

EVENING SITTING

COMMITTEE OF THE WHOLE

**Bill No. 51 — An Act to Provide for the Imposition of Taxes on and the Collection of Taxes from Certain Purchasers of Certain Fuels and to Provide for Rebates of Taxes to Certain Purchasers**

**Clause 1 (continued)**

**Mr. Solomon:** — Thank you, Mr. Chairman. Before 5 o'clock, when we adjourned for supper, we confirmed in this committee that the Minister of Finance has been making up this gas tax rebate program as he goes along. We confirmed that it's a scam. It's a bit of a shell game, that it's wide open to abuse.

The government really doesn't know how it's going to work. We couldn't confirm from the minister whether a private firm will handle the administration of the gas tax, or whether the government will, and whether confidential information — the SHSP (Saskatchewan hospital services plan) records — will be available to this private firm.

The government clearly has not thought out the red tape, the red tape nightmare of this program. In our estimation this is another opportunity for the Conservative government to offer a prime political plum to one of its Tory friends.

School boards, we know, will be affected, because their taxes will increase as a result of this unfair tax. Rural municipalities will have an additional burden of about \$2.5 million as a result of this tax, and who will pay for that? We know that. It will be the low income and other people who use the transportation services.

We know that the school boards are going to have to increase their taxes as a result of this tax increase, so that school board supporters will be forced to kick in towards this red tape nightmare. And we've confirmed that urban municipalities will be paying \$3 million more. We confirmed, Mr. Chairman, that the Conservative advertising agency of Dome Advertising received \$250,000 to advertise this fuel tax program, which nobody can explain, including the minister — \$250,000 wasted, dust; taxpayers' money gone.

And what we could have done with \$250,000, Mr. Chairman, is support the dental program for another six months. We could have had the dental program going for six more months as a result of that \$250,000, if we'd spent it on children and children's health instead of the Tory advertising firm of Dome Advertising.

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

**Mr. Solomon:** — He confirms that the minister is not sure whether they will keep, the government will keep, one-third of one-half or the taxes paid by licensed vehicle operators in this province. We don't know that; they don't know that. And we don't know who's going to be issuing the cheques of this rebate program.

And maybe I'll start this evening by asking the Minister of Finance, once he's resolved who's going to be doing what — and we haven't done that — who'll be issuing the rebate cheques? Will it be a private agency or will it be the government?

**Hon. Mr. Lane:** — Government.

**Mr. Solomon:** — Well thank you very much. Will that be a service that will be contracted out, or will it be done by the existing computer service program that we have in place?

**Hon. Mr. Lane:** — It will be done by government.

**Mr. Solomon:** — So we don't know if that's going to be contracted out or whether it will be done by existing civil servants?

**Hon. Mr. Lane:** — That's not the question you asked. It will be done by the Department of Revenue and Financial Services.

**Mr. Solomon:** — We also confirmed, Mr. Chairman, prior to supper that the minister had not consulted with the gas station operators in this province about all the red tape that's created. And what I'd like to ask you now is with regard to these receipts. I have here a file of somebody who's collected gas receipts for a period of June 21 till the end of October, and there are about 70, 75 gas receipts — and they are from pretty well all over the province — and we see here almost all of them come in different forms. We see one that looks like a cash register receipt with no opportunity to write your name and licence plate number on. We see hand written receipts from Kenosee Gardens, for example, with no names and licence plate number; Pips Confectionery and Gas Bar from the district of Watrous. We see on and on, the co-op, and all sorts of roadside services.

I want to ask the minister whether . . . you know, how he sees individuals that have these receipts, how he sees them submitting these receipts. Would he accept and his department accept the recipient of these receipts filling in their own name and licence plate number because the gas station operators have not had the time or perhaps the instruction from your department to do so?

**Hon. Mr. Lane:** — Yes, we believe that the people of Saskatchewan will be honest and will be submitting receipts which indicate their gasoline purchases within the province for the year.

**Mr. Solomon:** — My question, minister, was neglected. My question is, these receipts are legitimate; they've been received by an individual but they have not been filled out according to the regulations, or at least what is required through Bill 51. And my question to you is: recipients of these receipts, that are duly registered and duly provided as a result of a gasoline purchase in this province, if they are to finish filling out the receipts — because somebody has to do it to claim their rebate — is this going to be allowed or not?

**Hon. Mr. Lane:** — Yes.

**Mr. Solomon:** — Okay, that's very good. Now I want to know what the minister . . . I can't understand whether that's going to be accurate or not because he hasn't been too accurate on his estimates, but we have the assurance of the Minister of Finance this evening that if you have a legitimate gas receipt and some of the information is missing, that you, as an individual, can proceed to fill out the basic information that's required and there'll be no implications, no repercussions, if it's deemed that those receipts are legitimate.

**Hon. Mr. Lane:** — That's correct.

**Mr. Solomon:** — What I want to know now is whether you've had any calls, or letters, or concerns about individuals who have been purchasing other products, like cigarettes, by the litre, and so on, and issuing those receipts, and receipting those receipts, and whether or not you have some system on how to keep those separate and apart from legitimate gas receipts?

**Hon. Mr. Lane:** — Well I'm not going to tell you how we're going to do audits, but we have considered most possible ways to abuse it if that was . . . if anybody was going to try to do that. And we have devised, we think, systems which will make sure that the system is handled, that abuses . . . although we don't and I don't think we do in any taxation system, eliminate abuses 100 per cent.

We don't do it in sales tax. We know, for example, in sales tax, somebody may divide a purchase up and bring it down — instead of \$350 or \$300 in clothing, for a purchase, will mark it down as two. And we know we're going to get some of that; we're not unrealistic in that. But we think that we have devised systems which will allow us to identify the bulk of the abuses that could come forward. We know it can't be perfect.

**Mr. Solomon:** — There's other suggestions, Mr. Minister, that friends and relatives of Saskatchewan residents will come into this province and they'll have the gas purchase for their vehicles on a casual from time-to-time basis. What prevents Saskatchewan residents from keeping those receipts or going, you know, abusing that sort of system? Is there something in place that you have in that one?

**Hon. Mr. Lane:** — We have some indicators that we will use as to average consumption and what not. Again, I could probably . . . although it wouldn't do the taxation system any good to list potential abuses. We have had meetings to identify those and to pick them up as much as possible, certainly in terms of casual use in the province from someone out of province. We may not get them all but we do have an upside in that people are buying here, as opposed to elsewhere.

**Mr. Solomon:** — Is there a system that you have in place to prevent the abuses that we've heard of, for example, a buyer going to the retailer and saying, I've purchased \$9 in gas; he gets the receipt and puts down a one or a two in front of the nine, and the slips were left vacant or blank because the purchaser asked that to remain so? Have you got a way to cover that abuse?

**Hon. Mr. Lane:** — We have some pretty good indicators of what usages would be by individuals, by vehicles and that sort of thing, which would give us an indication.

**Mr. Solomon:** — Could you please share with us what those indicators are?

**Hon. Mr. Lane:** — No, I will not. I will not, and I don't think it would be proper to indicate what the abusers are. We don't want to telegraph out there what our audit procedures and audit activities will be to stop abuse. We don't do it for other tax forms.

**Mr. Solomon:** — Well here you're saying . . . What you were saying prior to supper, you have a plan, but you really don't have a plan. You think it's going to work one way, but it may work another way. Certainly you have to have some indication as to how you're going to minimize these abuses. And I think it's your responsibility, as the Minister of Finance and the tax man of this province, to share that information so that the word can go forth from this Assembly that there is some kind of control, that it's not out of control, and the moneys, the gas tax rebate system will not be abused. Surely you must have some indicators to share with us.

**Hon. Mr. Lane:** — Well again, we don't put out for publication what we try and look for in terms of review of sales tax. We do have a system that's worked well in terms of flagging, you know, fraudulent returns in terms of sales tax. We tend to have an audit . . . We do have an audit system in place, and I don't think it would be wise to give comfort to those — which we believe to be very few — who would deliberately try and abuse the system. But we are comfortable that we can deal with abuses that would be tried.

**Mr. Solomon:** — Well I must remind the tax man that the fuel tax rebate system is an awful lot different than the sales tax system. There's no general refund or rebate to 641,000 licensed vehicle operators under the sales tax system, the E&H on a regular basis. But on the fuel tax, there is a system. And surely you must have some sort of indicators which would provide gas station operators and others — not only the government, but others — with some guide-lines as to how these abuses can be minimized or eliminated. Could you please share that with us?

**Hon. Mr. Lane:** — Well there are some analogies to be made with the sales tax system with exemptions and watching exemptions. And from time to time, someone who may classify jewellery, for example, as being an article of clothing and therefore exempt from tax. And we can move on those.

I think that an obvious situation . . . I would suspect that if we got an indication from someone with driving a Honda that gets 40 miles to the gallon — I don't know how many kilometres to the litre, but I think the hon. member can calculate that — and sends in and says that, you know, he bought \$75,000 worth of gas during the year for his Honda, I mean some of these things become very obvious to the hon. member. But I'm not going to stand up here and give you all of the items that we've identified

and the predictions in there, or the items that we can flag and pull out of the system.

(1915)

**Mr. Solomon:** — Well I would accuse the minister of intellectual dishonesty, but it seems there is no intellect coming from the minister tonight. You keep talking about these checks and balances, and these indicators which will prevent people from abusing the system. I have mentioned four or five possible abuses because I've heard of them firsthand from individuals that have told me that they've seen this happen, or they know somebody that's undertaken it to happen. I can't stop it by myself. It's not my duty and my obligation as an MLA to stop it. The Minister of Finance, introducing a program like this, must have some kind of checks and balances in place before they announce the program or there's a real serious problem here. It's as serious as we've all been saying over the last four months. There's a severe case of mismanagement, Mr. Minister.

And what do you have to say to the fact, with your checks and balances ... Before supper you said 340 or 350,000 of the 741,000 licensed vehicle operators — or 641,000 licensed vehicle operators — might apply for the rebate. What happens if 670,000 apply and they apply for more than you've taken in? What do you do then? What do you do to resolve that through your checks and balances?

**Hon. Mr. Lane:** — Well that's highly speculative and not likely that that would happen and it kind of ... contrary to the argument you've been making so many times that all the efforts so far have been to discourage people from applying.

I have some difficulty with the inconsistency of your position, but we've done our estimates. We've indicated what our expectations are, and as yet. I have not heard of one possible way of defrauding the system that hadn't been thought of when they designed the program.

**Mr. Solomon:** — Well I could be at this all evening, and I think I should just pass on to another topic because I don't think you have a grip on what you're doing. I don't think your department understands what it's doing, and as a result, there's going to be a lot of problems, and I predict ... and they're going to be harsh problems for both the government and the taxpayers of this province.

I want to turn finally to one last item, and we've talked about this on two occasions or three occasions in the past now, and it has to do with the inefficient red tape, bureaucratic system of now charging fuel tax, 7 cents a litre fuel tax on the use of propane.

You indicated on Friday night that the Propane Gas Association of Canada, Saskatchewan section, said to you that this is the way it should be done. Can you tell us whether it was on their initiative that they came to you saying, please tax us, tax us, tax us, or did you go to them and say, we're going to tax you; here's how we're going to do it? Explain that for us.

**Hon. Mr. Lane:** — From June 22 till October 31, retail propane dealers were allowed to purchase propane

tax-free and remit the tax collected on their taxable sales to suppliers. However, during the course of that procedure several propane dealers complained that some of their competitors were not collecting the tax on their taxable, automotive propane sales in a consistent manner. As a result, discussions were held with the Saskatchewan committee of the Propane Gas Association of Canada and they supported the changes that we'd made that came into effect November 1, 1987.

**Mr. Solomon:** — Why were the retailers not paying the taxes? Could you explain that?

**Hon. Mr. Lane:** — Well some weren't collecting it.

**Mr. Solomon:** — Pardon me? I didn't quite catch that, sir.

**Hon. Mr. Lane:** — I said that some were collecting it and some were not collecting it and so we worked out a new system with the Propane Gas Association of Canada, in conjunction with them, to collect the tax.

**Mr. Solomon:** — Did the department check into these retailers to find out whether they were selling any propane that was taxable? Was it not possible that they were selling their propane for the uses which are tax-free, for example, lighting, heating, and cooking? Maybe that was the reason.

**Hon. Mr. Lane:** — What we found — and I think it indicates our view that the vast majority of Saskatchewan people are honest — that it was either individuals notifying us that the tax was not being collected, or other dealers, that tax was not being collected, or the association itself indicating that there was some inconsistency. And as a consequence, we determined that over the course of the couple of months that we went through this, that about 80 per cent in rural Saskatchewan was non-taxable, 20 per cent taxable, and the reverse in the urban areas.

**Mr. Solomon:** — Well I think your figures for the rural area is probably close. I've spoken to a couple of propane distributors in this city, the retailers — and I'm talking about the private operators, not the large, national corporations — and they tell me that it's anywhere between 50 and 80 per cent of their propane is sold for non-taxable purposes. What we've seen now is this government not consulting with the independent small retailers but talking to the national corporations and levying a tax on a non-taxable time. On what legal foundation can you apply a provincial sales tax on a non-taxable item?

**Hon. Mr. Lane:** — Well I would ask the hon. member to understand that the association, I'm advised, represents all retailers ... (inaudible interjection) ... Well if there are some that are not, they've got to be very few because the advice I have is that they do represent them all. If you have, as I've made the offer before, if you've got some that don't and they have a specific problem, then we're quite prepared to sit down and talk to them, and I've made that offer as we've done with some of the bulk dealers that, in some cases, don't buy bulk from the major refiners. We've met with them to make some adjustments to make sure that they're not harmed in any way.

