1.41 billion of research moneys here in Canada. The new version also allows the government to make regulations defining research and development that will take place in Canada.

A fourth change requires that the drug price review board hearings be held in public. And this should aid the board's effectiveness.

A fifth change, Mr. Deputy Speaker, provides for the federal minister to establish a panel to advise on the review board appointments as a better way to assure a fully independent board.

These changes indicate clearly that the efforts of our government and other provincial governments in recent months have paid off in helping to create a much more suitable program. Let me say that the drug prices review board being set up as a part of this new regime is going to be a vitally important agency, and I can tell you, Mr. Deputy Speaker, that it is being well structured.

First, I understand that Professor Harry Eastman who chaired the commission of inquiry will be the chairman. As well, consumers will be represented on the board. Also, the board's price control powers will apply to all drugs — current and future.

As well, the board will have the authority — and this is important, Mr. Deputy Speaker, — to recommend the revoking of patent rights if industry does not meet its research and development commitments. And in one further step, these amendments will be given a full review in 1990 and again in 1995.

The drug prices review board will also have the power to set price ceilings to control inflation. And industry again must comply or the board could remove its patents right. And, Mr. Deputy Speaker, it is clear to see that the drug price review board will have some pretty powerful tools at its disposal. And factors that would be considered in cases of an increase would be things like the consumer price index and the price of comparable drugs.

Of course the hearings and decision of the price review board will be open to the public, and the provinces will be given the statutory right to make representations directly to the board in cases where they suspect price abuse by companies.

Let me say, Mr. Deputy Speaker, that the interests of the provinces are being carefully guarded during the transition period of this program. Since it will take a few months before the prices review board becomes effective, the federal government will pay the provinces \$100 million to be divided amongst the provinces on a per capita basis.

And I might add here that because our drug plan in Saskatchewan is of a universal nature, unlike many other provinces, we are pressing Ottawa for a distribution formula more directly related to per capita drug expenditures by the province rather than on a population basis.

Mr. Speaker, there have been some questions here in Saskatchewan as to how much this new plan will cost us. And let me speak very frankly here. Say we had the worst-case scenario in which there was no prices review board — and remember that the legislation requires one — and that the federal government did not set up the proposed compensation fund. We believe that this province's costs would rise about 10, 12, \$15 million a year.

But even under this worst-case scenario, which won't happen, Mr. Speaker . . . And there's a reason for it. At least 40 new generic drug products are scheduled to come on the market between now and the implementation of the new Act. And these 40 new drugs, which will be accessible to the public, will not be subject to the changes in the Act.

We estimate that if the review board effectively reduces the inflation rate of drug prices, it could offset all, or certainly a big portion, of that \$12 million. So the cost of this program to the province will be little or nothing, yet there will be many other important advantages.

I should add that because the drug plan pays the entire drug material costs on behalf of residents in this province, consumers — all consumers — including the elderly that the NDP always target to, will not have to bear the increased cost.

As I indicated, in our discussions with Ottawa we did have a concern over the long term that drug costs could climb under this plan. That is why we lobbied the federal government hard to address this situation. We asked for effective cost control mechanisms and we demanded performance guarantees. And of course we demanded a positive share of increased research expenditures.

It is because of our efforts and the efforts of the Minister of Health that the drug prices review board will be there with the needed teeth to monitor performance, promises, and prices. We of course were also pleased with the federal commitment to review the policy in 1990 and again in 1995 with the provision to roll back any

agreements if performance is not evident or if pricing practices are inflationary. Of course the amendments contain provisions for an increase of \$1.41 billion, over and above normal increases that is, in research and development over the next 10 years, and they also make raw material manufacture in Canada a prerequisite for exclusivity. This can provide 3,000 . . .

**Mr. Deputy Speaker:** — Order. The member's time has elapsed.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Hepworth:** — Mr. Deputy Speaker, I'd like to make a few comments relative to the motion under Rule 16 that refers to ". . . proposed changes to federal drug patent legislation, which will impose unacceptably high costs on Saskatchewan seniors and low income families," as the motion reads, Mr. Deputy Speaker.

I think it would be self-evident that all of us in society are opposed to high drug costs. That just makes eminent good sense, Mr. Speaker. But once again, here in the debate today and in the question period earlier, we have seen the NDP try and take what is a relatively complex issue and turn it into a simple duality. And this is something I talked about in my throne speech remarks earlier in this legislative session, Mr. Speaker. They're tried to take a complex issue which definitely has positives and negatives, as the government House Leader so eloquently laid out earlier today, and turned it into a them-us, black-white, yes-no kind of issue. And, Mr. Speaker, quite frankly when it comes to this issue, the public of Saskatchewan and the public of Canada deserve better. Because to do that, Mr. Speaker, it is not right, it is not fair, and quite frankly, Mr. Speaker, it is not responsible government to simply dissolve this issue into a simple duality.

The NDP, Mr. Speaker, have put forward the argument that somehow with this legislation either you're for generics or you're against generics. It's got nothing to do with that. We all agree that generics have been a big boon in lowering low drug costs. They are somehow trying to distil the argument and make it simply that. That is not the issue, Mr. Speaker.

What we are talking about here is not whether existing drug costs are going to go up or down. The fact of the matter is they do not go up. In fact, they will probably go down because of the increased pressure, competition and the natural entrance of generics over the next few years. So, Mr. Speaker, that in itself is not an argument at all for the existing drug market.

What is at issue is new drugs, Mr. Deputy Speaker. And I heard one of the members from Saskatoon refer to earlier today propranolol, a heart medication. With this kind of legislation, Mr. Deputy Speaker, the issue really becomes: do we in Canada want to have the next generation of heart drugs? Do we want to have that technology or that chemistry or that medication that will, in fact, replace propranolol? That is the issue. We're looking to the future. What new breakthrough in science will occur in Canada because of this legislation for the benefit of all heart patients, perhaps? With this kind of

legislation, Mr. Speaker, that chemistry may well be found in Canada. It may well be found in Saskatchewan as opposed to Switzerland or West Germany or France or somewhere else, Mr. Speaker.

