

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session - Eighteenth Legislature
19th Day

Wednesday, December 10, 1975.

The Assembly met at 2:30 o'clock p.m.

On the Orders of the Day

WELCOME TO STUDENTS

MR. S. J. CAMERON (Regina South): — Mr. Speaker, I should like through you and to Members of the House to introduce the Grade Eight students of St. Mathews School in south Regina and ask Members of the House to welcome the students. I hope they find their stay and visit to the Legislature this afternoon enjoyable.

HON. MEMBERS: — Hear, hear!

MR. E. F. A. MERCHANT (Regina Wascana): — Mr. Speaker, I should like to join with my colleague Mr. Cameron in welcoming this class, some of whom abut our constituency. I was talking with Mr. Kleisinger and Mr. Lund and I am sure they will enjoy their day and their meeting later on with Mr. Cameron.

GUESTS FROM ONTARIO

HON. A. E. BLAKENEY (Premier): — Mr. Speaker, may I take this opportunity to introduce to the House another group of people who are with us this afternoon. Seated in the Speaker's Gallery in the top row are three guests from Ontario, Mr. Page, Mr. Hoilett and Mr. Ortved who are with the office of the Ombudsman in Ontario who are here, I understand, to discuss with our Ombudsman's office our method of operation. We welcome them here and hope that our past experience may be of some use to them in the establishment of their office.

HON. MEMBERS: — Hear, hear!

QUESTIONS

Towns Under Northern Administration District

MR. D. G. STEUART (Leader of the Opposition): — Thank you, Mr. Speaker, I should like to direct a question to the Minister of the Department of Northern Saskatchewan. Is the Minister aware that in the November 7th issue of the Saskatchewan Gazette there was published an Order in Council on behalf of the Department of Northern Saskatchewan stating in part, that:

The department shall exercise the powers conferred and perform the duties and functions imposed upon it by law in the Northern Saskatchewan Administration District in such other areas or areas of the Province as the Lieutenant-Governor-in-Council may designate from time to time.

It goes on then to lay out some new areas apparently over which the Department of Northern Saskatchewan would have the total power they now have over a great deal of the rest of northern Saskatchewan. The area that it lays out are the towns of Creighton, Lac La Ronge, Uranium City. It gives a description I thought at first these were part of the towns, but when I examined The Northern Administration Act, the Order in Council in Schedule A lays out the exact areas of those towns, three towns, that were exempt when the Act was passed. If this is so; would the Minister tell us if this means in fact that these towns will now fall under the terrible wide strong powers of the Department of Northern Saskatchewan and of the Minister himself and if this is so, when was it decided, were the mayor and councils of those villages or towns consulted and if so when did the consultation take place?

HON. G. BOWERMAN (Shellbrook): — Mr. Speaker, as I understand the Order in Council that was passed providing that the towns, Creighton, La Ronge and Uranium City be brought into the area of the Northern Administration District was to permit us to provide the kind of grants to those communities that were not possible under the arrangement we have, where they are excluded from the Northern Administration District. It provides permission for the department to provide some funding that is available to the rest of the North. It doesn't mean to say they will come under the administration of the Department of Northern Saskatchewan with respect to municipal matters. They will still be administered in the establishment of the Department of Northern Saskatchewan that these three communities, because they had elected governments that unless they passed a resolution from their councils requesting they become part of the Northern Administration District that that would not happen. As I understand the Order in Council, it does not provide that this will happen.

MR. STEUART: — Have the local administrations been made aware of this?

MR. BOWERMAN: — Oh yes. So far as the consultation is concerned, it is not a matter of consulting with them, it is a matter of being able to provide officially some of the programs that are happening now in DNS and would not be able to be met under the existing regulations.

MR. STEUART: — A supplementary question. The Minister says that he did consult with the councils of those northern communities, that is what I understood, that there was consultation before you did this. You didn't! We contacted Mayor Hegland of La Ronge and Dana Spence of Uranium City and Sid Banting, they were shocked and amazed. I find it unbelievable that the Minister has not bothered to consult with the mayors of those communities. No matter what he says, would the Minister please tell me where in the Act that once you take them under the Department of Northern Saskatchewan you then have conferred on them as it states in Section 4, you now have the power over those communities and if you don't, you tell me where in the Act that you don't. You now have the powers, absolute powers, over health, education, social services, agriculture improvements, local administration and industrial development. This is Section 4(2) of The Department of Northern Saskatchewan Act.