So if you've got some specifically, we're more than pleased to sit down and to talk to them. I had been assured, I tell the hon. member, that the association had represented all of the retailers.

**Mr. Solomon:** — Well I appreciate your offer of co-operation and I'd like to take you up on it. But just for your information, the retailers that I've spoken to are independents. They're not part of ICG (Inter-City Gas Corporation) or the other corporations that you've mentioned, Calgary gas and so on. They're independents and they tell me that they are not members of the association. Just a little information here. These retailers purchase propane up to three or four times a week in their heavy season. They have to pay, in almost every case, either the day following their receipt or at most on a weekly basis.

So here you are setting a precedent to collect tax on a non-taxable item from these independents, and that tax is going to the producers who are then remitting the tax on a monthly basis. We've got the retailers supporting the nationals and the large corporations in terms of a tax credit and then we've got the corporations feeding the government before the credit system is resolved.

**Hon. Mr. Lane:** — Again, I'm going to ask the hon. member to give us the names because we have dealt, specifically, and we've had a very informal licensing system in terms of the bulk fuel dealers that are not buying from major refiners so that they are not out of pocket as a result of the program. So if you've got some specific propane retailers, please let us know so that we can work with them to get a system so that they're not out of pocket.

I'm passing on to you the assurance I've had . . . I would like to indicate to the hon. member that I'm advised as well that a lot of the independent retailers — and I gather from what you're telling us, not all — still will buy from Calgary gas, ICG, or whatever. So they still may be buying from the major suppliers. But if you do have some, specifically, I make the offer to you that we would be more than pleased to work out some arrangements with them so that they're not out of pocket.

**Mr. Solomon:** — Well if that's the co-operation you're extending, why don't you just meet with them and terminate this lousy program? Because they're paying taxes . . . Well what's the purpose of meeting with them and saying, oh well, we'll make sure you're not out of pocket?

The way to make sure they're not out of pocket is to say, don't worry about this memo we've sent out with respect to paying tax on non-taxable propane; we'll go back to the system the way it was — that you purchase your propane wholesale, you sell it retail, you collect the taxes on that which is taxable, and then on a monthly basis, through your regular E & H licence, submit the tax to the government. Why can't you do it that way?

**Hon. Mr. Lane:** — Well I've indicated to the hon. member we're prepared . . . We have not had one independent retailer bring their concerns to the Department of Finance, but other retailers had through

the association. We've had meetings with them to work out an acceptable solution. So if the others have not brought them forward . . . And I'm advised that none have been brought forward. So if there are some independents out there that do have the problem, we have met, and my officials have had many meetings with the association and what not to try and rectify it, but none came to our attention. So if some were missed, we will sit down with them if you will give us the names. But I had been assured as well, and I caution the hon. member, that the association had covered all, well over 400 retailers of propane in the province. So they were speaking . . . If any got missed, we will be prepared to deal with them.

**Mr. Solomon:** — I'll get those names to you in confidence later on the assurance from the minister that there is no implication or recourse on them. But once . . .

**Hon. Mr. Lane:** — Just in confidence that we can talk to them or in confidence that we can't talk to them?

**Mr. Solomon:** — In confidence there is no political backlash, I guess is what I am getting at. I'll talk to them. They tried to get a hold of your department, one of them that I know.

But one final question. Could you please tell me under what legal authority you are able to collect this tax on non-taxable items?

**Hon. Mr. Lane:** — I'll give you the various sections that apply: clause 2(q): propane is a taxable fuel since it may be used for propelling a motor vehicle. Okay. Then there are exemptions from that . . .

(1930)

**An Hon. Member:** — That's the taxable. What about the heating, lighting . . .

**Hon. Mr. Lane:** — No, it's defined as a taxable fuel and then exemptions back from that. Now remember the individual, the retailer, should not be charging tax on the heating component. Under section 3(1), a purchaser of taxable fuel pays tax subject to the provisions of section 4 to 6.

Now I will just take you through this rather than detailing the various sections . . .

**An Hon. Member:** — Will you table it?

**Hon. Mr. Lane:** — Pardon?

**An Hon. Member:** — Will you table it?

**Hon. Mr. Lane:** — I'll table you this outline which indicates that we are not imposing a tax on non-taxable products, so I'll forward that over to you.

**Mr. Solomon:** — If the document shows that you're taxing taxable items, that's understandable because you would probably have that support in legislation. But if you're taxing non-taxable items, I'd like to know how you get that authority. It says here you're purchasing . . . You can levy a tax on taxable fuel but propane used for

heating, lighting, and cooking is tax exempt. So how can you collect the tax on the exempt fuel? I know you can collect the tax on the taxable fuel. That's pretty straightforward. But this doesn't seem to resolve the question that I have and that is, where do you get the authority to tax the non-taxable items?

**Hon. Mr. Lane:** — Well again, if you would take a look at the . . . if you look at section 6. First of all, you have a broad definition of taxable fuel. So everything's included in taxable fuel and then exemptions are taken back from that broad definition, which is how it works so that then a purchaser of propane under section 6 used exclusively for heating, lighting, and cooking will be prescribed as exempt. So you have the broad . . . It's all taxable but then you make exemptions back from that. That's how it operates.

**Mr. Solomon:** — So what you're saying now is that rather than letting the retailer make the decision on the basis of sales, you're saying to the retailer, pay everything that you purchase on the wholesale bulk you pay tax on, and we'll give you a rebate. Why do you want to do that? What gives you, what legal authority? I can read this and then you say here, a purchaser of propane used exclusively for heating, lighting, and cooking will be prescribed as being exempt under the regulations. And that's my point — it's exempt. So how can you collect — under what authority — tax from this tax exempt item?

**Hon. Mr. Lane:** — Keep in mind that under this, the individual does not pay the tax — I mean, when he's buying. The retailer would pay the tax and, as I had indicated earlier, either in question period or the other evening, the Saskatchewan committee of the Propane Gas Association of Canada advised us that retail propane dealers have 30-day credit terms for which to pay for the propane. Now . . . (inaudible interjection) . . . Well, again, I make the same offer because we have done this with some of the bulk fuel dealers and if they have a . . . What we've done with some of the bulk fuel dealers is a separate licence so we can deal with them, and it's quite an informal procedure. but if you've got some specifically . . . The Association had advised us that certainly their members are on 30-day terms, so that they are not out of pocket the way the procedures operate. But if you do have, again, independents, we're prepared to sit down with them so that they're not out of pocket.

**Mr. Solomon:** — Okay, I will get the names. You still haven't answered what is the section of the Act which provides you with the authority to collect tax on a non-taxable item. Now we can stand around here for the next hour or two hours or three hours, but that wouldn't add any light to the arguments that you're putting forward. It wouldn't add any positive information or any concrete plans to the administration of the fuel tax rebate program.

What we have seen, Minister, in today's Committee of Finance, Committee of the Whole, we have seen a Minister of Finance who can't provide information as to how the program will work, whether it be an opportunity for information so that people can figure out how they can apply for this rebate. It doesn't matter whether we asked

you questions about the timing, or the amount of rebate, or the amount of dollars you're saving as a result of this tax-free loan from taxpayers. It doesn't matter, because you don't seem to have the answers.

And I think that from my perspective, Mr. Minister, this is another indication of your government, in its mismanagement of our economy . . . It's no wonder we have a \$3.4 billion deficit and rising faster than any other deficit on a percentage basis in North American. It's no wonder we have a patronage-riddled government, second to none in the country. I think it's symbolic, this Act, of your performance as Minister of Finance.

I said at the outset that I would declare it intellectual dishonesty, but there's no intellect coming from the cabinet. And I contend, Mr. Minister, that as a result of this performance tonight, I think you're in deep trouble as Minister of Finance, and I think the Premier's going to be calling for your resignation.

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

**Hon. Mr. Lane:** — Well I appreciate the political debate and the rhetoric of the hon. member. I just appreciate very much that underneath the rhetoric he has confidence in the system, because he indicated he's keeping his receipts and is going to apply for the rebate.

Clause 1 agreed to.

Clauses 2 to 18 inclusive agreed to.

#### Clause 19

**Mr. Solomon:** — Mr. Chairman, just a question on clause 19 with regard to subsection (8). Is there any appeal procedure outlined, either in your regulations or through some other format, with respect to submitting these receipts?

**Hon. Mr. Lane:** — Yes, the appeal procedures for, I believe, all revenue statutes are under the department of revenue Act of an appeal to the Board of Revenue Commissioners which has been a long-standing procedure in the province.

**Mr. Solomon:** — Is it possible to, in view of perhaps all of the red tape involved, to refine that procedure and publicize it when necessary?

**Hon. Mr. Lane:** — If the hon. member is asking for a total review of the activities and procedures of the Board of Revenue Commissioners, then I would be hard pressed to justify it at this time. But if there are problems, I would certainly be prepared to undertake with the minister, that we can take a look at the activities of the Board of Revenue Commissioners.

Clause 19 agreed to.

Clauses 20 to 22 inclusive agreed to.

#### Clause 23

**Mr. Solomon:** — One final question, Mr. Chairman, with

regard to section 23. What are your plans to publicize the penalties for any offence under this Act?

**Hon. Mr. Lane:** — Well I believe some, if not all, retail dealers have already been advised of the penalty provisions. We are considering putting it on the forms; it may well be placed in some bold print if it's deemed necessary.

Clause 23 agreed to.

Clauses 24 to 27 inclusive agreed to.

The committee agreed to report the Bill.

#### **Bill No. 52 — An Act to amend the Department of Revenue and Financial Services Act**

**Mr. Solomon:** — Well, Mr. Chairman, we've taken up enough time in exposing this government's incompetence and mismanagement with respect to the fuel tax that they've put on. Bill 52 is a Act which is consequential to that and as a result we will not only be opposing Bill 51 but we will be opposing Bill 52 as well.

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

Clauses 1 to 5 inclusive agreed to.

The committee agreed to report the Bill.

#### **Bill No. 33 — An Act respecting Veterinarians**

**Mr. Chairman:** — Would the minister introduce his officials?

**Hon. Mr. Hepworth:** — Thank you, Mr. Chairman. To my right is Stuart Kramer, assistant deputy minister of Agriculture; and to his right, Dr. Peter Rempel who's the director of the veterinary branch; and behind the deputy minister is Mr. Mike McAvoy, legislative officer from the admin. services branch of Agriculture.

#### **Clause 1**

**Mr. Upshall:** — Thank you, Mr. chairman. I just have a few questions on this Bill.

First of all, with regard to the scope of the practice. As you'll know the medical Act, for example, does not outline specific duties, and this Bill goes much further than the dental profession, than that of the dental profession. The scope of the practice of the veterinarians Bill is much broader. I was wondering what the explanation of that was.

(1945)

**Hon. Mr. Hepworth:** — I think it's . . . I'm not just really certain. I understand what the member means by scope. What I can tell you, albeit that this is a new Act, it's a rewrite of previous legislation, and in so far as what's defined as the practice of veterinary medicine, if you like, and the species — essentially unchanged, as I understand it.

**Mr. Upshall:** — Well, it just being like . . . The medical profession, for example, does not outline the specific duties of a physician nor the boundaries of what constitute medical practice. But this Bill goes very specific, as it includes, you know, in section 2, many of the specific duties, which is much, much tighter than what the medical or dental profession is. I was wondering if there was a reason for that.

**Hon. Mr. Hepworth:** — Well I think the analogy you make with the human health sciences is not necessarily a good one. The difference in veterinary practice is: there are some procedures, for example, dehorning, immunization, vaccination, that have historically and traditionally been done by the farmer or the rancher himself. And I suppose that's why we have some definitions in here that you wouldn't find in other legislation relative to other health sciences.

As well, this Act, I think, attempts to define more clearly some of the new technology that was not clearly defined in the past legislation. I think of things like embryo transfer, whether it's surgical or non-surgical. Does it fall in the same category as artificial insemination, or is it strictly a veterinary surgical practice — those kinds of things. Maybe that's the kinds of issues you're referring to.

**Mr. Upshall:** — Mr. Minister, does this Bill in any way prevent farmers from administering drugs to their own animals — vaccinations — or to those animals of their neighbours, as is the common practice?

**Hon. Mr. Hepworth:** — No, is the short answer. And the exemptions, if you like, are in section 17 of the Act. Previously, I think there was three subsections that outlined what the farmer might be considered . . . what a part of the historical practice of the farmer, if you like — whether it's immunizations or dehorning — and now there are eight, and addresses things like non-surgical embryo transfer, those kinds of things.

**Mr. Upshall:** — Mr. Minister, does this Bill give any new powers to the veterinarians in the area of animal reproduction? I refer to management of estrus synchronization and superovulation and the collection and the evaluation process of embryos. Does it give any new powers to veterinarians in the whole area of reproductive management?

**Hon. Mr. Hepworth:** — No. You mention, you know, the reproductive side. That's one of the areas where there's been a fair amount of technology developed since the last time this Act was updated, and it's more clearly spelled out as it relates to, for example, surgical transfers of embryos versus non-surgical.

But specifically, if you look at the other side of the reproductive physiology where there's been a fair number of changes and some new technology come forward, that's in some of the pharmacology, some of the drugs that are used. I mean a drug that Food and Drug in Ottawa determines as a controlled substance is still a controlled substance or a prescription substance and that hasn't changed, and for some good reason because these drugs are — as is any drug — not without side effects. I think one has to understand what they can do and, as

well, know their limitations. And in the wrong hands I think it could cause some problems if they're not under the prescription of a veterinarian.