There has been much mention of studies, Mr. Speaker . . . but what happens, and what can happen, and what will happen, and what might happen. Well, from my brief experience of 10 or 15 years or so in the health science area, all the studies that I was made aware of, Mr. Speaker, were these: that there is a very definite cause and effect relationship in the patent drug legislation between — if you provide incentives, you definitely get the corresponding investment — the research and development investment, Mr. Speaker.

With incentives in R&D come jobs. With R&D, Mr. Speaker, comes leadership and the diversification of our economy. With R&D, Mr. Speaker, we become masters of our own destiny — masters of our own destiny down the road. Without research and development in this field, Mr. Deputy Speaker, we are essentially relegated to a colonial status when it comes to developing health care products.

The other buzz-word, if you listen to the debate this afternoon, Mr. Deputy Speaker, the other buzz-word that constantly emerges as part of the consistent rhetoric of the opposition — I heard it when the hon. member was speaking, from all members, I suppose, from Saskatoon, whether it was to do with agricultural chemicals — and I fail to find that in the motion — but it was part of the debate, or whether we were talking about health care products. The buzz-word was this, Mr. Speaker; they reduced the argument in the first instance to generic versus non-generic, and that was a non-issue. The other smoke-screen they flew, -ms, was the buzz-word "multinationals." If it's a multinational, it must be bad, because all multinationals, according to the NDP, are corporate robber barons. So if you know nothing about a topic, and multinationals are involved, it must be bad.

That simply duality of view again, the simplistic argument, the old ideology, and quite frankly, Mr. Deputy Speaker, I hope they keep that up because if they do they'll be over there for a long, long time.

**Some Hon. Members:** Hear, hear!

(1600)

**Hon. Mr. Hepworth:** — It's the same kind of arguments that they always advance, whether it's health care products, if they're oil companies, if they are a multinational, they must be bad, Mr. Speaker. Well I ask them, Mr. Deputy Speaker, is a job with a multinational any less worthy than somebody who works for anybody else? Is a job with a multinational any less worthy? I ask you, Mr. Speaker, are those people who work for that — according to the opposition — that robber multinational baron, Hoechst International, who in Regina . . .

**Mr. Speaker:** — Order. Order. I am afraid I must inform the House that time has elapsed.

## MOTIONS

**Resolution No. 2 – Benefits to Saskatchewan Families Through Saskatchewan Home Program**

**Mr. Muirhead:** — Mr. Speaker, today I am pleased to move the following resolution:

That the Government of Saskatchewan be congratulated for providing protection to Saskatchewan families through development of the Saskatchewan Home Program, which establishes both the Mortgage Protection Plan and the Home Improvement Plan.

Mr. Speaker, the Progressive Conservative government has been a leader in housing since 1982. Today, during the course of my remarks to this legislature, I intend to present positive reasons why I believe this resolution I have introduced should be passed. I shall outline the success of the Progressive Conservative housing programs and, in particular, the development of the mortgage protection plan and the home improvement plan.

In 1982 interest rates were sky-rocketing out of control. Hard-working Saskatchewan families were facing the prospect that their homes would be swept out from under them. It was a time of crisis for the family and we could not allow the uncertainty or trauma to continue. The Progressive Conservative government stepped in and put a ceiling on mortgage interest rates. We introduced the mortgage interest reduction program and provided cash rebates to Saskatchewan home owners that brought effective mortgage rates down to 13 and one-quarter per cent.

Before we moved to protect the home owners, interest rates had hovered around 19 per cent, Mr. Speaker, and in many cases much more. MIRP (mortgage interest reduction program) has proven to be tremendously popular. The program has helped more than 44,000 households in our province with \$63 million in direct cash benefits.

But this is 1986. Times have changed, Mr. Speaker. The recovery process is beginning to build momentum, and our economy is showing signs of improvement on many fronts. Our industrial development strategies and our emphasis on economic diversification are paying off. Today we must continue to provide protection to the family, just as we did in 1982. But we have another task as well, to stimulate and sustain jobs for the betterment of every community in Saskatchewan.

The Saskatchewan home program is an essential element in our commitment to job creation. The home is the greatest single investment most families ever make. It is also the single greatest financial asset families own in a lifetime. Maintenance of the family home increases its value and enhances the quality of life for those who live within its walls.

For four years our government has been pursuing a “made in Saskatchewan” housing policy that provides protection for those who have homes, our opportunity for those who would have to have them. Recently, for

example, we introduced a first-time, new home buyers’ grant of \$3,000 that has helped people get their first new home. And the government has just concluded federal-provincial agreements that provide protection and opportunity to low-income citizens.

We have also introduced a senior citizen’s home repair program, an initiative that provides seniors with financial assistance to renovate or repair their homes.

But as I indicated, our past successes in housing in Saskatchewan have emphasized protection of those who own their home and the provision of opportunity to those who want to do so.

We must now take the next step, providing for long-term security to home owners and introducing means by which our housing policy can create jobs and stimulate community-based economic activity.

The new Saskatchewan home program will provide long-term mortgage interest rates protection, will stimulate a boom in home repair and renovations projects across the province, and will create thousands of new jobs, Mr. Speaker.

The program began September 1 and has two major features. The first, the mortgage protection plan guarantees home owners on purchase, or at time of mortgage renewal, an effective nine and three-quarters per cent interest rate for the next ten years. This plan will apply to all mortgages to a maximum of \$50 thousand, just as MIRP (mortgage interest reduction program) does, and anyone can participate in the plan within five years, and this way everyone, whether they have just renewed their mortgage or do not have one at present but may before 1981, they will be guaranteed this interest rate protection and the security and stability that goes with it.

As I indicated, the mortgage protection plan builds on the success of MIRP. We expect, and the program demands, that home owners get the best possible deal when negotiating a first or renewed mortgage. That is the home owner’s obligation; our obligation is to promote stability in the market-place and long-term security for Saskatchewan families.

It is conceivable that interest rate will continue to decline. On the other hand there are no guarantees, Mr. Speaker. Whatever occurs, the mortgage protection plan will provide security to Saskatchewan home owners that their effective mortgage interest rates will not exceed nine and three-quarters per cent right straight through to 1996.