You may say, we are not going to use those powers, but it is incredible to me, that you would take these fantastic powers, and not even consult the mayor and the council.

MR. SPEAKER: — Order!

MR. STEUART: — I am asking him to explain how he then says that he doesn't intend to use the powers that he has taken. He says, I believe this, I believe that. Would you please tell me where in the Act it says that the only time you can take over La Ronge, Uranium City and Creighton, it has to be by a resolution of their council? It doesn't say it anywhere in the Act. Would you please tell me why you didn't consult and tell me when you are going to put an end to this and if it only is to give them some money? If there is a deadline on it, please tell me when. Why you didn't consult, where in the Act that you do not have these powers that are conferred on you in the Act? And when you are going to put an end to this?

MR. BOWERMAN: — Mr. Speaker, it is obvious that the Leader of the Opposition wants to continue his harassment of northern people and the administration of northern Saskatchewan. It is obvious that he never learned his lesson on June 11, it is obvious that he still wants to continue his harassment of the department as well as his harassment of the people in the North.

I said, and I make the commitment to those communities as well as to this House that until there is a resolution passed by those councils desiring the full administrative services of DNS to be administered in their communities, it will not be done. But in order for the Department of Northern Saskatchewan to provide some of the programs which it has and which the communities desire, it was necessary as I understand it, that we have an Order in Council permitting us to do those things. That is the purpose why it was introduced. That is the only reason that I know of, Mr. Speaker, that I can give in answer to the Member's question. He can read the Act and the regulations the same as I can and he will make his own interpretation as he has already done.

MR. STEUART: — A second supplementary, Mr. Speaker. Is the Minister not aware that the minute he passed this, - this was gazetted in November 7, - that he had these absolute powers? Is the Minister not aware that the minute he passed this he had those absolute powers, and there is nothing in the Act or in this Order in Council that says that you will not exercise those powers? I may say, that the words uttered by the Minister are not worth the effort and no one can believe them any more than the word of that Government that anyone has written on paper, or said by the Premier or by any Minister. You have taken these powers.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — You have taken these powers, just as we said you would when you passed this Act. Don't talk about the little people up there. You cooked up that election, that is the only way you could win that.

Cost of Takeover of Potash

MR. E. C. MALONE (Regina Lakeview): — Mr. Speaker, before the Orders of the Day, I have a question I should like to direct to the Premier. Yesterday for the first time, in this House since the potash debate started, the Premier finally gave us some figures that were not very precise to say the least. I think the Premier will agree with that comment. My question is: I understand the Premier appeared on CBC television last night and indicated to the reporter that interviewed him that at a later date in this debate on Bill 2 (not Bill 1, Bill 2) the Premier would be prepared to give us, using his words, "more definitive figures," as to the total cost of the takeover. My question is: Is he prepared to make that commitment to this House at this time?

HON. A. E. BLAKENEY (Premier): — Mr. Speaker, I should like to make clear what I had in mind. It is that when Bill 2 comes into Committee of the Whole, there will undoubtedly be discussion of the figures. I would be happy at that time to give such more precise figures as we may have at that time. I was mindful of the fact that Members opposite had suggested that the Committee stage of Bill 2 would take place in February or March and not in December. I had been hoping that there would be definitive information at that time.

I am not undertaking to give more definitive information at this time, since I do not have any more definitive information that I have already given the House. Undoubtedly there will be much more definitive information with respect to this issue, whether or not it takes place on the consideration of Committee of the Whole of Bill 2 or whether it takes place on a discussion of the Estimates. More definitive information will be made available as it is available to us and I think the House will know that in any case. I cannot now undertake to give more definitive information than that which we now have.

MR. MALONE: — By way of supplementary, what definitive information do you have? Do you have any at all at this stage?