That's as it's always been and nothing has changed in that regard, particularly, except that there are some new drugs in that area that have come along that fall under those categories.

**Mr. Upshall:** — So this Bill will . . . Will this Bill give veterinarians exclusive control over these new developing areas of embryo transplants and collection and processing of embryos?

**Hon. Mr. Hepworth:** — No, this Bill doesn't determine that. That's — I mean if Food and Drug administration determines whether a drug is a narcotic or a controlled substance or a prescription drug — and I forget the various schedule and what each of them defines, but that's done by somebody other than the veterinary association, certainly, and they have to abide by Food and Drug's determinations in that regard. And although you may point to the example of, you know, are we somehow, you know, putting in the hands of only the veterinarians some of these drugs, as I mentioned earlier, some of them do have . . . some of those are very complex drugs and subject to abuse, and some dangerous abuse.

But similarly the same case could be made for, you know, prescription antibiotics and those drugs not finding their way into the food chain, and that also falls under the jurisdiction of the Food and Drug administration in Ottawa.

**Mr. Upshall:** — Mr. Minister, who will have control regarding regulating and monitoring of the whole process of embryo transplants? And that whether it be the administration, or whether it be the collection, or whether it be the development, what will the monitoring body be with regards to that?

**Hon. Mr. Hepworth:** — The break point on this . . . and this Act in large measure parallels, for example, what they did in Alberta, and I think what they did in Manitoba as well. The distinguishing feature tends to be whether it's a surgical procedure or a non-surgical procedure, and I think the non-surgical tends to fall, in many people's minds, albeit that it's sophisticated, but it tends to fall into that category, not unlike artificial insemination fell into that category 20 years ago, sort of thing.

**Mr. Upshall:** — But the point I was getting at was that there's no fear of losing control over the genetics . . . of animal genetics with regard to reproduction, and that there will be a monitoring body to ensure that the selection of these and collection of embryo transplants is done by people other than veterinarians? And there's no fear that we're going to lose some of our genetic diversity?

**Hon. Mr. Hepworth:** — No, and I think because everyone recognizes that this has been a grey area, that this Bill spells it out clearly and sensibly, and as well the industry, if you like, has made some steps forward here. I'm advised that veterinarians and non-veterinarians, those in the industry who aren't veterinarians, if you like, have banded together to form a Canadian or national

organization to look and to deal with many of the issues around the embryo transfer business, if you like.

**Mr. Upshall:** — Thank you, Mr. Chairman. Mr. Minister, when you went through the procedures of drafting this Bill, were any of the rural farm groups notified of exactly what was going on with the Bill — the wheat pool, the SARM (Saskatchewan Association of Rural Municipalities), the NFU (National Farmers Union), or any of the other groups that may be interested in what The Veterinarians Act being changed will mean to them?

**Hon. Mr. Hepworth:** — To give you a bit of the history, in so far as if I stand back and I look at the entire area of the delivery of veterinary services across Saskatchewan, of which obviously the professional Act or The Veterinarians Act would be part of it, it's been for the most part a two-stage process.

Probably a year and a half or two years ago now, there was a veterinary services review committee struck and it had people like Dr. Ed McCall, who's currently with the health of animals branch here in Regina of the federal government, formerly a practising veterinarian who was the chairman of it; Connie Blacklock, a farmer from Saskatoon; Amel Wallen from Foam Lake who, as well, has brought the veterinary service district or the rural municipality perspective, if you like; Ken McDonald, president — maybe today a past president, I'm not sure — at one time or another, he's been the president of the cattle feeders association; Dr. Ken Armstrong, who's a professor at the Western College of Veterinary Medicine; and Dr. Don Pulfer, immediate past president of the Saskatchewan Veterinary Medical Association sat on this committee, this veterinary service review committee, as part of their review process, although not targeted strictly at this Act. But to stand back and to look at the entire delivery of veterinary services, along with a parallel committee that was examining extension service across the province, they came forward with a number of recommendations, some of which we've seen manifested in this last budget.

And while I'm on my feet, I would congratulate all of those individuals for the effort that they put into this and the thoughtfulness they put in to it. I know all of them took time out from running busy farms and practices to serve the public in this regard.

As part of their committee deliberations, if you like, they met with — and I couldn't tell you who and individuals and/or the groups they met — but I think the ones that you mentioned, stock growers for example, the association of rural municipalities, would be a couple for sure that they consulted along with several others in terms of drafting the report.

As well the veterinarians have a legislative committee. Two of the members that sat on the veterinary services review committee, sit on that legislative review committee — Dr. Ed McCall and Dr. Ken Armstrong. As well they had the association lawyer, Bob Kennedy, and Dean Gavin Hamilton, from the Western College of Veterinary Medicine, and as well, Bryan Wurtz who is a past president of the Canadian Veterinary Medical Association. So you had that continuity there with the two

of them.

Thirdly, and I myself know that the association has had some chance, as I suppose others have, to look at this legislation. As you know, I think, it had first reading on August 19, I think it was. So they've had two, two and a half months to make commentary if they so wished. And I'm advised that we haven't had any feedback particularly, or a limited amount if we have had. I guess there was some feedback because we've got some House amendments to address a couple of the points.

But I guess I'm fairly comfortable especially with, you know, the mandate and the process that the veterinary services review committee went through in terms of getting to their report, albeit that it was only part of the larger process, and we're only dealing with a part of it here tonight.

Clause 1 agreed to.

## Clause 2

**Mr. Chairman:** — We have a House amendment of the printed Bill:

Amend clause 2(1) of the printed Bill:

(a) by striking out subclause (i);

(b) by renumbering subclauses (ii) to (vii) as subclauses (i) to (vi) respectively; and

(c) by striking out subclause (viii).

Clause 2 as amended agreed to.

Clauses 3 to 7 inclusive agreed to.

## Clause 8

**Mr. Chairman:** — House amendment on Clause 8, and because it involves a money provision, I would ask the minister to have an introductory clause.

**Hon. Mr. Hepworth:** — Mr. Chairman, and members of the committee, I beg to inform the Assembly that his Honour the Lieutenant Governor, having been informed of the subject matter of the Bill, recommends it to the consideration of the Assembly.

I move to amend section 8 of the printed Bill as is before the House in terms of the House amendments.

**Mr. Chairman:** — The amendment to the printed Bill on section 8 is:

(a) by striking out all the words in subsection (5) after "determined" in the third line and substituting "by the Lieutenant Governor in Council"; and

(b) by striking out "by the association" in subsection (6) and substituting "out of moneys appropriated by the Legislature for the purpose."

Clause 8 as amended agreed to.

Clauses 9 to 11 inclusive agreed to.

## Clause 12

**Mr. Chairman:** — House amendment of the printed Bill:

Amend section 12 of the printed Bill:

(a) by striking out subsection (6); and

(b) by renumbering subsections (7) and (8) as subsections (6) and (7) respectively.

Clause 12 as amended agreed to.

## Clause 13

**Mr. Chairman:** — House amendment of the printed Bill:

Amend section 13 of the printed Bill by adding, "other than the member appointed pursuant to section 8" after "council" in Clause (1)(i).

Clause 13 as amended agreed to.

Clauses 14 to 17 inclusive agreed to.

(2000)

## Clause 18

**Mr. Chairman:** — Amendment of the printed Bill:

Strike out section 18 of the printed Bill and substitute the following:

Veterinarians employed in public service

"18 No person other than a member is eligible to be appointed as a veterinarian in any branch of the public service of Saskatchewan."

Clause 18 as amended agreed to.

Clauses 19 to 25 inclusive agreed to.

## Clause 26

**Mr. Chairman:** — Clause 26, House amendment of the printed Bill:

Amend section 26 of the printed Bill by striking out "indicatable" and substituting "indictable."

Okay, a spelling error. Amendment agreed?

Clause 26 as amended agreed to.

Clauses 27 to 49 inclusive agreed to.

**Hon. Mr. Hepworth:** — I, and members of committee, I thank my officials; as well, the members of the public and the veterinarians who helped draw up the legislation.



And finally, Mr. Chairman, I would move the committee report the Bill.

The committee agreed to report the Bill as amended.

#### **Bill No. 57 — An Act to repeal The Scrap Vehicles Act**

**Hon. Mr. Swan:** — Beside me is Peter van Es, the deputy minister; and behind me, Larry Lechner, director of the division.

#### **Clause 1**

**Mr. Solomon:** — Thank you, Mr. Chairman. I'll ask my colleague here from Rosemont to say a few words.

**Mr. Lyons:** — Mr. Minister, one question to start this portion of the review of the legislation off. What is the main purpose of the Bill, and why have you introduced it?

**Hon. Mr. Swan:** — The main purpose is to discontinue the government's operation of the scrap vehicle collection and to move that into private hands.

**Mr. Lyons:** — What studies have you done, first of all, Mr. Minister, to indicate that it would result in an overall saving to the people of Saskatchewan, and do you have any documentation as to those studies?

**Hon. Mr. Swan:** — In the past year, the actual shortfall between the amount of money that we received for scrap vehicles and the cost of the program to the government amounted to about 350,000, and that's how much we'll save.

**Mr. Lyons:** — Well, Mr. Minister, do you have any documents to prove the assertion that you're making that it saved \$350,000, and if so, have you got the last year and, say, the last five years in terms of the overall cost of the program?

**Hon. Mr. Swan:** — It's been a fairly steady cost figure on the program, year after year, at approximately \$350,000 cost.

**Mr. Lyons:** — Well it seems to me a rather small sum given the overall operations of government, Mr. Minister. You've decided to turn it to the private sector. Could you tell us what economic advantage it will be for the private sector? Will they be running the program at a \$350,000 loss as well?

**Hon. Mr. Swan:** — I really don't know whether the private sector will operate at a loss or not. At the time that we negotiated with interprovincial steel company to take over the operation, they indicated that they felt that they could operate it and turn a profit. If they can do that, that's a good operation for them, and they indicate also that they need more scrap vehicles than Saskatchewan can even supply, so they're very anxious to take over the program and to operate it.

**Mr. Lyons:** — Now, Mr. Minister, you say that you've run \$350,000 a year loss. Would it be fair to say that that \$350,000 was paid out to Saskatchewan residents or small businesses which either collected those scrap

vehicles or, in fact, had those scrap vehicles on their land and were going to get rid of them?

**Hon. Mr. Swan:** — yes, it would have been paid to contractors who are gathering the scrap, and it would also, some of it, be paid to rural municipalities for collection sites.

**Mr. Lyons:** — Well, \$350,000 then really wasn't a loss to Saskatchewan people, in the sense that it got turned directly back into their pockets. Wouldn't you say that the \$350,000 that you're pulling out of the pockets of the contractors and the municipalities of the province, wouldn't you say that that's really the loss that the . . . the monetary loss that the people of this province are going to feel?

**Hon. Mr. Swan:** — No, I wouldn't agree with the hon. member. The program is going to continue. They're still going to be collecting the scrap vehicles. It's going to take contractors to do that work. And as they collect the vehicles, they will be paid through the private company and therefore the money should still go out into society the same as it would have from government. If they can do it at a more economical cost than government, that's where the saving would be.

**Mr. Lyons:** — Well let's just suppose, Mr. Minister, that they can't, and that in fact it's going to cost them more money for increased fuel costs, for example, given that their gas taxes have been increased, and they decide that, in fact, it's not profitable to do it. What arrangements have your department made? What arrangements have your department made to ensure that scrap vehicles are picked up or, in fact, are they just going to be littering the landscape as they used to?

**Hon. Mr. Swan:** — Well, interprovincial steel company advise us that they need all of the scrap vehicles that they normally have received from the province, and even more. They've entered into a contract with the provincial contractor to bring in a certain tonnage of steel and if he's going to bring that, he has to pick the cars up.

**Mr. Lyons:** — Could you please tell us who the provincial contractor is, then, that would be picking up these vehicles?

**Hon. Mr. Swan:** — At this point in time, they're using the same contractor that the government used and his name is . . . The name of the company is Curtis Construction.

**Mr. Lyons:** — And this was the contractor that the provincial government used. Was he required to post any performance bonds or to give any guarantee that the work would be carried out?

**Hon. Mr. Swan:** — At the time that he worked for our department, yes, he posted a performance bond. I'm not certain what the contract arrangements are with another company. You would have to ask that company.

**Mr. Lyons:** — Well you predicted, Mr. Minister, that the collection of scrap vehicles in the province . . . and you've outlined fairly clearly that it is solely dependent on market conditions from Ipsco. If Ipsco needs scrap

vehicles, then this contractor, Curtis Construction, will go out and collect the scrap vehicles.

What provisions have you made if there's a downturn in the steel industry and Ipsco does not require the scrap vehicles? What then happens to these scrap vehicles?

**Hon. Mr. Swan:** — That circumstance has not occurred in this province for a long time. The steel has been needed. Ipsco has had to bring steel in, in the form of scrap cars, from as far away as Michigan. So as long as there is that kind of need, I would expect that they will continue to select the cars that are in Saskatchewan first.

**Mr. Lyons:** — Mr. Minister, you're not asking the question. Let us say — what I want to know — that in case Ipsco does not require the steel, what provisions have you, as the Minister of Environment, made to ensure that those scrap vehicles are collected?

**Hon. Mr. Swan:** — I consider that question to be very hypothetical at this point in time, and if the circumstance should arise five years down the road or 20 years down the road, the government of the day could deal with it at that time.