The second part of Saskatchewan Home Program is the home improvement plan. It contains two components, Mr. Speaker. The first is a matching contribution of up to \$1,500 which will be available to every Saskatchewan home owner wishing to make improvements or repairs to her or his dwelling. The second is a loan of up to \$10,000 at 6 per cent interest for home renovation. This loan is repayable . . .

**Mr. Speaker:** — Order, please. Order, please. Order, please! I think we should allow the member to continue with the speech without too many interruptions.

**Some Hon. Members:** Hear, hear!

**Mr. Muirhead:** — Thank you, Mr. Speaker. Every Saskatchewan home owner will qualify for the home improvement plan, and it is expected that more than 200,000 will take advantage of this opportunity over the next five years. These new housing initiatives extend, as I indicated, well beyond the home. Certainly they signal a new era for stability for home owners, and they do provide opportunity and incentive to home owners wishing to undertake those home repairs that they may have been putting off for years.

But equally important, the program provides stimulus for millions of dollars of economic activity and the generation of thousands of jobs across all of Saskatchewan, Mr. Speaker. Our projections indicate that the programs will over the next five years create in excess of \$1 billion in economic activity and create a minimum of 25,000 jobs. That's 5,000 new jobs a year, every year that the program is in existence. These are real jobs, both direct, such as skilled trades people and small contractors, and indirect, through the stimulation of sales. And every community will feel the impact, Mr. Speaker.

Of course the success of the program is in direct proportion to the participation of Saskatchewan people. If every one eligible seizes the opportunity offered by the program and participates to the fullest extent possible, province-wide economic activity could easily surpass \$2 billion and the job creation total could exceed 50,000 jobs during the life of the program.

In this sense I hope every home owner looks carefully at the Saskatchewan home program and considers participating. By so doing they will not only save money, but they will be stimulating economic activity and employment growth in every community in our great province. And they'll be working, Mr. Speaker, in partnership with government. We'll each do our share, Mr. Speaker.

The total cost of the Saskatchewan home program for the first year will be approximately \$60 million. That is money, however, that will be felt directly and positively at the community level, and is most modest in comparison to the far-reaching and significant activity that will be generated. Every community in the province, urban and rural, will feel the program's impact.

Mr. Speaker, there are two concerns foremost in the minds of Saskatchewan people: protection of the family, and jobs. Mr. Speaker, we listen to those we serve. Job creation will continue to be a high priority of this government. Our policies and program will reflect that commitment.

The Saskatchewan home program is an ambitious and innovative undertaking of this government. It demonstrates our commitment to creating employment, to providing long-term security to home owners, and to building Saskatchewan as a progressive and stable society for many generations to come. I applaud the work of my elected colleagues and government officials who contributed to the design of this program, and I am

confident that every citizen in Saskatchewan will share that view, Mr. Speaker.

Mr. Speaker, on October 20th the voters of Saskatchewan endorsed the Progressive Conservative housing programs when they re-elected this government. The voters said, we have confidence in your housing programs to protect Saskatchewan home owners. Those innovative housing programs reconfirm our belief of providing security to the family through creating employment opportunities and building Saskatchewan.

Mr. Speaker, in my constituency of Arm River, home owners are pleased with these programs. I ask this House to support the motion that I have presented, which reads:

That the Government of Saskatchewan be congratulated for providing protection to Saskatchewan families through development of the Saskatchewan home program which establishes both the mortgage protection plan and the home improvement plan.

Thank you, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

(1615)

**Mr. Hopfner:** — Thank you, Mr. Speaker. Before I begin, Mr. Speaker, I'd like to take this opportunity to congratulate you on your election to the Chair. This is the first opportunity I've had to speak in this session, due to family sickness, and I could not be here through a portion of the speech, the throne speech.

I am proud to stand here to second this motion, Mr. Speaker. Unlike that of the NDP and what I've heard in this House on these particular past few days, and seeing and noticing them applaud all the negatives, all the downfalls that have occurred under hard economic times in this province over the last four years, I am more than proud to applaud the Devine administration, the Progressive Conservative government, for the initiatives they have taken in the housing programs.

I would suggest that, Mr. Speaker, the residents of Saskatchewan are enjoying one of the highest standards of housing in Canada, and indeed throughout the world. In the 1980s and 1990s, Mr. Speaker, we will be placed under a substantial amount of pressure in this province, and that is due to the progress of this province, to the growth of this province. And we must stand firm and make sure that the housing availability in this province is there for the people that are moving into this province and also for our young people that are moving out of the schools into the work-force and on to their own.

So this adequate supply of housing puts a great demand on government. It puts a great demand on government because of the fact that the resources must be there to allow these young people those types of materials to build. And therefore, Mr. Speaker, this is where it all begins. Progress — the expansions of our resource sectors, the expansion of our working sector, and the spin-off benefits from all of these various sectors which

are enhanced into the building of houses in the province.

And as we respond to these demands, the economy will spur, spur on. As well, Mr. Speaker, we definitely through this spurring, we will be definitely improving the quality of life for individuals in this province.

The production of a supply of housing suited to the wide range of individual needs of our residents will mean the effective use, as I have indicated before, of our resources by the private and non-profit organizations, as well as all levels of government. Future provincial programs and policies will be directed toward forging a viable relationship with the sectors to achieve a necessary level of housing quality and quantity. The present and the future housing policies of our provincial government are designed to encourage and support this co-operation.

Mr. Speaker, the continued availability of adequate and suitable housing for Saskatchewan can only be achieved through policies and programs directed towards long-term needs. The creation of these policies involves realistic production targets based on demand and specialized needs of the people of Saskatchewan over the next decade; and the private sector, continuing to act as the major supplier of the house . . . with the government role to create an atmosphere conducive to ensuring adequate levels of production and to effect direct public support for those unable to compete in the market-place.

And, Mr. Speaker, the growth and ageing of the population creates a number of significant challenges in the housing sector. As people age, which we all will, the costs and tasks associated with upkeep, design, and location of their homes, will become liabilities. However, it is also a time when many seniors have accumulated a significant amount of cash equity in their homes. Consequently, many seniors are now living in accommodations more suitable for families because no alternative is available.