MR. BLAKENEY: — Obviously we have a good deal of definitive information but the definitive information that the Hon. member asks for is how much are we going to borrow? That seems to be the question - outside limits - I say I am unable to give that figure, since I do not know what assets will be acquired. I have given my best estimate of a figure between \$500 million and \$1 billion. I am not able to be more precise at this time, therefore, to be responsive to the Hon. Member's question, the outside limit at this time, is \$1 billion.

MR. MALONE: — By way of supplementary, Mr. Speaker. The Premier I understand also indicated on this newscast that he was prepared to consider putting an outside limit, that is a figure into the Act. I stress the word 'consider' on the Committee of the Whole debate. Are you prepared to give us that undertaking at this time?

MR. BLAKENEY: — Obviously I can if the Hon. Member wishes me to give him an undertaking that we will consider it. If the Hon. Member is asking whether we will likely introduce that, I must at this point say that I cannot give him either a Yes or a No on that. It depends a good deal on when it comes up. If it comes up next week, then obviously the area, the limit would need to be in my judgment higher since it is an outside limit. I don't expect us to go to some figures which have been bandied about in the Press. On the other hand, I think it has been very customary to have our statutory limits in all of the statutes well beyond what we thought would likely be required. If anyone wishes to give us the same sort of leeway with respect to borrowing powers that the previous government of which the Member for Prince Albert-Duck Lake (Mr. Steuart) and Indian Head-Wolseley (Mr. MacDonald) were Members, used with respect let us say to the Power Corporation when they were on the Treasury Benches, having limits very much beyond what anyone thought they would borrow. If we are going to allow the same degree of latitude with respect to this particular corporation, doubtless we can strike a figure. If you are looking for a figure which is likely to be close on, then obviously we are going to be more apprehensive of that, because it may well limit our ability to conclude transactions.

MR. MALONE: — Mr. Speaker, am I to assume then that the longer we wait to get this matter into Committee of the Whole, the better position you will be in to give definitive figures, is that what you are really saying?

MR. BLAKENEY: — In one sense of the word, that is obviously correct. If you come back 12 months from now, I will have more definitive figures. The point that the Hon. Member makes is obviously accurate. If we are moving into a period of negotiations in respect of which we do not know the outcome with precision, if he waits until the negotiations are complete I will be able to give him a better figure on what it costs us. But if he is saying that the mere passage of a week or two will necessarily make it that clearer, I think the answer to that is, No.

MR. STEUART: — Just for clarification. Is the Premier saying that if we got into Committee of the Whole in the next week or so, that we would likely get an outside figure?

MR. BLAKENEY: — Well I have already given an outside figure. When we get into the Committee of the Whole, I will be happy to repeat it or revise it, depending on the information that is available. That is true whether we get into the Committee of the Whole next week or three months from now.

Clarification of Provincial Anti-Inflation Guidelines

MR. C. P. MacDONALD (Indian Head-Wolseley): — Mr. Speaker, I should like to direct a question to the Minister of Finance. Some two months have now gone by since the Federal Government initiated its anti-inflation program. I should like to ask the Minister of Finance is it the intention of the Provincial Government to establish their own set of

guidelines or is it their intention to adhere to the federal guidelines? Is the Minister also aware that in some negotiations now going on within the province, for example, teachers, health workers and so forth, that government negotiations are using a \$2,400 maximum figure? Could the Minister for goodness sake clarify for those people who are negotiating within the Province of Saskatchewan whether it is the intention of this Government to establish their own guidelines, or are they going to use the wage guidelines of the Federal Government? I think it is about time we clarified this situation.

HON. W. E. SMISHEK (Minister of Finance): — Mr. Speaker, I should be glad to give the Hon. Member the answer as soon as we get the Federal Government position. If he is talking about the federal guidelines saying that they are clear, then he is being badly informed. The federal guidelines are still not in actual place the regulations have not been passed, in fact the law itself has not been proclaimed. So these are part of the difficulties that we are having. Once the Federal Government legislation is passed, once their regulations are passed, once they are able to define their position then we will be glad to inform this House and the people of Saskatchewan more precisely what our position may be. Certainly the matter of establishing our own regulations is a matter under consideration by this Government and I might inform the Hon. Member that the matter is being considered by every province in the Dominion of Canada, because the lack of clarity is on the part of the Federal Government and their regulations not yet having been passed. This is causing difficulty. As far as collective bargaining is concerned, we believe in this principle of free collective bargaining and we have advised from our standpoint that if free collective bargaining is taking place certainly the federal guidelines of \$2,400 ceiling ought to be considered, that has been suggested. I'm sure that everybody is looking at that figure as much as we are looking at it ourselves.