**Mr. Lyons:** — Well Mr. Minister, I don't want you and your poor performance to burden down our government when we form it three or four years down the road. I don't want to have to be burdened down, going out collecting scrap vehicles. I think that it's incumbent upon you, as the Minister of the Environment, sir, I believe it's incumbent upon you to plan ahead that, in fact, that you have contingency plans.

Now, Mr. Minister, you have repealed The Scrap Vehicles Act. You have absolutely no jurisdiction . . . The way I read it, you have absolutely no more jurisdiction over the collection of scrap vehicles. Why have you made the decision, you, the Minister of Environment, made the decision to turn over environmental — what basically is an environmental problem — to the private sector? Why have you begun to privatize environmental protection in this province?

(2015)

**Hon. Mr. Swan:** — I believe that the job will be done equally as well by the company that's now collecting cars as it was done by the government. It's going to be done at a savings of \$350,000 from the taxpayers of the province. I believe that that's a good reason for us to move in the direction we have moved and that's the reason the Bill is here.

**Mr. Lyons:** — Well, you know, Mr. Minister, you may believe that, but history has already proved you wrong. The reason that this, the original Scrap Vehicles Act, was introduced, was precisely because the private sector, the free enterprisers, weren't picking up scrap vehicles, and that the landscape of Saskatchewan, as everybody well knows, was becoming nothing more than a junk yard for rusted out old hulks. That's why the legislation was originally introduced.

You know, turning back the clocks 30 and 40 years doesn't

qualify as a new idea when it comes to environmental protection. this Act was one of the forerunners — and I must say a far-sighted forerunner — when it came to developing environmental protection in the province of Saskatchewan. All of a sudden you want to turn the clock back 30 or 40 years and let the old free enterprisers try to deal with the problem that they didn't deal with before.

What gives you the idea, what gives you the idea that things will not turn out as they did before? I mean, what assurance can you . . . What assurances can you provide the people of the province, and what ultimate responsibility, will you, as the Minister of the Environment, take when it comes to ensuring that scrap vehicles are collected? If Curtis Construction doesn't collect the scrap vehicles, if Ipsco says, we don't need the scrap vehicles, what provisions have you, as the Minister of Environment, made to ensure that those scrap vehicles are collected?

**Hon. Mr. Swan:** — Well, as I indicated to the hon. member, the program has been in place for a long time. The program has continually cost the government a considerable amount of money each year, and at this it has cost approximately \$4.5 million of government money.

The provincial contractor, working for interprovincial steel, will continue to gather the cars because the scrap value of cars has risen and the steel company needs the product. That's the best reason that anybody could have for going into business.

**Mr. Lyons:** — Well, Mr. Minister, that still doesn't deal with the problem, the problem of you not taking into account the fact that it may not work out that way. You still haven't answered the question that I've asked. What contingency plans have you made — what contingency plans, if any, have you made when it comes to dealing with scrap vehicles?

**Hon. Mr. Swan:** — We have let the contracts flow through Ipsco to other people who will do the job. I think that we have to trust the provincial contractors to do the job. They indicate that they will; Ipsco indicates they want the product. I have no reason in my mind that I wouldn't trust either Ipsco or the contractor. If down the road at some point in history, we find that the job isn't being done, then we can address it. But I don't see it as a problem at this time.

**Mr. Lyons:** — You made reference to the original contractor, which is Curtis Construction, that deals with this. Has Curtis, who operated . . . Or the series of subcontractors, the towing companies and so forth, is that system still in place or has Curtis decided to engage other contractors and towers and sub-collectors, if you like?

**Hon. Mr. Swan:** — The program is now not under our control. The contractors that are being used out in the country, I couldn't indicate to you whether he's using the same ones or different ones or whether he uses more or less. That will be up to the interprovincial steel corporation and to the general contractor.

**Mr. Lyons:** — Mr. Minister, will you table the documents

that you've referred to here showing that in fact it did cost the people of Saskatchewan \$350,000. Will you table the documents which in fact show that.

**Hon. Mr. Swan:** — I would refer the hon. member to the public accounts of the province, and you would find the figures there.

**Mr. Van Mulligen:** — First of all, if the minister could indicate what year of public accounts, I would like to know that. Mr. Minister, let's take you at your word that the private sector will in fact be able to do the job that you think that they will be able to do in terms of picking up scrap vehicles throughout the province.

Let's recognize also that the steel industry is a cyclical industry, and that is to say that demand for products may rise and fall, and even if there is a market today for scrap vehicles, there may not be a market tomorrow. You say that you're prepared to address that when you come to it. I'm wondering whether it might not have been wiser, as opposed to scrapping the whole Act, to at least leave for yourself some discretionary powers in the event that you see a need for that, so that you could move quickly as opposed to reintroducing a new Bill at some point in the future, should that be warranted.

I also want to know from you, sir, whether you have held discussions with the Saskatchewan Association of Rural Municipalities and with the Saskatchewan Urban Municipalities Association with respect to any impact that the repeal of The Scrap Vehicles Act may have on their operations, recognizing that they may have some additional burden now that they did not face previously. And in saying that, that's recognized that a private contractor may not be willing to go the extra mile, that was the case previously, to pick up scrap vehicles because it may not be in their interests, from a profit point of view, to go as far to pick up isolated vehicles here and there, but it may present a charge for some municipalities. And I wonder if I might have your comments on those.

**Hon. Mr. Swan:** — We haven't negotiated with the municipalities. We have advised the municipalities, where we have collection sites, that The Scrap Vehicles Act was going to be repealed and that we would make sure that each of the sites that we had rented from them would be cleaned before we turned the site back to the rural municipalities. So that part of it is looked after.

In your question you indicated that steel was a cyclical business and that it would rise and fall with the markets for steel. That's always been that way with the government as well, that the steel industry was up and down. If Ipsco quit buying cars, I don't know what Saskatchewan government would do if we continue to collect them. We would have no place to put them.

So you only collect when you can deliver them somewhere. And if we come to a point in history where we can't collect the cars and turn them into steel, then it would be most difficult for the government to continue, and I guess it would be difficult then for private industry to continue as well.

**Mr. Van Mulligen:** — I wonder if you can just indicate

again . . . In response to the previous question you mentioned that certain information could be found in public accounts. I wonder if you could indicate what year.

**Hon. Mr. Swan:** — It would be in each year from the time the program was introduced until now — until the end of '86.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

**Hon. Mr. Swan:** — And while I'm on my feet, Mr. Chairman, I would like to ask for leave to also deal with The Litter Control Act.

Leave not granted.

### **Bill No. 53 — An Act to amend The Uniform Building and Accessibility Standards Act**

**Hon. Mr. Swan:** — Mr. Chairman, I have one new official who has just joined us. It's Bert Sheasby. He's head of the department dealing with this subject.

#### **Clause 1**

**Mr. Shillington:** — Mr. Minister, to pick up where we left off on Friday, I guess this Bill is really just enabling legislation. Everything you intend to do is in the regulations. We were told at the Non-Controversial Bills Committee that the regulations are drafted ready to go. I wonder, Mr. Minister, if you would table a copy of those regulations. If you did, I think we could proceed fairly smartly.

**Hon. Mr. Swan:** — The regulations are drafted. They haven't gone through the committees of government yet, so to say they are ready to go is not quite right. They aren't ready to go. I believe that we could have them ready in a few months — like maybe the end of December, the end of January — but they are not ready at this time.

**Mr. Shillington:** — Well, Mr. Minister, that doesn't prevent you from tabling them, and there is precedent for it. Regulations under Bills are tabled as an expression of departmental intent without in any sense being a commitment to take any course of action. I wonder, Mr. Minister, why you think that it is not in the public interest for the legislature to know what the regulations say.

**Hon. Mr. Swan:** — In the proper time the legislature will know what the regulations say. But until the government has the regulations in the form that they're prepared to bring forward to the legislature, then I don't think that it's proper for me to table them. And I'm telling you tonight that they aren't in that form that we want to bring them to the legislature yet.

**Mr. Shillington:** — What is planned with respect to accessibility to the buildings — I'm phrasing this very poorly. What is planned with respect to requiring that buildings be accessible for handicapped people?

**Hon. Mr. Swan:** — Well as the hon. member knows, the Act as it now exists is there for that purpose, to provide access to buildings for handicapped people. The Bill that we have before us is to correct some of the errors that were in the original Bill, and I gave that information in my second reading comments today.

This set of regulations, when they come forward, I believe, the hon. member will realize that they're going to provide the kind of accessibility that the handicapped association of the province has been seeking. There have been many meetings held with the handicapped, with architects, with people in the building construction business, and we also intend to follow the national building code, which again, gives that kind of background information that will provide for accessibility.

(2030)

I might also tell the member that all public buildings will be accessible as the regulations of the Bill come into force.

**Mr. Shillington:** — How would you define a public building, Mr. Minister?

**Hon. Mr. Swan:** — A building that's used by and for the public.

**Mr. Shillington:** — Does that include privately-owned buildings to which the public are invited to attend?

**Hon. Mr. Swan:** — Private buildings are private buildings. They may be used by the public but they would not be called public buildings.

**Mr. Shillington:** — Let's pick an example. The main branch of the Royal Bank. It's privately owned but a building to which the public are invited. Into what category would that fall?

**Hon. Mr. Swan:** — I'm advised that that would be classed as a public building. If it's a new building, it would be accessible; if it's an old building, then it may not be.

**Mr. Shillington:** — So do I take it that there is no . . . that these regulations do not touch upon existing buildings — that's outside the purview of your efforts here.

**Hon. Mr. Swan:** — Unless there's major renovations or change of occupancy or change of use, then the building would be outside of these . . . this Bill and the regulations. If there were changed in any way — say the building was a warehouse and changed to an apartment building — then it would have to meet the standards under this Act.

**Mr. Shillington:** — Okay, then. Do I take it then that all new buildings, all newly constructed buildings must be fully accessible to handicapped people whether they be movie theatres, commercial buildings, privately owned or publicly owned, so long as it's a building to which the public are invited to attend. They must be accessible. Do I understand that?

**Hon. Mr. Swan:** — Yes, if they are new buildings.

**Mr. Shillington:** — Mr. Minister, what consultations have you had with handicapped groups? And in answering I would appreciate if you would be specific about who you or your officials have met with.

**Hon. Mr. Swan:** — The committee that drafted the regulations were made up of an architect, an engineer, a person from the building trade, a lawyer, and a person from the handicapped association, plus government people. So they've had input from the handicapped right through the whole process of the drafting stages of the regulations.

**Mr. Shillington:** — What outside groups have they met with, Mr. Minister?

**Hon. Mr. Swan:** — All of the major groups in society have had the opportunity to make representation, and many of them have taken that opportunity. They had the engineers, the architects, the building trades, Human Rights Commission, the SARM, and SUMA — oh, various others. I can't indicate to you all of them off the top of my head, but they have met.

As you realize, these regulations have been in the works since 1984 and they have had probably more discussion than any set of regulations that have ever come forward. So I think when you see them, you will be completely satisfied.

**Mr. Shillington:** — Mr. Minister, if I'm completely satisfied, it will be a rare event in dealing with this government. Mr. Minister, have you . . . Were the Voice of the Handicapped invited to make a presentation and did they do so?

**Hon. Mr. Swan:** — I'm advised yes, that they were given the opportunity.

**Mr. Shillington:** — Did they actually make a presentation, Mr. Minister?

**Hon. Mr. Swan:** — Yes, and they were on the committee as well.

**Mr. Shillington:** — My colleague from Regina Lakeview has some questions.

**Ms. Simard:** — Mr. Minister, there were some draft regulations on accessibility drawn up, I think it was 1982 — in the late spring or early summer of 1982 — by a provincial accessibility committee. On that committee there were a number of groups that represented the handicapped as well as other individuals. I take it you're familiar with those regulations and I'm wondering why those regulations were not adopted because it's my understanding that architects were guiding themselves by those recommendations, until this government came along and backed away from those regulations and started looking into the matter further. I'm wondering why those weren't implemented and why an entirely new process was put into place — number one. And secondly, how much of a deviation is there between the ones that you are now proposing to put forward and the ones that

were adopted in 1982 by that provincial committee?

**Hon. Mr. Swan:** — Well, as the hon. member realizes, I was not the minister back in 1982. But I'm advised that at the time that those so-called regulations were being drafted, they were not really regulations, but they were guides to be used for drafting of regulations. They were not in the format that governments normally write regulations. They didn't follow the terminology used in the National Building Code, and besides that, the legislation was not passed until 1984. So it's pretty hard to write regulations until you have the legislation in place.

Now many of those guides that were proposed in 1982 were used in the drafting of these regulations. Not all of them, but many of them were. And the people in society have had the opportunity to have input and to sit on the committee and work very closely with the department all through the drafting process.

**Ms. Simard:** — Mr. Minister, you haven't given me any specific indication as to how these regulations deviate from the recommendations or guide-lines set out in 1982. But I simply wish to make the observation, Mr. Minister, that these guide-lines were available to this government in early 1982 and it took until 1984 before any legislation was put into place — two years. And then another three years before you come forward with amendments to this legislation, and we still haven't seen the regulations, Mr. Minister. We still haven't seen them. Is it going to take another three years before those actually get passed by an order in council, or will these regulations be forthcoming immediately?

And I urge you to come forward immediately with them, because I think the fact there's been a five-year delay in getting these regulations passed is an indication of the lack of priority that this government gives to accessibility for handicapped people.