At the same time, many families could meet the cost of constructing new homes. It is for . . . could and could not, I should say. And it is for the reasons that they cannot that we have announced the first new home buyers program. That program has provided dollars for these families so that they could purchase their first home. The grant was effective immediately upon announcement and it applied to current inventory of unsold new homes. The program has and will make housing more affordable for those families interested in purchasing their first new home, and at the same time it will create opportunities in the housing industry by stimulating an additional 2,000 new housing starts and creating about 1,800 new jobs.

In August of this year we announced a program which became effective on September 1 – the Saskatchewan home program. This multi-year program provided home owners with long-term mortgage interest rate protection, including matching grants and low-interest loans for renovations and home repair projects. This program had created approximately 25,000 new jobs and generated millions of dollars in economic activities across the province.

The future challenge to the housing sector will be to

stimulate the construction of new, more appropriate forms of accommodations for seniors. This would allow families to obtain existing units at prices they can afford, as well as ensuring that more affordable new housing initiatives are identified throughout the private sector.

Mr. Speaker, the housing strategy of this government will focus on five objectives: the targeting of direct housing subsidies to those most in need; providing a safety net to ensure that basic housing needs are met; stimulating the housing sector to ensure delivery of appropriate housing quantity and quality; stimulating participation of the private sector to ensure affordable housing; and stabilizing employment levels for workers in the residential construction industry.

That's why I'm pleased, Mr. Speaker. The spin-offs have been just phenomenal, and I see that in my riding. For the first time in the history of Lloydminster, Saskatchewan, I want to indicate to you, Mr. Speaker, that Saskatchewan is now – and I'll announce it to you because I'm proud of it – that Saskatchewan has finally out-built Alberta for the first time in the history of Lloydminster.

**Some Hon. Members:** Hear, hear!

**Mr. Hopfner:** — Not only that, Mr. Speaker, the families that are building are just more than pleased that this government has that type of compassion to help them out to get into their own homes. The seniors have been pleased so that families . . . They could have freed up their homes if they so desired and that families were able to purchase their homes to gain that cash equity. There was just one example but, Mr. Speaker, as you drive through my riding and all the other smaller communities, those housing units have escalated as well.

So you see it's not just in one little area – major area. It is for all of Saskatchewan. It's right across the board, from small communities, from the hamlets to the villages to the towns to the cities. It's for everyone. It's not designated to a particular sector of the population – the middle class or the upper class. It's for everyone.

And these are solid policies and I want to commend this administration – the Devine administration – for coming up with these initiatives for the people. So, Mr. Speaker, I don't want to take up too much time. I know I could speak an hour. I've got a lot of notes on it, but I would just like to take this opportunity to say that I am more than pleased to second the motion.

**Some Hon. Members:** Hear, hear!

**Mr. Solomon:** — Thank you, Mr. Speaker. I'd like to say a few remarks about this resolution and enter this debate. The member from Arm River and the member from Cut Knife-Lloydminster have made some statements which I feel need to be added to.

The member for Cut Knife-Lloydminster, for example, said that the PC government was the first government in this province to introduce a home purchase grant program. I'd like to correct the record, Mr. Speaker, and say that they are not the first government in the province to do that but, in fact, the second government to do that.

The NDP government under Allan Blakeney had the home purchase program in place long before they even thought of sitting on that side of the House. And I think that members should recognize what the truth is and what the actual program of the government was.

The other comments that were made were interesting as well. It was quite interesting to listen to the members opposite claim credit for the wonders that they have worked in the housing industry. They bragged about their record of job creation; they bragged about their record of housing starts. But like everything else with the Conservative party and the Conservative government opposite, all of their statements are public relations, smoke and mirrors, and have no basis to fact.

The actual fact of the matter is, Mr. Speaker, that they have not done a heck of a lot for housing in the last four and one-half years, and I ask you and every member to go to your constituencies and speak with tradespeople, electricians and carpenters and drywallers and framers and other people in the housing industry, and ask them and their families how many weeks – not how many years, but how many weeks – in the last four and one-half years they have worked in their trade in this province. And I will tell you what my constituents have told me in the last couple of years, and that is that not many of them have worked many weeks in the last four and one-half years under this government across the way. I think that's a clear reflection of the dismal record of that government.

I'd like to take a look at a couple of other things if I may, Mr. Speaker, with respect to this motion. One, the past performance of the government – one element I have already referred to. Secondly, the impact on the current plan on housing starts; and three, the fairness and social justice of the home program that has been put forward, and certainly the motion that the member supports.

(1630)

The record shows, and the records are in writing put out by StatsCanada, and the Saskatchewan Housing Corporation monthly reports show very clearly that the record of this government between 1982 and 1985 was very dismal in total starts. In 1979-80 period there were about 28,000 unit starts in this province for those two years. In the last two years of the Devine government there were not 28,000 but there were 10,000 – one-third of those records.

And I might add, Mr. Speaker, that '84 and '85 were the lowest, the lowest starts for units of housing in this province in the last 12 or 14 years. That is a record they can be proud of because their standards are very low. And I contend, Mr. Speaker, that that is a record the people of Saskatchewan are not proud of; that is a record that the skilled tradespeople in this province are not proud of; and finally, Mr. Speaker, that's a record that our party on this side of the House are not very proud of.

I'd like to also say that they were very effective in providing a great deal of assistance to home owners by doing away with the property improvement grant. That

was an \$80 million grant to home owners, to seniors, to low-income people, to renters, to small-business people, and to farmers. And what did they do with that grant which provided cash in the pockets of these people on a regular basis, which was spent in our economy generating three times \$80 million of business and economic activity and other jobs? What did they do with that, Mr. Speaker? They did away with it because they didn't think it was fair. And I contend that it is very fair to have that program.

The record of this government on the property improvement grant has been judged by the people of Saskatchewan, in particular in the former minister's constituency who was responsible for taking the grant away, the former member from Regina Lakeview. His constituents told him in clear terms what they thought of taking that property improvement grant away by defeating him with a resounding number of votes. And I think that that is going to happen not only in Regina Lakeview in the next election, but if they continue with this dismal housing record that they have had in the last three years, they will see some rural constituencies returning New Democratic Party members by pluralities similar to those in Lakeview.