MR. MacDONALD: — Well of course the Minister knows he is splitting hairs because he knows that now Mr. Pepin, for example, with the Ontario teachers has rejected the proposed offer to them and therefore the federal guidelines are now being imposed, and it is time now that this Government indicated what their position is.

SOME HON. MEMBERS: — Hear, hear!

MR. MacDONALD: — I should also like to point out the Federal Government made an announcement I understand the Minister of Finance indicate . . .

MR. SPEAKER: — Order, order!

I detect the Member is giving information, not seeking information. I gather you are in the process of asking a supplementary.

MR. MacDONALD: — A supplementary and, Mr. Speaker, I would hope that before you detected anything you would let me finish asking the question.

Is that right, Mr. Attorney General, well you be quiet yourself.

MR. BLAKENEY: — Mr. Speaker, I rise on a Point of Order.

I take objection to the Hon. Member upbraiding the Speaker for enforcing the rules of this House. It is perfectly within the province of the Speaker to interrupt another speaker at any time if he detects he's transgressing the rules of this House and it is wholly inappropriate for the Member to complain that he should continue in his violation before the Speaker intervenes.

I think the Hon. Member (I'm sure he didn't intend to upbraid the Speaker in that manner) but I think he ought to tender an apology to the Speaker.

MR. MacDONALD: — Mr. Speaker, I don't believe I have anything to apologize for, and I hope if I did, I certainly meant no offence to the Speaker. I would hope though that . . .

MR. SPEAKER: — I would just like to say that I believe the Point of Order is well taken, and I don't intend to pursue it any further. Any comments that I would have to make would be made on the basis of the record of the House. I think the record will clearly show the Point of Order that I brought the Member to was quite clear. The Member was offering information and not asking a supplementary.

MR. MacDONALD: — Right on, Mr. Speaker. Is the Minister of Finance (Mr. Smishek) aware that the Federal Government indicated last evening, or yesterday, that they would be willing to consider the 18 month time frame? Will this meet the approval of the Minister of Finance in the Province of Saskatchewan in their negotiations with the Federal Government?

MR. SMISHEK: — Mr. Speaker, I am aware that the Federal Government has indicated the possibility of agreements being with the provinces for a period of 18 months. Certainly it was an item of concern two weeks ago when I attended the Federal-Provincial Conference. We pressed that the period of time be something less than three years. I am aware of it, but we have not had that officially communicated to us, but there have been discussions with the officials about the possibility. I have not received an official communication from the Minister of Finance or from the Anti-inflation Board.

Cost of Take Over of Potash

MR. R. L. COLLVER (Leader of the Progressive Conservatives): — Mr. Speaker, I direct a question to the Premier.

During his answers to the questions offered by the Members on my right, earlier, there seemed to be a note of reference to his suggestions that the information would be more specific in 12 months. The question is, therefore: Was there a note of preference in the Premier's answers to this Bill remaining on the Order Paper for another 12 months so that he could have specific figures?

MR. BLAKENEY (Premier): — I hope I didn't leave that impression. As I recall it, the Bill incorporating the Saskatchewan Power Corporation was introduced in 1950 and we have been revising the borrowing limit since that time. It follows that when a Bill is introduced you can't give a definitive borrowing limit. Presumably we could have waited until now and not had a Power Corporation in the intervening 25 years, but that wouldn't have been a very productive approach. I think the best we can do when we are incorporating a corporation and trying to estimate how much money it will spend, is to put a generous outside limit in the Bill, or not put any in at all, and rely upon the process of the budget and the estimates for parliamentary approval and regulation. So I would recommend that we follow those procedures, as we have in the past. I was not in any way meaning to suggest that we delay the passage of the Bill until definitive information is available any more than I would have recommended that we delay the passage of the Power Corporation bill in 1950 or Telephones bill or any of the others, until definitive information is available because it is never completely definitive since the corporations are growing and ongoing things and they have continuing and different capital requirements as time goes on.