**Hon. Mr. Swan:** — I would like to advise the hon. member that this goes back much further than 1982. The former government in 1978 was working with those regulations and never brought them forward. And you can consult with the member for Riversdale because he was one of the members that worked very closely with it. There is also a gentleman in the back bench here tonight that knows how long ago these first came forward.

This is not an easy set of regulations to put in place, and I think that we have done a lot of homework to put it in place. Now when we took a look at the Bill that was passed in 1984 and tried to fit regulations, it just didn't work because there were omissions in that Bill. That's the reason for the amendments that we're proposing today, and if this Bill passes, then we can move forward. I believe the regulations won't take all that long, and I don't expect it to be any two years or anything of that nature, but rather quickly.

**Ms. Simard:** — How long, Mr. Minister, till the regulations are passed?

**Hon. Mr. Swan:** — It depends on whether they pass through caucus, through our Regulations Committee, without a lot of change. Because if you change, then you

have to go back to all of the organizations who helped draft them, and that could take some time. But I would anticipate that they would move forward in a matter of months.

**Ms. Simard:** — Are there any major discrepancies between the recommendations of 1982 and the regulations that are coming forward?

**Hon. Mr. Swan:** — What you call regulations from 1982 were really just guide-lines to begin the process of drafting regulations. They were not regulations.

Throughout the whole process, as I advised the hon. member from Regina Centre, these people from The Voice of The Handicapped have had the opportunity to sit on the committee, to have input all the way through the drafting process for those regulations. Now I don't really have any way of telling you whether there is some change from that time. We don't recall anything significant, but there's bound to be something different, you know; you don't write any two pieces of regulation and not have some change. But if they met the needs of the group that were sitting at the table at the time they were drafted, they have to be fairly satisfactory, I think, to the general public of Saskatchewan.

**Mr. Shillington:** — I just want to echo the comment of my colleague from Regina Lakeview. These regulations have taken an inordinarily long time to bring forward, Mr. Minister. I recall asking the member from Yorkton, who was then the minister in charge in 1982, and he kept saying, soon, next month; soon, next month. And the member will recall having listened to those questions in question period when the minister was Speaker. Then after a couple of years the Bill finally passed and we began to ask about the regulations.

(2045)

Mr. Minister, it may be complex, but if you're a handicapped person who depends on these regulations so that they can function as ordinary people, nothing is complex enough to take five years to pass. Mr. Minister, there's been a great deal of procrastination on this, and I say to you and to other members of government, that the rights of handicapped people and their ability to function as normal members of society have been sacrificed in too much procrastination.

**Hon. Mr. Swan:** — I think that the hon. member realizes that the National Building Code was amended with the assistance of people from the department. And as that building code was amended and put into its present form, it dealt with the accessibility for handicapped people. And I think if you go down the streets of your own home constituency here in Regina, you'll find that a good percentage of those buildings are now accessible for handicapped people.

I'm not saying we couldn't do better, but at least we have been moving in the right direction and it's improving steadily. These regulations, I believe, will be another step forward and when this Bill is passed, I will work diligently to see if we can get the regulations through soon.

Clause 1 agreed to.

Clauses 2 to 18 inclusive agreed to.

The committee agreed to report the Bill.

### **Bill No. 34 — An Act to amend The Prescription Drugs Act**

**Hon. Mr. McLeod:** — Mr. Speaker, on my right is Ron Waschuk, who's the executive director of the prescription drug plan. On my left is Michael Littlewood, administrative co-ordinator in the Department of Health; and Gerald Tegart, a lawyer from the Department of Justice, will be joining us momentarily.

#### **Clause 1**

**Ms. Atkinson:** — Thank you, Mr. Chairperson. Mr. Minister, the other evening in Saskatoon, at a CBC (Canadian Broadcasting Corporation) forum, several people in the audience had the opportunity to witness you in action.

They particularly had the opportunity to witness your response to a man who has had a great deal of difficulty with the prescription drug plan, when he rose from his chair on the panel and went to the microphone and explained his situation to you. And you, Mr. Minister, in your typical way, tried to publicly humiliate that man. And that kind of heartless, cold, callous treatment is typical of your government and is typical of this prescription drug plan.

Mr. Minister, you offended a lot of people in the audience, and I suspect when they put that program on television, you will offend a lot of people in the viewing public — the TV viewers.

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

**Ms. Atkinson:** — Mr. Minister, when a person comes to you and asks you a question, is it always your response, as a cabinet minister representing your government, to put them down and try and publicly embarrass them? Is that the way you treat people in this province that are having difficulty with the prescription drug plan, Mr. Minister?

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

**Hon. Mr. McLeod:** — Now, Mr. Chairman, the circumstance that the member describes was . . . The way in which I remember it, and the way in which many people who were in that same hall that the two of us were in that night, don't remember in the way in which the member from Saskatoon Nutana portrays the issue. Obviously, it's not a matter of, to use your words, of being callous to those that are in, you know, that are in need and all the rest of those kinds of things.

The fact is, one individual — the one individual that you mentioned — has, you know, come forward on several occasions but has more of a political agenda than a drug plan agenda. And all I say to the member . . . And I indicated something like that to that person at that day. And I just say to you that the individual that you

mentioned, and I was reluctant there and I will continue to be reluctant to get into the specific circumstances of his case — and I will be and I was there — except to say that the individual in question was given the right to have 20 per cent for his personal drugs, 20 per cent up front and that's it, and have the 80 per cent collected by the drug plan or by the pharmacist from the drug plan.

Since that time, more information has come forward and he's got — what is it? — 20 per cent for the whole family, I understand. So while he's been dealt with fairly, he believes, frankly, that he should have drugs for nothing. He believes that he should pay nothing for his drugs and I'm sorry that that can't take place. And all I'm saying is, you know, as I have said in the House on several occasions and as I said at that forum that you refer to, that we believe very strongly that the individual in question has been dealt with fairly, as we believe that people who have made their applications have been dealt with fairly.

**Ms. Atkinson:** — Mr. Minister, what you've basically said is that anybody that takes issue with you in a public way is raising issues publicly for political reasons. And I think that that's not fair, Mr. Minister. That's not fair at all. When citizen after citizen tries to get in touch with you, tries to contact you through your officials and your department, and through your political office and your cabinet, when they try and get in touch with you, Mr. Minister, they have a difficult time doing that. So this gentleman — and his name is Ross Reaney — was quite prepared to discuss his case with you, Mr. Minister, at that public forum that the CBC held last Thursday evening, and you, Mr. Minister, treated him in a most disrespectful manner. He laid out his circumstance to the viewing population in this province, at great cost to himself, and you greeted him with an attempt on your part to publicly humiliate him. And you had a little cheering crowd there, and they clapped as you were busy putting him down.

And I want to say to you and all the people in this province, Mr. Minister, that that kind of behaviour is not acceptable. It's not acceptable to put down publicly people in this province that raise issues of public importance with you and your government — it's not acceptable.

Mr. Minister, that man has over \$400 worth of prescription drug costs each month. I'm happy to hear that his entire family is now being covered because that wasn't the case last week, Mr. Minister — was not the case last week. He was not notified if that was the case. He talked at that public forum about how he and his personal drug costs were covered, but those drug costs associated with his wife and his other family members were not. But, Mr. Minister, 20 per cent of 400-and-some-odd dollars is still a great deal of money for a family on a fixed income.

Now, Mr. Minister, in response to people like Ross Reaney who had the courage to go public, your government introduced what they call a special unique circumstances program or some sort of review program. Can you tell the people of this province how many people have applied for special consideration by the prescription drug plan?

**Hon. Mr. McLeod:** — Just a quick comment as it relates to the case that the member persists in speaking about. I'm informed that the . . . It's been two or three weeks, so it was well before that forum was on that the individual had coverage for the total family, and not just for his own individual case that he knew about. So it was before that, even though the suggestion at the forum by you and your cohorts was that it was not the case.

But regardless of that, and to get to your specific question, I believe 498 people have applied. Of those, about 400 people have been responded to in a positive sort of way, in the sense that there are various ways in which they would have been dealt with. Some would have 20 per cent for all of their drugs within the family; others with 20 per cent for one person, if that was the one who had a significant bill; others would have . . . 20 per cent costs on a single drug, a particular drug that was causing the problem, and then the rest of the other drug use of that family would be no problem; and others would have had the priority envelope that we've discussed on other occasions.

**Ms. Atkinson:** — Can you tell me how many people have gotten that priority envelope response from your special committee?

**Hon. Mr. McLeod:** — Seventy-four.

**Ms. Atkinson:** — Seventy-four people have gotten the 20 per cent. Can you tell . . .

**An Hon. Member:** — No. No, the priority envelope.

**Ms. Atkinson:** — Seventy-four people have gotten the priority envelope. Can you tell me how many people have gotten the 20 per cent?

**Hon. Mr. McLeod:** — Three hundred and twenty-five with some configuration of 20 per cent, whether it be on a single drug for the family or for the individual. But 325 in total.

**Ms. Atkinson:** — So 325 people have gotten the 20 per cent in some way, shape, or form. Can you tell me what the criteria are for getting 20 per cent at the drug store, Mr. Minister?

(2100)

**Hon. Mr. McLeod:** — People will make their application . . . and the things that are looked at and the type of criteria, or the type of the drug, the disease treated, the brand of the drug, the number of prescriptions required, the number of family members in that family unit that would have what we'd call chronic disease, you know, in other words, need of drugs. I'll look at income, I suppose. But, no, there's no threshold number that can say this is the number where income would be taken into effect, but obviously all of those things and a combination of them, and then the case is dealt with on its own merits — and we arrived at those numbers that I just gave you earlier.

**Ms. Atkinson:** — Of the 325 people who are receiving 20 per cent at the drug store, can you tell me what their average drug bill would be each month? How many of

them would have an average drug bill of \$400, \$300, \$200? Can you categorize or put in categories people in terms of their drug bill each month? How many are paying \$100? How many 200, 300, 400, 500, up to 1,000?

**Hon. Mr. McLeod:** — WE don't have an average like what you ask for in terms of an average or that, and don't have those cases, or a list of the cases here. I have those numbers because we anticipated the question on the numbers.

The vast majority, though . . . and I think it would be over \$200 each and every month. And I say each and every month because it describes what we mean by chronic cases, where someone will need that drug or that kind of cost over a period of month after month after month, rather than you may have a month or two like that and then not need it. So that's also taken into consideration.

So the vast majority over \$200 each and every month, and that will obviously vary on the individual circumstances, I suppose, to some extent. But I don't have the average that you ask for and I don't have anything here that would give us those now. Each case is an individual case, and if you deal with them on individual cases, we're not . . . you know, we haven't been lumping them together to develop average, and so on.

**Ms. Atkinson:** — Mr. Minister, if the vast majority are over \$200 each month — each and every month — the \$200, is it in relationship to some income? Is it income geared at all, Mr. Minister?

**Hon. Mr. McLeod:** — There's nothing magic about the 200. It's just that the information I get from the executive director is that as you look at it, is that it's . . . the majority of them are that kind of cost, over the \$200. I don't have those, you know, the exact numbers and whatever, here. But . . . and there's nothing magic on that \$200 number, there's nothing special about that if that's what you're getting at.

**Ms. Atkinson:** — Well, Mr. Minister, I'm not trying to get at whether or not \$200 is a magical figure. What I'm trying to get at is whether or not this figure of yours — that's not magical — has any importance or any relationship to a person's income. I'm wanting to know whether your special review committee's decision to allow someone to get a 20 . . . to pay 20 per cent at the drug store, has any relationship to that person's income and numbers of family members?

**Hon. Mr. McLeod:** — Well, as you will know, we don't ask for detailed income statements, that kind of thing. We have a bit of a statement of, you know, what is your gross income, that kind of thing. But that's only one aspect of the various things that will be asked and those are the criteria that I went through just a few minutes ago. so the income becomes a part of that, and obviously you will look at it if it's a very, very low one or whatever, you would look at that. But, I mean it's not a . . . it's not the only criterion and it certainly is just one of a group.

**Ms. Atkinson:** — Well, Mr. Minister, during Health estimates we brought to your attention a number of cases

of individuals who were on low income and their drug costs are approximately 140 or \$150 each month. Some of these individuals were . . . take-home pay, less than \$700 a month, might be three family members, and they weren't eligible for this 20 per cent consideration at the drug store. And at that time we tried to ask you, or I tried to ask you a number of questions about whether or not income had any relevance. I want to ask you again: if income doesn't have much relevance, why doesn't it, Mr. Minister?

**Hon. Mr. McLeod:** — When I say — I did say before — we do ask for that income statement and we look at it, but it's looked at in a much wider sort of sense. So it's not fair to say that income does not have relevance. Income will have relevance but it isn't, you know, the only thing. Obviously it will enter into the picture.

But what enters into the picture in a major way is the, you know, the cost of the particular drug and the kind of . . . the nature of the chronic illness that's being treated, and the number of people in that one family unit that will have chronic illness - that sort of thing where you can have something that's really more onerous. And they do look at that.

And frankly the committee has been very, very good. I'm quite satisfied that they have been very, very good at looking at this and understanding just what is really onerous. And they've done their thing in a very conscientious way in terms of a priority envelope, will work here where 20 per cent on this one drug, or 20 per cent for the total family, or 20 per cent for the individual person. They've looked at all of those things. They have all those various options, and I think they've been doing a good job of this exercise.

**Ms. Atkinson:** — Mr. Minister, can you describe a case to me of someone who would be eligible for the 20 per cent, using all of the criteria that your committee would use in deciding whether or not someone would be eligible? Can you describe a case so that we as the public have some sort of idea of how your committee determines whether or not someone is eligible for the 20 per cent at the drug store?