That's the record of the PC government, the record of the PC government and party in this province. They don't believe that we should be building houses; they don't believe we should be spending money in this province. They believe in fair programs like 8 per cent for Weyerhaeuser — \$248 million to Weyerhaeuser – but only nine and three-quarters per cent to the families of Saskatchewan. Is that a fair program? In my view, I don't think it is.

The fact that both parties, our party and the Conservative party, took a housing program into the last election reflects very clearly that we both recognize the need to stimulate the housing industry. The Tories on one hand felt obliged to produce a program which in many ways copied ours but in a pale, pale circumstance. The striking difference was the limited amount of down payment assistance in its short-term nature. The Tory down payment assistance program is taking, in my view, its last gasp as we sit here today.

The member from Arm River indicated 144,000 homes have taken advantage of this program already. If this program had any long-term effect for creating full-time, long-term jobs in the housing industry and other industries that tradespeople and others to get jobs in, then they would have introduced a program with longer-term effects.

I predict, Mr. Speaker, that the program will be spent by the spring in more ways than one, not just in terms of dollars from this treasury that we have that is dwindling on a daily basis, but also from the fact that there will be fewer and fewer people who will be taking advantage of the program at that point.

Now my question would be to the member from Arm River if he was listening: how does this sort of program that they have introduced create any long-term stimulus in the housing industry? We, in this province, have a very

large employer; it's the Government of Saskatchewan. They believe that jobs should be created outside of the province by giving large grants to multinationals so they can spend the money outside and the shareholders can get their shares that live outside of this province — many of them outside of the country as well. But they don't believe that spending money for a concrete, comprehensive, long-term job creation program in this province is one that they want to put forward, and I believe that that's one of the failures of the home program that we are discussing today.

An average house, Mr. Speaker, requires two person-years of work to build. When we calculate the return to the provincial government on that construction from the sales tax and income taxes and other economic activity, the government income becomes quite substantial. When we look at the number of skilled tradespeople still on welfare, government expenditures to support the current underutilization of talent is very substantial as well.

I would suggest that this government consider spending some of that dough, not on their corporate friends — the drug companies and others — but I think more clearly on people in this province to create some jobs. Just for information purposes, Mr. Speaker, we are now spending in this province about \$7,000 per year on each welfare case that we have.

The building permits issued in May of this year, in 1985 — actually '86 — were up only marginally from '85. We don't have the final records from 1986 on the building permits, but I'm sure they'll be coming fairly quickly. When we see the number of housing starts, in comparative terms, everyone will recognize clearly that the housing starts will not be dramatically affected upward from one year, from last year to this year, because of this home program.

It's very easy for the member opposite who commented, from Cut Knife-Lloydminster, to say that Saskatchewan has undertaken more housing starts this year or last year than the province of Alberta. It's very easy to say that, Mr. Speaker, because, as well all know, the province of Alberta is on a steeper decline economically, a faster incline in terms of people leaving their province, than even Saskatchewan, which is difficult to believe, because there are so many people leaving this province right now because of that government across the way.

I don't believe, Mr. Speaker, that the home program is going to solve the housing problem that we have. It's not going to solve the unemployment problem that we have, mainly because it's too short term and it's a little too little too late.

The final comment I'd like to make, Mr. Speaker, before I have others, is the question of fairness and social justice. The home renovation portion of the Conservative plan and the low interest rate loans for people who have good credit ratings are only open to those who have a measure of financial security already.

This is the government in this Assembly, this government here, has characterized their term of office by freezing

minimum wage, by doubling the number of people in this province who are out of work, by increasing the welfare rolls so substantially that it staggers the mind, cutting welfare rates and welfare benefits to people who are now resorting to food banks and other generous groups in the community to feed them when it should be a major undertaking of the government to provide jobs so that people can feed themselves. They have no commitment to pay equity. They have abandoned the farmers who are experiencing the worst farm crisis in the last three or four decades. They have abandoned in the cities all of the tradespeople and others who are not able to find full-time employment in their trades and in their skills. And I think that this government will have to come to terms with that problem, and they'll have to do it pretty quick because time is getting much dearer for them.

Many of these people would like to participate in the home programs — the people that I have referred to — but are excluded because the government has failed to give them the treatment they deserve. No job; no opportunity for the individuals or the families to go to the bank or the credit union to obtain a loan, because they have no credit rating. And if you've got no credit rating and you don't have a job, it doesn't matter if the interest rates are at 5 per cent or 3 per cent, you're just not going to be able to afford a mortgage or a home. The key is to try and get people back to work so they can, in effect, qualify for some of the programs, and look after themselves in a way in which they would like.

I'd like to just summarize some of my comments, Mr. Speaker, to the effect that the home program, rather than heap praise on it, we should look very carefully at how to improve it. But I don't believe that the program addresses the housing start problems which create jobs, which generates other economic activity in this province. It does not provide a long-term job creation strategy. The jobs that are created are very welcome indeed, but they are not of a long-term nature. There are some problems in our economy; there are some problems in our province with respect to unemployment, and it does not address that specific major problem.

The economic failures of government. This government has left too many people in the lower income scale unable to participate in the more popular parts of the program. I think that's a weakness of the program and something this government should look very seriously at changing. It also doesn't provide, in my view, decent housing for those who can least afford it — low-income people and seniors — such as the program that our party put forward which would have provided those in financial difficulties with good quality, decent housing. This party across the way and this government has not addressed those issues. They refuse to do that and they are not the friends of low income or seniors. I have much more I'd like to say, Mr. Speaker, but I at this point would beg leave to adjourn the debate.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Hodgins:** — Thank you very much, Mr. Speaker. At the outset, Mr. Speaker, I would . . .

**Mr. Speaker:** — Order.

**Mr. Solomon:** — Mr. Speaker, I had begged leave to adjourn . . .

**Mr. Speaker:** — Order, please, order! Allow the member to place his point of order. We cannot hear it if somebody's hollering.

**Mr. Solomon:** — Thank you, Mr. Speaker, I had — at the ending of my remarks — had begged leave to adjourn the debate on the motion, and I would like to know if . . . I had moved that we adjourn the debate, is what I'd like.

Debate adjourned.

**Resolution No. 5 — Need for Policies to Assist the Less Fortunate in Saskatchewan**

**Mr. Hagel:** — Thank you very much, Mr. Speaker. It is my pleasure to bring this resolution before this House, Mr. Speaker, and following my comments I would be most pleased to move, seconded by the member from Moose Jaw South:

That this Assembly regrets the fact the government has failed to implement policies to assist the less fortunate, including the working poor, the unemployed, injured workers, residents of the North, native people, the sick and the elderly, and further, that this Assembly calls on the Government of Saskatchewan to make fairness and compassion its priorities.

Mr. Speaker, I have discovered very quickly since taking my seat in this Assembly that sometimes we are somewhat confused by the fact that the world does not rotate around the events of this Assembly, and that in the world around us, out in Saskatchewan in all our home communities, there are a number of people who are getting ready for Christmas. And I think it would be fair to say, Mr. Speaker, that this resolution could be referred to as a Christmas resolution.

And I say that, Mr. Speaker, because as people are getting ready to celebrate the birth of one of the greatest humanitarians the world has ever known, and to share the joy and love and warmth with the people who are closest to them in their families and in their communities, that we find as well that our communities and people within them are taking a special interest in the welfare of those who they see as being less fortunate, and often initiated through church organizations and other community organizations, Mr. Speaker, are taking collections to offer the opportunity for those who have less means to be able to provide on Christmas day and through the Christmas season the food and the toys and oftentimes, Mr. Speaker, even the clothes, that so many of us take for granted.

(1645)

And I think it's interesting to note as well, Mr. Speaker, that although we commonly assume that people are busy getting ready for Christmas by buying fits and wrapping them in expensive paper and decorating them with fine ribbons, and trees with tinsel and garlands, that that is not the experience of Christmas for many of our citizens, Mr.

Speaker.

It is unfortunately true that in Saskatchewan today there are literally thousands of people who do not look forward to Christmas with the sprit of love and optimism and hope. Because this period of time, Mr. Speaker, this period of Christmas reminds them of the loneliness that they are experiencing and the despair that they are experiencing and of all the things that they do not have while they wished — they so sadly wished, Mr. Speaker — that they were able to participate in the giving of gifts like so many of their friends and neighbours.

We have a tradition in our home, Mr. Speaker, and I think it's a tradition shared by many people in Saskatchewan, to sit down on Christmas Eve and to watch that famed-now movie, a story written in 1843 by Charles Dickens, and I refer of course to *A Christmas Carol*.

And Charles Dickens, Mr. Speaker, wrote in a time — 1843 in Britain — a time at which it was no uncommon to have workhouses, thousands of people unemployed, soup-kitchens, and situations, Mr. Speaker, in which there were really two kinds of people. There were those who had and there were those who had not. And Charles Dickens wrote *A Christmas Carol* and *Oliver Twist* and others as a social statement, as a social statement about the injustice that existed in Britain in 1843.

And let us just review that beautiful story of *A Christmas Carol*, Mr. Speaker, which involved the awakening of a social conscience of one of the most miserly, penny-pinching business tycoons that existed in the Great Britain of 1843. And we refer of course to Ebenezer Scrooge — a man who sneered at the principle that the needs of people are more important than profits.

And we all recall, Mr. Speaker, the experience on Christmas Eve, of Ebenezer Scrooge going through his social awakening when he was visited by three ghosts. And the ghost of Christmas Past who took him back to his childhood and reminded him of his loneliness and the shaping of his warped outlook on life, Mr. Speaker; and the ghost of Christmas Present who told him what others were saying and talking about; and the ghost of Christmas Future, Mr. Speaker, who reminded him of where he was heading and the true mark that he was leaving, or maybe more correctly, failing to leave with his fellow man.

And we're all pleased and inspired, Mr. Speaker, by the fact that as Ebenezer Scrooge was confronted by the ghosts of Christmas Past and Christmas Present and Christmas Future, that he saw the light and underwent a conversion. And we all have a spirit of lightness in our heart when at the end of that beautiful story Ebenezer Scrooge lifts the little crippled child, the son of Bob Cratchit to his shoulders and little Tiny Tim utters those famous words, "God bless us, every one."

Well, Mr. Speaker, it seems to me that if *A Christmas Carol* were to be repeated in Saskatchewan today we would as a matter of fact have three ghosts who would indeed be busy little beavers on Christmas Eve. And so let us consider, Mr. Speaker, if the ghost of Christmas Present were to be reincarnated — if that's possible — if the ghost of Christmas Present were to be reincarnated in



Saskatchewan today, what would the ghost of Christmas Present see?

If the ghost of Christmas Present looked down on Saskatchewan today, Mr. Speaker, he would see a situation in some ways not all that different from Britain of 1843. In Saskatchewan of 1986 he would see a number of things. He would see in the northern half of this beautiful province of ours thousands, literally thousands of people in the province of Saskatchewan, in the northern part of the province of Saskatchewan, unemployed and living in poverty. We all know in this House, Mr. Speaker, that there are communities in the north of Saskatchewan in which unemployment rests at literally 80 per cent and more. We all know, Mr. Speaker that there are thousands of people in northern Saskatchewan, many of them native in ancestry, for whom welfare has become a way of life and the rat race and this vicious circle of existence depending on the meagre means of welfare – people without hope, Mr. Speaker, and without a lot of prospect for change in their way of life.

And I listened with interest this morning, Mr. Speaker, as I drove to Regina and listened to the news, and I heard a comment that was made in response to a question to the minister responsible for northern Saskatchewan. And the question was this: Mr. Minister responsible for northern Saskatchewan, in 1985 the Progressive Conservative government took away the food subsidies for the people of northern Saskatchewan – the subsidies that enabled people of northern Saskatchewan to afford to buy fresh fruit and vegetables in their stores and in their own communities. And they said, Mr. Minister, you took away the subsidies in 1985 and here we are, nine days before Christmas . . . Mr. Minister, what is your plan to do with those subsidies for northern Saskatchewan people? And I couldn't believe the answer, Mr. Speaker. The answer was, we're going to replace those subsidies with a conference – a conference to be held in February. How cynical can we be.