**Hon. Mr. McLeod:** — No. Well, no, I won't describe any particular case. I mean you have, and your friend that you raised here tonight, again, has described a case. And he was eligible for 20 per cent for his family as it now turns out. So there's a case; you have one in your own hands.

**Ms. Atkinson:** — Well we have one case, Mr. Minister, but there have been case after case after case who have gone to your department and they haven't been eligible for the 20 per cent at the drug store. They don't understand why and neither do we.

I mean if you're living on an income of less than \$700 a month, and your prescription drug costs are between 140 and \$150 each month, and you have a family of three, and you're not eligible for any consideration in terms of this 20 per cent, they don't understand why. And I guess I'd like to know why, Mr. Minister, individuals in that type of circumstance wouldn't be eligible for 20 per cent at the drug store.

**Hon. Mr. McLeod:** — Well let me just put it to you this way. There are a number of folks who will have written in because they have, you know, they hear this and they present the case, they present the costs to the best of their knowledge. And we do verifications; we do verifications with the physicians, verification with the pharmacists, which in some cases turn out to be not the case.

I'm just giving you several of the circumstances around which someone may not be eligible for what they believe they should be eligible for. In some cases they're using the most expensive brands, in other words, brand which are more expensive, and yet there are generic brands or other kinds of drugs which do the same thing. And our drug plan people, the professional people, will know that. Questions like, are the costs ongoing or chronic, or are they short-term — those kinds of things. And while people will, because of the change and the concern surrounding change, will say, no, we don't like the fact that this changed at all, and I've got these costs, and I want payment for this because I'm a special and unique case — and it turns out that they aren't special or unique in that sense.

Are the drugs which they submit their expenses for, are they on the formulary? In other words, are they drugs which are in effect covered by the drug plan at all? Those are the kinds of questions that have to be done, and yet we have a . . . And are we dealing with some of the bills that come forward. Some say this is a month's supply, but it turns out to be a large quantity which is far more than a month's supply. There's all kinds of factors that come into this, and we just . . . so what we say is — and that's what I reiterate again — that the committee has done a very thorough job of checking all of these kinds of things to be sure that it's done. And then in those cases where it is truly a unique case, they're granted one of the various ways in which they get special coverage.

**Ms. Atkinson:** — Mr. Minister, can you advise me who the Saskatchewan Medical Association representative is on this committee, who the representative is from the Saskatchewan Pharmaceutical Association, and who the representative is from the prescription drug plan?

**Hon. Mr. McLeod:** — There is no representative from the Saskatchewan Medical Association; there is a representative of the College of Physicians and Surgeons. And, no, I won't say who is doing the work for either of the associations, both the pharmaceutical association and the College of Physicians and Surgeons, because both have advised that they believe it's the . . . when I asked them to come forward with appointing whoever they would like to appoint — I did not appoint either person — and I said to them, I asked the College of Physicians and Surgeons to appoint a person that they believed would be most appropriate for this. From time to time they could change that person, but as long as the person does have the endorsement of the college, that's one.

And the second one is the representative of the pharmaceutical association who will do this work under the same auspices. And, frankly, from my point of view as the minister, and I think from all of our points of view as legislators, we would like to see that sort of thing where



they've put the integrity of their associations forward and said, we'll put somebody there, but we're not going to put their names out about who it is. And we have a representative of the . . . who is the executive director of the drug plan, who sits beside me. That's the one person that I'll say who it is. So the executive director, plus the reps of those two professional organizations.

**Ms. Atkinson:** — Thank you, Mr. Minister. I accept your explanation. Can you advise me whether or not there's been any tenders on prescription drugs in this province since July 1, Mr. Minister?

**Hon. Mr. McLeod:** — I'm advised that tender every six months, in time for the formulary period. The new formulary period will be on January 1 of '88 and the tender process is in process right now in anticipation of that January 1, '88 date.

(2115)

**Ms. Atkinson:** — Mr. Minister, when the new plan went into effect on July 1 — that July 1 is obviously a tendering period as well — and I'm wondering whether or not the plan tendered any contracts prior to July 1.

**Hon. Mr. McLeod:** — As the tendering is now in process for January 1 of '88, the tendering for July 1, the formulary period was done in May and June of this year prior to the change.

**Ms. Atkinson:** — Now, Mr. Minister, there has been some discussion in the newspaper and we've also had a number of consumers contact us, talking about and being quite concerned about the different costs that are available at different drug stores when it comes to certain drugs. Now, Mr. Minister, I have an example here . . .

**Mr. Chairman:** — Order. Members are not allowed to use displays in the House.

**Ms. Atkinson:** — Mr. Minister, I have an example here of a prescription drug, and prior to your new plan taking effect, that drug cost approximately \$56. And that drug is called Sulcrate, Mr. Minister, and this is one gram of 136 tablets. The person who needs this drug recently went to her pharmacist and that drug now costs \$69. That is a \$13 increase, Mr. Minister, or approximately a 23 per cent increase in cost since your drug plan came into effect. And I'm wondering if you can advise the legislature and advise the people of this province why drug costs seem to have escalated since your new drug plan came into effect.

**Hon. Mr. McLeod:** — Okay. I'm told the way the system works is that we set a control on the maximum amount that can be charged for a particular drug.

The case that you raise is certainly not indicative of the trend that we're told is happening out there from pharmacists and physicians. Both are saying to us that lower-cost brands are on the increase in terms of the savings to folks. The individual case that you have, I don't know what the circumstance could be, but I would be interested in having a few more details on it, except to say that there is a possibility that if it was old stock and they were selling it at a cheaper price because it was stock that

was around for a while . . . I don't know.

The only other things that come into play here are, once we set the maximum price, some pharmacies will have lower than that maximum price due to their ability to buy in larger volumes and larger volume lots and so on, or grouping of various pharmacies together, that sort of thing. But that's competition at work out there.

But as far as the individual case of this drug that you mentioned and the price differential, I'd be interested in, you know, in hearing which place an so on — if you, you know, maybe not right here but you can give it to me later.

**Ms. Atkinson:** — Mr. Minister, you talk about competition. do you have any concern about the lack of competitive edge that a smaller pharmacy may have in relationship to a larger national or multinational pharmacy? Do you have any concerns about that?

I'm particularly thinking of pharmacies located in rural communities, as well as your neighbourhood pharmacy in a number of urban areas. And I'm talking about the locally owned pharmacy, not the large national or multinational.

**Hon. Mr. McLeod:** — I say to the member that the fact is that the number of pharmacies in the province is on the increase. So I mean that's not an indicator that small pharmacies and so on are not in a competitive position. The tendering for all competitive drugs is, we have an equalized price for all because we do tendering for the whole province, as was the case and is the case now.

So for the very competitive drugs, let's say, the drugs which are most widely used, we do the tendering for the whole province and so there's no difference between being a pharmacy A over here that's part of a chain and the ABC pharmacy on Main Street in wherever — Unity.

**Ms. Atkinson:** — Mr. Minister, since your new plan came into effect, have there been any standing offer contracts that have not been tendered, and so therefore the drug is no longer covered or is no longer tendered by the provincial government? Have there been any drugs that are no longer purchased through the standing offer contract?

**Hon. Mr. McLeod:** — There are about 200 categories of drugs on the . . . and where brands are interchangeable, which is . . . You know, I guess what I'm saying is it's the same system as it was before, and I know you understand how it was and it still remains. Where brands are interchangeable, then we issue a tender for which brand shall be the formulary drug in that area.

**Ms. Atkinson:** — Mr. Minister, do you plan on keeping the present system in terms of standing offer contracts, because I'd just like to point out to you that I do have a copy of the Manitoba Drug Standards and Therapeutic Formulary for January 1, 1987, and I have that formulary in comparison to the January 1, 1987 Saskatchewan formulary. And I can tell you that the drug costs in Manitoba to the pharmacist and to the consumer, obviously, range anywhere from two, three, to four times

as high. And I'm wondering if you have any plans to drop the standing offer contract, and if you do, Mr. Minister, are you concerned that that may have a negative impact upon locally-owned pharmacists or small, independent pharmacists?

**Hon. Mr. McLeod:** — We plan on keeping the system that we now have in place as it relates to tender.

**Ms. Atkinson:** — Thank you, Mr. Minister.

Mr. Minister, there's one section of the Act that I would like you to give me some explanation of and that is section 6 where you add, "The following section is added after section 5." Can you explain section 5.1 to me in your new Bill.

**Hon. Mr. McLeod:** — This covers what I think you will best understand as exception drug status where . . . And under the old provision it was the flexibility to pay for certain drugs where medical criteria, certain special medical criteria, were met. I don't know what the . . . I can't think of an example just now. But there would be an application from someone through their physician for a very special kind of a drug for a fair period of time, and what this does is gives us more flexibility to pay for even non-formulary drugs if the need arose, through the doctor, for this special drug or this special coverage. And it's basically exceptional drug status which was in place before and which remains in place.

**Ms. Atkinson:** — Mr. Minister, what I find very curious is that you now are authorized to make payment to or on behalf of any resident. So my interpretation of the present plan is that you make payment to a resident that applies for a rebate. Now who could be applying on behalf of a resident, Mr. Minister?

**Hon. Mr. McLeod:** — In the case of, let's say, one who has a 20 per cent that they pay and 80 per cent is paid to the pharmacist on their behalf, that's one example, and in the case of a social welfare recipient where 100 per cent would be paid to the pharmacist. So you need that flexibility to be able to pay depending on the circumstance of the person that's in need of this . . . the person who's met this special medical criteria. Okay?

**Ms. Atkinson:** — Well, Mr. Minister, in the old Act, can you explain what the old section of the Act meant when it said that you could . . . that you paid to a pharmacist, Mr. Minister? Can you explain the difference between the old section of the Act and this new section?

**Hon. Mr. McLeod:** — The old section did not allow for direct payment to individuals, because under our . . . And that's why this has to be different wording, because under the deductible plan we will have, need, the provision to be able to make a direct payment to individuals in whatever amount.

**Ms. Atkinson:** — Well, under the old Act, Mr. Minister, what sort of provisions were there to pay the social services? There must have been some . . .

**An Hon. Member:** — To the pharmacist.

**Ms. Atkinson:** — To the pharmacist, okay. So now you're not. You wouldn't pay the pharmacist on behalf of a social service recipient?

**Hon. Mr. McLeod:** — What I'm saying: what this does is it gives the flexibility to be paid either directly to a beneficiary or to someone on their behalf. And on behalf, when you pay on their behalf, you would pay to the pharmacist.

For example, under the old circumstance, we could always pay on behalf of the recipient but we could not pay directly to the beneficiary. Now with the deductible plan we will need to have some provision in there to be able to pay directly to the beneficiary.

**Ms. Atkinson:** — Yes, I understand that, that you would need some provision to pay for the beneficiary. But I don't understand, because this is an addition to section 5, why you need, "on behalf of any resident." I don't understand why you need that. Can you explain that to me?

(2130)

**Hon. Mr. McLeod:** — Well, there may be some residents who will meet this criteria who are social service recipients. You will need to be able to pay directly to the pharmacy on their behalf . . . (inaudible interjection) . . . Well, that's what I'm saying, and that's there.

That didn't change. That wording hasn't changed from the old section. There is a change. There is a change in the provision, but if you'll notice that the — what are the words here now? — but I think that portion did not change. The only portion of this that's changed is the one that gives us the right or the flexibility to be able to pay to the beneficiary directly.

**Ms. Atkinson:** — Well, Mr. Minister, I have to disagree with you and I want to flag this, Mr. Minister. Is it possible under this scenario that a resident, or a consumer, could go to their pharmacist and receive their drugs, that the pharmacist would bill the insurance company, the private insurance company, and then the private insurance company could bill the government? Is that a possible scenario, under this new and improved piece of legislation that you have introduced?

**Hon. Mr. McLeod:** — Well, okay. Let me give you a scenario where that would be possible, is that . . . I suppose it could be possible if, let's say, there was an insurance company that would say, you pay us a premium and we'll cover your everything, your deductible, and all of that. I mean, I suppose there could be such a thing as that kind of insurance, and there may well be for all I know. But if that was the case, yes, we could pay that. But we would only pay what we now pay to everybody and what everybody is eligible for, and that is 80 per cent. And that is 80 per cent of what they're eligible to, or what they have paid out up front.

**Ms. Atkinson:** — So, Mr. Minister, is it possible that this particular section of the Act has been revised so that that scenario that I've described, where private insurance companies can come into this province and they now have access to public money, Mr. Minister, that you, Mr.

Minister, and your department, could conceivably have a scenario now with this change to the legislation where the consumer can go to the pharmacist, pay no money; the pharmacist would bill the private insurance company; and the private insurance company would then bill the prescription drug plan? Is that the scenario that is now possible under this legislation?

**Hon. Mr. McLeod:** — No. I want to say with respect to the member here, you're taking this off track and I'll . . . Just let me explain what this and the sole reason for this provision as I have said to you.

The sole reason for this provision is that we must have the flexibility to deal with individual, exceptional circumstances which fall outside the categories which will be, you know, the very straightforward categories that will be set up in regulations. That's clear. And the exceptional situations are those that I just described a few minutes ago — the kinds of things that could happen where somebody has specific medical criteria.

If we could anticipate, you know, if we could sit here in this legislature, you and I or whoever else is dealing with this, at whatever time, and if we could anticipate every single circumstance which could arise on an individual case, where somebody has a special medical criteria or whatever, and we could put it all down in legislation, there'd be no need for this provision.