And I ask, Mr. Speaker, in this Saskatchewan of 1986, is that the sign of a government that acts with compassion and fairness? And the answer is clearly no, Mr. Speaker. If the ghost of Christmas Present was to tour Saskatchewan of 1986, he would see literally hundreds of injured workers in this province, Mr. Speaker, having to do battle to get their just accord.

Many of us on this side of the House, and I believe on that side of the House as well, have come to know that there is probably no one single issue, as members of the Legislative Assembly representing our constituents, that we deal with – no one single issue we deal with more often than problems related to the Workers' Compensation Board.

In case after case, Mr. Speaker, we run into our constituents who have become victims of rules based on the myth of opportunity for employment, whose benefits not only are not increasing with inflation but are literally dwindling. And I ask again, Mr. Speaker, in Saskatchewan of 1986, is this a sign of a government that acts with compassion and fairness? The answer again, Mr. Speaker, is clearly no.

The ghost of Christmas Present touring 1986 Saskatchewan, Mr. Speaker, would find that literally thousands of Saskatchewan seniors are living below the poverty line – living below the poverty line, Mr. Speaker. And the most tragic of all would be the literally thousands of widows in this province living below that poverty line. Widows who shared their lives with husbands who worked in an era in which there were not pensions, or there were very meagre pension benefits available when their passing . . . who are literally forced now, Mr. Speaker, to rely on the charity of their children and who are living on social assistance in their golden years. And I ask again, Mr. Speaker, is this in Saskatchewan of 1986, is this a sign of a government that acts with compassion and fairness?

And the ghost of Christmas Present, Mr. Speaker, would see something else as he toured the province of Saskatchewan. He would see nursing homes in communities strewn across the province of Saskatchewan with waiting lists that literally run in excess of a hundred. He would see, Mr. Speaker, in nursing homes in this province, a dire lack of services for those needing level 3 and level 4 care, those needing the greatest amount of care to meet their basic needs. He would see a crying need, Mr. Speaker, for psychogeriatric care, which is virtually not being addressed at all in the province of Saskatchewan.

He would see, Mr. Speaker, many people, many of our seniors needing level 3 and level 4 nursing home care, living in hospital beds not intended for level 3 and level 4 nursing home care, but living in hospital beds because there is no nursing home beds to go to; hospital beds that are not there intended for nursing care, and hospital beds that do not have the resources to provide the rehabilitation that those people need.

And I ask again, Mr. Speaker, in Saskatchewan 1986, is this the sign of a government that acts with compassion and fairness?

And the list goes on, Mr. Speaker. The list goes on. The ghost of Christmas Present touring Saskatchewan today in 1986. And I remind you we are not talking about Britain 1843; we're talking about Saskatchewan 1986. The ghost of Christmas Present, Mr. Speaker, would see in this province, in the province of Saskatchewan alone, 37,000 people registered as unemployed and looking for work. Now that's not 37,000 people who are unemployed, Mr. Speaker; that is 37,000 people who are registered and actively looking for work. Mr. Speaker, he would see a province in which literally one out of every 12 working-age people in the province of Saskatchewan are actively looking for work and are unable to find it.

And I ask us to think about the tragedy that's involved in that, Mr. Speaker, as we sit comfortably in this Legislative Assembly this afternoon. One out of every 12 of our constituents is actively looking for work. And the tragedy it would cause within the caucuses of both sides of this House if we took three members from that side, Mr. Speaker, and two from this, and cast them without work, and the panic that would set in for the families, for people affected in that way, and the hope and the despair, and particularly at this time of Christmas, Mr. Speaker, that is a

reality. It is a reality, a harsh, cold reality for 37,000 people in the province of Saskatchewan – the loss of dignity, the loss of self-respect, and literally the panic that is felt by families in every one of our ridings. And I ask again, Mr. Speaker, in Saskatchewan 1986, is this a sign of a government that acts with compassion and fairness?

And now the cruelest cut of all, Mr. Speaker – the cruelest cut of all. Are there any people in our world today who are placed in a position of greater disadvantage than those who are required to meet the mere means of existence – of survival – by receiving social assistance?

And what would the ghost of Christmas Present see if he were to tour 1986 Saskatchewan today? Mr. Speaker, we would see in this province of ours 60,000 people who have become dependant upon social assistance and who have very, very little hope at this point in time for living lives that are anything comparable to what we consider to be normal at this time of Christmas.

Well, Mr. Speaker, I'd like to move to a brief reflection with a note of optimism, but it is not all bad news. It is not all negative signs. There is some hope. And I think some of the hope, Mr. Speaker, is found from some of the ethical reflections on the economic crisis that was put forth some three years ago and prepared by eight bishops of the social affairs commission of the Canadian conference of Catholic Bishops? And I'd like to just draw some words, and may I quote, Mr. Speaker from that publication, and they write, and I quote:

Our concerns about the economy are not based on any specific political options. Instead they are inspired by the gospel message of Jesus Christ, and in particular we cite two fundamental gospel principles that underlie our concerns.

Now, Mr. Speaker, as we prepare for Christmas to celebrate that great birthday, let me draw from the words of those who have made, following the teachings of that great man, their calling in life. They refer to two principles, Mr. Speaker. The first principle has to do with the preferential option for the poor, the afflicted, and the oppressed. Let me underline and repeat that, Mr. Speaker. The principle has to do with the preferential option for the poor, the afflicted, and the oppressed. And they go on to say:

In the tradition of the prophets, Jesus dedicated his ministry to bringing good news to the poor and liberty to the oppressed. As Christians we are called to follow Jesus by identifying with the victims of injustice, by analysing dominant attitudes and structures that cause human suffering, and by actively supporting the poor and oppressed in their struggles to transform society. For as Jesus declared, when you did it unto these, the least of my brethren, you did it unto me.

And let me move ahead, Mr. Speaker, and pass by the second principle in respect for the time, and just quote again from this historic document, Mr. Speaker, from the social affairs commission of the Canadian Conference of Catholic Bishops and their strategies for economic recovery. And they say, and I quote:

In developing strategies for economic recovery we firmly believe that the first priority must be given to the real victims of the current recession, namely the unemployed, the welfare poor, the working poor, pensioners, native peoples, women, young people, small farmers and fishermen, some factory workers and some small-business men and women.

And this option, Mr. Speaker, calls for economic policies which realize that the needs of the poor have priority over the wants of the rich; that the rights of workers are more important than the maximization of profits; that the participation of marginalized groups takes precedence over the preservation of a system which excludes them.

And, Mr. Speaker, with those words I ask: Is that a sign of a government that acts with compassion and fairness? I suggest very strongly, Mr. Speaker, that the answer is yes.

In concluding, Mr. Speaker, and urging all members to join with me in supporting this motion, let me conclude by quoting He, whose birthday the world around us will be celebrating in nine days, who said:

Whatsoever you do to the least of my brothers, that, you do unto me.

Mr. Speaker, it is my pleasure to move, seconded by the member from Moose Jaw South:

That this Assembly regrets the fact the government has failed to implement policies to assist the less fortunate, including: the working poor, the unemployed, injured workers, residents of the North, native people, the sick and the elderly, and further, that this Assembly calls on the Government of Saskatchewan to make fairness and compassion its priorities.

**Some Hon. Members:** Hear, hear!

**Mr. Calvert:** — Mr. Speaker, I'm pleased to stand to second this motion. I'm pleased particularly to have the opportunity to second the motion that's been brought by my colleague from Moose Jaw North because I realize his deep commitment to the issues which he has brought before us.

I am pleased to be able to second this motion because many of the issues involved in this motion are issues that motivated me to seek public office in the first place.

There seems to be some comment in the House about both members from Moose Jaw addressing this motion. Let me say, they used to say: can anything good come out of Nazareth? Well, something good is coming out of Moose Jaw today – a good motion – and I would invite all members to support it. Mr. Speaker, I'm sure any member on this side of the House would be glad to second this motion.

**Some Hon. Members:** Hear, hear!

**Mr. Calvert:** — And any member on this side of the

House would be glad to speak to it. It's a motion that affects the lives of individuals in every one of our constituencies, in each and every one of our constituencies.

As a member of this legislature, there are those who suffer from illness, who suffer from age, injury, or economic hardship. And fundamental, Mr. Speaker, this motion calls upon the Government of Saskatchewan to deal fairly and compassionately with all people, but particularly those who suffer most in difficult times and where, in the past, this government has failed to deal compassionately with those who have suffered, to address that failure in this legislature.

Mr. Speaker, over the past weekend I was able to attend a variety of Christmas functions in my constituency. At two of those functions collections of food were taken for the Moose Jaw and district food bank. At another of those functions a collection of money was taken. And then, Mr. Speaker, I attended our Sunday school concert in the church where I am minister. And at the Sunday school concert this year — a member opposite would like to know—at the Sunday school concern in our church this year, Santa Claus came with an empty bag, and rather than presenting gifts to our children he received gifts which they brought. I happen to know, Mr. Speaker, that Santa Claus will be taking those gifts to single parents and families who are attempting to celebrate this Christmas on the miserable allowances being provided to them from social assistance.

I raise this, Mr. Speaker, because for me it illustrates a fundamental change that is happening in our province, a fundamental shifting of responsibility from government on to volunteer agencies, service clubs, churches and other non-governmental agencies for the care of those who are less fortunate. It's a shift, Mr. Speaker, in my mind, which I feel is not well taken.

When early in human history, near the dawn of human history, the question was asked: Am I my brother's keeper? The resounding answer was yes. And that yes to, "am I my brother's keeper" has been the foundation of every progressive society in the history of the world. We have a responsibility to our fellow human being and particularly to the least among us, and it's a responsibility that belongs to us all. It doesn't simply belong to the churches and the service clubs and the volunteer agencies, they'll do their share anyway. It's a responsibility that belongs to us all. And here in Saskatchewan we've had a long tradition of building a compassionate society, in many ways we've led in this continent.

It's been through our government that we'll all had a share in the care and the support of the sick, and the elderly, and the disadvantaged, and the handicapped, and the inevitable victims of our economic system. That's been our tradition, and that's been our pride. And now we see this government turning that tradition and pride around. We see this government abdicating its role in the care of the least fortunate and expecting others to pick it up.

Mr. Speaker, a very dramatic example of this appeared

last evening in the *Moose Jaw Times-Herald* in the two headlines on the city page. Let me just read them to you: "Glitzy fund raising effort pays off big for hospitals". Beneath that: "Local hospitals look to the area for donations". And beneath the headline, the article reads:

Both Moose Jaw hospitals are looking more and more to community support to help them fill the gap between government grants and the actual costs of providing quality care.

Mr. Speaker, it wasn't that long ago when we in Saskatchewan accepted the care of the sick and elderly as a responsibility of our total society and now it seems that health care is to depend more and more on the whims of a gambling public and on the generosity of individuals.

But, Mr. Speaker, nowhere has this fundamental shift been more apparent than in the rise of food banks, and not since the days of the Depression have we seen a phenomenon like them.

And, Mr. Speaker, I have some personal experience that I bring to this House concerning the food bank, its administration and operation in Moose Jaw. I've sat on the board of directors for a number of years and I've served with a referral agent which enables me to meet those people who come and apply for food. In the course of my responsibilities, I've met dozens of people who have come, many of them with children at home, Mr. Speaker, many of them are on social assistance; many of them are of the working poor.

Mr. Speaker, I would like to continue my remarks later, and so I beg leave to adjourn debate.

Debate adjourned.

The Assembly adjourned at 5:11 p.m.

**CORRIGENDUM**

On page 225 of the Hansard of December 15, 1986, in the last paragraph on the page, Ms. Atkinson referred to the organization PRIDE. There are two organizations represented by this acronym and the wrong one was indicated. The extension should read: (Parent Resources Institute for Drug Education Inc.)

[Note: The online version of Hansard has been corrected.]