But that's impossible to do and so I'll make it very clear and unequivocal here that that's the reason that I state is the reason for this provision.

**Ms. Atkinson:** — Mr. Minister, just so I'm clear again; obviously if you've put this in here for the reasons that you've just described, can you give me some idea of the kind of scenarios that your department obviously is anticipating — the need to use this particular provision? Can you give us some scenarios that are not presently covered by the existing legislation?

**Hon. Mr. McLeod:** — I've just given one example of a particular kind of drug and the kind of thing that can go on as . . . Okay. I'll just give you a bit of an outline . . . and this is one that's been used under the former plan and under this plan as an exceptional drug status — it's a drug called Accutane. It's covered only for certain types of very serious sort of skin ailments, very serious kinds of acne, let's say. And it's based on a dermatologist's assessment, and it allows — because all the professionals say that you should allow an extra avenue for another warning to be given about the dangers of the drug, which . . . it has some side effects, and those dangers need to be flagged, once again in the considered opinion of both pharmacists and physicians on the committee. They believe that those should be flagged once again because it has some dangers for certain people, example, pregnant women.

So that's the kind of a circumstance if I can give you just sort of one example. But, you know, there are several, and I obviously don't have . . . We don't have a whole series of them here or anything, but I want to reiterate to the member and make it very clear that this provision is, as I stated it a few minutes ago, it's just for the reasons that I said. So don't search for some, you know, private

insurance companies coming or not, because that provision certainly has no bearing on anything like that.

**Ms. Atkinson:** — Mr. Minister, I don't understand what you're talking about. I want to know why you have a provision in this Act where you can make a payment on behalf of any resident who has received a drug, whether or not the drug is listed in the formulary.

I have no problem with whether or not the drug is listed in the formulary. I want to know why and what sort of circumstance that you would be making payments to someone on behalf of a resident. Give me a scenario. In what circumstance would you make payment? Who would you make payment to in that circumstance then? The doctor?

**An Hon. Member:** — The pharmacist.

**Ms. Atkinson:** — And there's not provisions for that in the existing legislation without — in the old Act? — because this is simply an addition to section 5.

There are provision under the old section which haven't been deleted, Mr. Minister, for you to pay to a person operating the pharmacy.

**Hon. Mr. McLeod:** — Section 5 of the former Act is tied directly to agreements with pharmacies for formulary drugs. Okay? And that's why it is important for me to say there are drugs which are non-formulary. so in other words, the draftsmen, the people in Justice and whatever, said it's questionable whether or not that section 5 was strong enough to do the kinds of things that have been done or whatever. So it's cleaned up in that sense. Although that a bit of a . . . you know, I just want to explain that.

Now secondly, in the regulations under the old plan for . . . the best way to describe it, I guess, would be to say there are various categories in the regulations, or will be in these regulations, and those categories are the various age categories, the various palliative care has a special sort of circumstance. There are all of these little boxes, and each one will be a category, let's say.

Under the old plan there was one box, and that category was all the formulary drugs, and the only one . . . the only other circumstance would be a non-formulary drug. And that's it, cut and dried.

In this case where we have all of the various little categories, it's extremely important that we have the flexibility which this provision 5(1) provides, which says, if you don't fit perfectly into one of those, then there is the flexibility to be able to make the payment to the pharmacy if it's in the case of a welfare person, or the 80 per cent, or directly to a beneficiary because of the deductible nature of the new plan. So that's the explanation in the best way I can articulate it.

**Ms. Atkinson:** — Mr. Minister, if that's the explanation, why can't we . . . Is it possible to have an amendment where we would simply say that the minister considers appropriate to any resident, or to a pharmacy on behalf of any resident? Would that not do what your drafters want

you to do with the legislation?

(2145)

**Hon. Mr. McLeod:** — I'm informed that we're trying to create a provision here which would allow us to pay in whatever the circumstance might be. And you know, if you were to change it in the way in which you described, and I know that wasn't a particular amendment you had or anything, you know — we wouldn't because we would pay to a parent on behalf of a child, for example — but that's not what you just said, wouldn't be the case. What I'm saying is that there are so many different circumstances there. So what we have done here is, it's more flexible, it's very straightforward in terms of what we're trying to accomplish, very straightforward, and I don't see the need for a, you know, a change in the way in which you've described.

**Ms. Atkinson:** — Mr. Minister, the problem is this: that we have a situation now where a private insurance company to come into Saskatchewan, negotiate some sort of agreement with you, and we could have provision with this legislation, we could have a scenario where an individual goes to their drug store, they get their drugs, same old way they used to get them. The drug store then sends the bill off to the private insurance company, and the private insurance company bills you. And I have a problem with that. We could have Blue Cross and all of these other private insurance companies coming in here, and we as taxpayers would be paying for private insurance. You've said that that scenario is possible under this legislation.

**Hon. Mr. McLeod:** — As I said to you, I don't want you to . . . well it's not what I want, but I don't believe for a moment that there's no underlying sort of agenda on this thing. I want you to be very, very clear on that. I mean we don't have . . . and what you outline as a possible scenario, I guess, and the draftsmen are telling me, I suppose that could be possible. I suppose it could be possible. It could be possible, but by making that sort of scenario impossible, we would be limiting our flexibility to deal with the very cases that you've raised on several occasions in the House and that others have raised here in terms of being able to pay those unique cases with chronic conditions and so on, which, you know, who do get the 20 per cent or the various other kinds of unique circumstance provisions.

So while you say, well that could be possible, and I guess I would be wrong in saying, no, it would be impossible. It's not impossible but it's certainly is not the intent of this, and we must not cut off our nose to spite our face in terms of having the flexibility to do what is necessary to be able to make that unforeseen payment for that unforeseen circumstance.

**Ms. Atkinson:** — Mr. Minister, if the scenario that I've described in terms of private insurance companies does in fact happen in the next month or two or three or whatever, what are you prepared to do about it?

**Hon. Mr. McLeod:** — It won't happen.

**Ms. Atkinson:** — So you are unequivocal. It will not

happen in this province where the prescription drug plan which you administrate will be paying out money to private insurance companies. Are you saying that that will not happen in this province?

**Hon. Mr. McLeod:** — No. I just say that it's not our intention to be in a circumstance where we're paying money to a private insurance company. I mean that's . . . the plan is as we have described it over a period of these months, and that's the way the plan will be. Now it does not limit, and I said that before, is some insurance company says to you or to anyone else, any citizen, if you pay this premium, as all insurance companies will say, and we'll give you this coverage for your ambulance, extra ambulance care, and your private hospital room, and your deductible which is now part of your cost, and somebody says, well I'll pay that premium and have that there. And if there is such a thing — I don't know that there is or that there's likely to be, or there can be or whatever — but I just can tell you, that if that's the case, there's little I could do about that, and I don't know that I would want to do anything about that. If some citizen said, I'll pay a premium to have my deductible covered, well that's up to the citizen, I suppose. But I don't . . . that's not in the plan, or in the works, that I know of.

**Ms. Atkinson:** — Well, Mr. Minister, what I'm talking about is the Saskatchewan prescription drug plan paying out money to a private insurance company — private medical insurance company — such as Blue Cross, or Medicaid, or whatever. And I'm asking you whether or not that is possible under your government? We've just seen a piece of legislation here that allows that to happen. and my question is: if it begins to happen, what are you going to do about it? Why should the Saskatchewan taxpayers pay private insurance companies?

**Hon. Mr. McLeod:** — No, there's no . . . If you're suggesting that there's some . . . you know, a company would come in and would undermine portions of what is being done in the plan, that's not the thing. But I would say to you that if a citizen, anybody in Meadow Lake, decides that they want to buy this insurance or this hypothetical insurance that I talked about that would cover whatever, and they were eligible for certain benefits, no payment would be made on their behalf to anybody that they were not fully eligible for because it constituted 80 per cent of the cost that they paid forward. I mean that wouldn't happen. So in terms of . . . I mean what can I . . . And I can't limit this provision to put that out of the way, but I do say that that's not the intention, certainly, of this provision 5.1.

**Ms. Atkinson:** — It may not be the intention, according to you, but I'm somewhat suspect, Mr. Minister, because I think that with this piece of legislation, we have a loophole here where private insurance companies can come into this province, sell insurance to consumers — particularly consumers who've been hard hit by your changes to the prescription drug Bill, or the prescription drug plan, hard hit by your changes. And there will be lots of consumers that will find that very attractive, Mr. Minister, to purchase private insurance because they can't afford the up-front costs of your new and improved prescription drug plan.

And what I'm saying to you, Mr. Minister, is that I don't think Saskatchewan taxpayers should in any way, shape, or form be paying private insurance companies for their insurance coverage of individuals. I totally disagree with that. We want a public system, not a private insurance system, and with that kind of situation you set up a two-tiered medicare system. So I'm asking you again: if Blue Cross rolls into Saskatchewan at the end of January or February and comes to your department with this little proposal, what are you going to do about it? What's your response, Mr. Minister?

**Hon. Mr. McLeod:** — I tell the minister, or the member, that you're way off base with this thing; you really are. Now there are insurance companies in Canada, and there were insurance companies under the old drug plan, who paid the 3.95 that people had to pay because people had their insurance plans, whether it was employee based or whatever. They would send their bills, their 3.95 per prescription which they had to pay under the old plan, and they would be reimbursed if they had that type of insurance. I'm informed that there are several of those, and that was the case.

So I mean, this provision, this little provision, 5.1, which gives us the flexibility to pay the very people that you have asked on many occasions be allowed to be paid and which we must have the flexibility to be able to do, is not there for the purpose of paying the insurance company or making something private which is now public, or any of those kinds of things. But it's also not there to limit in any way what is already the case in Canada and has been for a good, long time and should be for as long as it wants to be — that someone can pay a premium to a private insurance company and get whatever coverage that insurance company will provide. No provision 5.1 in this Bill is going to change that circumstance in this country.

**Ms. Atkinson:** — I realize that, Mr. Minister, but there is a possible scenario, which you've agreed is possible under these provisions, that a private insurance company can sell insurance to a consumer on the condition that the consumer no longer has to pay at the drug store. The arrangement will be that the pharmacist will bill the insurance company and the insurance company will bill the prescription drug plan, and that's what I'm concerned about. Private insurance in the past has meant that — private insurance. It has not meant that the private companies bill a public institution such as the prescription drug plan and what I'm saying is that that is now possible under this legislation, and you haven't disputed that.

Now, Mr. Minister, a new question. I notice that you've taken extemporaneous preparations out of the drug plan, and I'm wondering why they're no longer covered by the prescription drug plan.

**Hon. Mr. McLeod:** — The extemporaneous products, which are those products which the pharmacist mixes himself, are covered. There was a time . . . Yes, they are covered.

**Ms. Atkinson:** — That's good. That's new to me, because they weren't covered up until recently.

Now, calcium, has it . . . Is it now covered? Because I understood it had been deleted?

**An Hon. Member:** — Say it again.

**Ms. Atkinson:** — Calcium.

**Hon. Mr. McLeod:** — It's not now covered. The formulary committee is aware that there are many inexpensive brands now available brands now available for prices which are lower than the prescription dispensing fee in many cases; so, it's not now covered for that reason. That was a decision of the formulary committee.

**Ms. Atkinson:** — Well, Mr. Minister, I understand from a number of consumers that have contacted me that they require the kind of calcium available under the prescription drug plan. Now, I'm not familiar with all the technical details, but I understand that the over-the-counter calcium is not strong enough or adequate enough to deal with their medical needs, and I'm wondering whether or not the drug plan has taken into consideration that problem.

**Hon. Mr. McLeod:** — Yes, that was definitely taken into consideration. There are brands of this calcium . . . of calcium products which people said, this is the one that we've been taking and it remains expensive and so on, and they have been reluctant to take other brands. But the formulary committee, which as you know is made up of the professionals, say the benefit of these cheaper brands, which are now very readily available, are the same or equal to these. Some consumers are reluctant to change from band A over here which is expensive and which they've been taking for some time, and move to the others which are more inexpensive.

But on the basis of that, of the availability of these new brands and cheaper brands, the formulary committee believes that it's the right thing to take them off because they are available to people.

**Ms. Atkinson:** — Mr. Minister, there have been a number of problems that have been brought to your attention in terms of consumers getting their drug rebate. I'm wondering whether things are at, at the prescription drug plan, when we have people that have been waiting five, six, seven, eight weeks for their drug rebates. I'm wondering how that is coming along.

I understand that you fired several, or a couple of dozen people on August 8 and that some temporaries have been hired. But I understand there seems to be a log-jam at the drug plan, and I'm wondering when your drug plan is going to get that administrative problem sorted out.

**Hon. Mr. McLeod:** — Okay. There's no question there has been a delay on some. Eight-five per cent of claims, I'm told, have gone out with less than 30 days, but 15 per cent — 15 per cent, and we've had some real . . . Admittedly, we've had some serious problems. We've had some problems with mistakes which come from both the pharmacy . . . mainly from the pharmacies, and some of them have been having some, let's say, some in-service work from some of our folks. But the 15 per cent delay . . . And there's no question for those individuals who had to

wait for those periods of time — it's not legitimate, it's not cricket, and we've been trying to do everything we can to get this done more quickly.

And when we find the mistakes we try to fix them up, try to get them out as quickly as we can. We will have that sorted out. I will give . . . I feel as badly as you do about that. I don't like the idea that there are any that don't get them out at under the 30 days, and I would like to have them done in the three-week period, something like that.

**Ms. Atkinson:** — Mr. Minister, when you say there's being a little in-service done with the pharmacist, can you explain what you mean by that?

**Hon. Mr. McLeod:** — I just said that in the sense that there have been some corrections done and some pharmacies have to be . . . when the incidence of mistakes are high from particular locations, a little in-service is necessary.

**Ms. Atkinson:** — When you say incidents of mistakes, are you talking about overcharging?

(2200)

**Hon. Mr. McLeod:** — It's just some of the information is not on the various receipts and that sort of thing. No, it's not an incidence of overcharging, those kinds of things. But, you know, the mistake could be all of the various categories are on those receipts, the charge, and what other information is on that receipt. If something's left off, it doesn't work, and it just becomes one of the ones that goes into the pile of mistakes. And that's where the rebates are difficult to get them out on time.

**Ms. Atkinson:** — Mr. Minister, a final question. when the Saskatchewan Pharmaceutical Association negotiated their agreement with the drug plan, there was a reference in the agreement to the economic impact of this agreement upon people's current operations.

Now I'm told, Mr. Minister, that the new contract with the pharmacist allows for some fairly healthy increases in pharmacies' gross margins and, in fact, at meetings with the pharmacist, an accountant employed by the Pharmaceutical Association told pharmacists that a high volume pharmacy filling 125 prescriptions per day could expect an additional mark-up of 16.6 per cent and increased profits of \$44,000 per day. A lower volume store filling 50 prescriptions per day would have an additional mark-up of 18.9 per cent and increased profits of \$12.5 thousand per year.

Now, Mr. Minister, can you explain to us and the consumers of this province what sort of economic impact this agreement that you've arranged with the pharmacists in this province has had in terms of their operation, and what sort of economic impact this would have on consumer costs, Mr. Minister?

**Hon. Mr. McLeod:** — Okay. Prior to this agreement, the dispensing fee was \$5.49, maximum, and 46 cents was an inventory cost allowance, or called an inventory cost allowance. Presently the dispensing fee maximum is \$5.50, but there are variable mark-ups that are now allowed, and those are now allowed to encourage

low-cost drugs.

An example, if people will . . . If the pharmacist will encourage the lower cost of two or three drugs which are available . . . and to encourage the lowest-cost one, obviously their gross margin will be higher, because if they're selling a \$2 drug and their dispensing fee is \$5.50, their gross margin will go up on that basis, than if they were selling, say, a \$5 drug and at a dispensing fee of \$5.50 for dispensing of that \$5 drug.

So that's the idea. And the idea behind this was to encourage the dispensing of lower-cost drugs.

**Ms. Atkinson:** — Well, Mr. Minister, I think that it has also meant a great increase in profit to pharmacists in this province.

Now, Mr. Minister, one final question. The Premier, in his discussions with the public on the changes to the prescription drug plan, has indicated that we had a lot of drug abuse in this province.

I'm wondering if you share that view, Mr. Minister, that senior citizens and the elderly were drug abusers. Is that your view as Minister of Health in this province? Because that certainly seems to have been the view that the Premier of this province has conveyed to the public as to why your government chose to change the prescription drug plan.

**Hon. Mr. McLeod:** — The member will know, I am sure, that one of the most widely discussed things in terms of the dispensing of drugs in the professional journals and all the professional reading in the medical profession and in the health care sector, is the dispensing of drugs and the use of prescription drugs and the over-use of prescription drugs by our elderly citizens in this country. That's the case. That's a fact that's out there.

The medical profession, frankly, is trying to deal with this internally, and it's become very widely spread . . . there is a very widespread discussion about this. It's the case.

Now if you are going to stand in the House here, or if you're going to suggest in any way that that is not the case, not only in Saskatchewan but across this country and across North America, that prescription drugs is a serious — the over-prescribing of drugs and the over-use of prescription drugs by many of the elderly people in this country — it's widely known and widely recognized as a serious problem. So for anyone to deny that that is a problem is someone who really, really is not watching the medical literature and so on in these dates.

**Ms. Atkinson:** — Mr. Minister, this really does raise some interesting question about abuse, and I really haven't seen your criteria for deciding what is abuse and what isn't.

It also raises some interesting questions in terms of who the abusers have been, because patients and consumers do not prescribe their own drugs; medical doctors do, Mr. Minister, not the patient. And pharmacists, Mr. Minister, they're the ones that dispense them. So why are you going after the consumer, and why haven't you launched your

attack on the people who you have said are the prescribers of these drugs that obviously, as you say, some people are abusing.

**Hon. Mr. McLeod:** — No, it's not a case here of, you know, of applying the blame. What you say is absolutely true, which is what the medical profession is saying internally, that there is a problem in there in terms of dispensing, or the dispensing of these drugs.

But be that as it may, regardless of who does the prescribing, to be able to say, well it's the doctors that do it, so don't blame anyone else. I'm not blaming anyone else, but the fact is the seniors, the individuals who are on prescription drugs to a greater degree than they should have been.

Now I'm not saying, and I never have said for a minute, that this is the major reason for the change. We never, ever have said that. But it's a point that should be made in any kind of discussion of prescription drugs and their use by the elderly citizens of this country.

There's no question that that's true, and there's no question as well that in this province now, as is the case in every other province in the country and has been for sometime, people are asking questions of their pharmacists, of their physicians, about the number of prescriptions that they have, the content of those prescriptions, the quantity of those prescriptions. And those are responsible and good questions for people to ask, regardless of what age they are.

**Ms. Atkinson:** — Mr. Minister, can you give me the statistics on abuse based on your definition and your criteria for measurement of abuse?

**Hon. Mr. McLeod:** — I will send the hon. member, since the House may be over in a matter of weeks or whatever it will be, but for your Christmas reading I will send you a whole package of reading which deals directly with this subject.

**Ms. Atkinson:** — Well, Mr. Minister, you promised to send me a lot of things, and, Mr. Minister, I can tell you that I haven't seen them yet. Your promised to send a number of articles and items and information during Health estimates, and it is some two and a half weeks later and we haven't yet seen it.

Now, Mr. Minister, I'd just want you to note this, that in the '60s there were a number of clinical studies done that showed that one-third of all prescriptions written by doctors for patients went unfilled because patients could not afford them. And I want you to know, Mr. Minister, that patients around this province and people who require prescription drugs see this as the worst kind of Bill that your government could have introduced — the very worst kind of Bill. Because, Mr. Minister, what you are doing is fundamentally attacking our health care system in this province.

In 1962 when the people of this province decided to introduce the medicare system, they were proud of their accomplishments, Mr. Minister. They wanted to go beyond that hospitalization insurance and medicare

insurance, Mr. Minister; they wanted to develop new programs. And so what we saw in the '70s under the leadership of the Leader of the new Democratic Party, we saw a number of expansions to our health care system including the children's dental program and the prescription drug program.

Mr. Minister, you have said that this program that you've introduced is going to cut down on drug abuse. Well I can tell you, Mr. Minister, for people who are abusing drugs, this program is not going to cut down on abuse because they are still going to get their drugs.

The people who will be impacted upon by this particular drug plan are people who have very little money. And, Mr. Minister, you know, and I know, and most other people know that there are a number of elderly people in this province who are not living on high incomes. You know, and I know, and everybody else knows that if you're a disabled person, or if you're chronically ill, or if you're sick for certain periods of time, that that impacts upon your income and your ability to make a living. And, Mr. Minister, what this is is an attack on the sick, and it's a tax on the sick.

And you can sit in this legislature and stand in this legislature and try and justify this Bill all you can, but reality is this, that there are people in this province how do not earn \$60,000 a year like you do; they do not earn that kind of money. there are people in this province that live on very, very small incomes. And this Bill is simply transferring a cost that you say the provincial government can't afford in terms of the cost to the provincial treasury — you're transferring a cost, that you say you can't afford, on to the backs of the individual and the people who are most unlikely to be able to afford these changes to your prescription drug plan, and that is the sick, the elderly, and the disabled.

Now for people like ourselves, this change will not negatively impact upon us; we will be able to afford the cost of prescription drugs. But, Mr. Minister, there are hundreds and hundreds of people in this province that cannot — they cannot afford the cost. And they're making decisions right now. They're deciding whether or not they put food on the table or they get a prescription.

And my colleague from Regina Centre a couple of weeks ago described a situation where a young woman didn't have the \$30 for an ear infection. And there are cases after cases after cases. And they may not be applying to your little special review committee; they may not be doing that, Mr. Minister, but all you have to do is talk to any pharmacist in this province and they will tell you that there are people going into their pharmacies with prescriptions and they're leaving that pharmacy without the prescription because they can't afford the cost of that drug.

Mr. Minister, we think that this is an unfair Bill. It's an attack on the sick; that it undermines and erodes medicare, and it does what your government said you would never do.

You said, Mr. Minister, that you were going to guarantee — you had a sacred guarantee, signed by the Minister of

Finance — that dispensing fees would be eliminated because you saw that as a deterrent fee or a user fee. And did that happen, Mr. Minister? No, it didn't happen. We not only have an increase in the dispensing fee, from \$3.95 to \$5.50, we also have this new deductible program. And you call that an improvement to the prescription drug plan! It is not. It is a step backwards.

And, Mr. Minister, every time consumers in this province and patients in this province go to the pharmacy, they are going to remember. They are going to remember that you're the government, and you're the minister that betrayed them, because you promised, you promised, Mr. Minister, and your government promised — every one of you — that you would not attack and erode medical care or our health care system in this province. And that's simply not true. The truth is that you are taxing people; you are transferring the cost that at one time was the expense of all of us, the taxpayers, on to the backs of the very few.

Mr. Minister, this is a bad Bill. We will not support it. And, Mr. Minister, I believe that ultimately you will pay at the polls because of your decision to attack and erode medicare.

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

Clause 1 agreed to.

Clauses 2 to 9 inclusive agreed to.

The committee agreed to report the Bill.

(2215)

### THIRD READINGS

#### **Bill No. 51 — An Act to Provide for the Imposition of Taxes on and the Collection of Taxes from Certain Purchasers of Certain Fuels and to Provide for Rebates of Taxes to Certain Purchasers**

**Hon. Mr. Berntson:** — I move the Bill be now read a third time and passed under its title.

(2222)

Motion agreed to on the following recorded division.

#### **Yeas — 27**

Muller	Martin
Duncan	Toth
McLeod	Sauder
Andrew	Johnson
Berntson	Hopfner
Lane	Petersen
Taylor	Swenson
Smith	Martens
Swan	Baker
Hodgins	Gleim
Gerich	Neudorf
Hepworth	Saxinger
Klein	Britton
Meiklejohn	

#### **Nays — 16**

Blakeney	Anguish
Brockelbank	Goulet
Koskie	Lyons
Tchorzewski	Calvert
Mitchell	Lautermilch
Upshall	Trew
Kowalsky	Smart
Atkinson	Van Mulligen

— 16

The Bill read a third time and passed under its title.

#### **Bill No. 52 — An Act to amend The Department of Revenue and Financial Services Act**

**Hon. Mr. Berntson:** — I move this Bill now be read a third time and passed under its title.

Motion agreed to on division, the Bill read a third time and passed under its title.

#### **Bill No. 33 — An Act respecting Veterinarians**

**Hon. Mr. Hepworth:** — Mr. Speaker, I move the amendments be now read a first and second time.

Motion agreed to.

**Hon. Mr. Hepworth:** — Mr. Speaker, with leave I move the Bill be now read a third time and passed under its title.

Motion agreed to, Bill read a third time and passed under its title.

#### **Bill No. 57 — An Act to repeal The Scrap Vehicles Act**

**Hon. Mr. Swan:** — Mr. Speaker, I move that this Bill be now read a third time and passed under its title.

Motion agreed to on division, the Bill read a third time and passed under its title.

#### **Bill No. 53 — An Act to amend The Uniform Building and Accessibility Standards Act**

**Hon. Mr. Swan:** — Mr. Speaker, I move this Bill be now read a third time and passed under its title.

Motion agreed to, Bill read a third time and passed under its title.

#### **Bill No. 34 — An Act to amend The Prescription Drugs Act**

**Hon. Mr. McLeod:** — Mr. Speaker, I move that Bill No. 34 be now read a third time and passed under its title.

(2229)

Motion agreed to on the following recorded division.

#### **Yeas — 27**



Muller	Martin
Duncan	Toth
McLeod	Sauder
Andrew	Johnson
Berntson	Hopfner
Lane	Petersen
Taylor	Swenson
Smith	Martens
Swan	Baker
Hodgins	Gleim
Gerich	Neudorf
Hepworth	Saxinger
Klein	Britton
Meiklejohn	

#### Nays — 16

Blakeney	Anguish
Brockelbank	Goulet
Koskie	Lyons
Tchorzewski	Calvert
Mitchell	Lautermilch
Upshall	Trew
Kowalsky	Smart
Atkinson	Van Mulligen

The Bill read a third time and passed under its title.

**Hon. Mr. Berntson:** — Mr. Speaker, earlier this day there was notice filed for a first reading of An Act to amend The Provincial Court Act. It has been agreed that this Bill should go to Non-Controversial Bills Committee, and since that committee is sitting tomorrow, I would like to have leave, Mr. Speaker, to move first reading of An Act to amend The Provincial Court Act.

Leave granted.

#### INTRODUCTION OF BILLS

##### Bill No. 96 — An Act to amend The Provincial Court Act

**Hon. Mr. Berntson:** — Mr. Speaker, I move first reading of An Act to amend The Provincial Court Act.

Motion agreed to and, by leave of the Assembly, the Bill ordered to be referred to the Standing Committee on Non-Controversial Bills.

The Assembly adjourned at 10:30 p.m.