MR. COLLVER: — A supplementary question. Is there not a substantial difference, Mr. Premier, between legislation linking the creation of a Crown corporation and expropriation proceedings and those of Saskatchewan Power Corporation in which necessary capital investments are to be obtained for continued operation?

MR. BLAKENEY: — There is obviously some difference, but they are not totally diverse. It is not, I think, to be suggested that the corporation proposed to be established by Bill 2, the Potash Corporation of Saskatchewan, will confine itself to owning assets which it expropriates. Indeed, it is our hope that it will not expropriate any assets. We would anticipate that it would purchase assets. We anticipate that it will buy, sell and create assets.

I think we can all recall that the Power Corporation purchased assets, created them, it engaged in creating an enterprise by purchase and by creating its own plant. I expect that the Potash Corporation will do the same. And, therefore, while it will start off initially with some rather heavier purchases than might otherwise be the case, I don't think that's the end of the Potash Corporation, not the end of its activities, even in the short run. I expect it will be buying assets, expanding mines that it built and the like.

MR. COLLVER: — Second supplementary, Mr. Speaker. Is the Premier suggesting that Bill 1, the expropriation proceeding legislation, is not necessary and, therefore, suggesting that it is possible that the Government may withdraw that Bill in order to create the Potash Corporation of Saskatchewan and if so, is it the Premier's intention to do so right away?

MR. BLAKENEY: — I think that I have, once again, failed to make myself clear. I was not suggesting that. I think that our desire to acquire the assets by purchase may not be able to be realized because it takes two to make a deal. Our objectives of securing

a guaranteed flow of revenue, safe from legal attack, and a regular and orderly expansion of the industry continue to be the objectives of the Government. They will not necessarily be achieved by the purchase of assets. Accordingly it is possible that expropriation powers may be needed. It is our hope and belief that they will not be. It is nonetheless our belief that they ought to be there in reserve, as indeed they are in The Power Corporation Act or The Telephone Act, and numbers of others.

MR. COLLVER: — Mr. Speaker, before he takes his seat, could I just ask one clarification point?

Does that mean then that in order to negotiate as you have suggested under Bill 2, which you have linked with Sask Power that the Government of Saskatchewan requires and needs this threat to expropriate?

MR. BLAKENEY: — In our judgment Bill 1 is necessary in order that the Government achieves the purposes which we have endeavored to set out in the Speech from the Throne and in the remarks on the Speech from the Throne delivered by my colleague the Attorney General (Mr. Romanow) and by me in which we attempted to identify the objectives of the Government. In our judgment Bill 1 is necessary in order to attain those objectives.

STATEMENT

Projects Being Undertaken by Sask Tel

HON. N.E. BYERS (Minister of Telephones): — Mr. Speaker, before the Orders of the Day I wish to make a statement concerning a number of projects that Sask Tel will be undertaking in the Regina area over the next two years. These projects were approved at the last meeting of the Board of Directors and amount to about \$7.2 million.

1. The Eastern Area of Regina - Over \$1 million will be spent on a project involving the installation of 13,080 feet of underground cut formation; 35,800 feet of underground feeder cables; 17 manholes. When completed this project will relieve congestion in the area now served by existing facilities and will provide service to new subscribers in Glen Cairn village and Glen Cairn and University Park. It will also allow for future cable extensions in these areas.
2. Another million dollars will be spent on the installation of cables in the existing underground ducts and the construction of another underground duct structure to meet the trunking requirements between Sask Tel's 12th Avenue switching centre and two other switching centres located on Pasqua Street and 31st Avenue. Here, 4,370 feet of underground duct formation and 41,000 of underground cable, along with seven manholes are included in this project which will provide trunking requirements to the two outlying switching centres for the next several years.
3. The Vicinity of 23rd Avenue - An expenditure of \$542,000 was approved for the construction of underground duct structures and the installation of underground feeder and distribution cables in the vicinity of 23rd Avenue. New facilities will

provide service to future Government offices, as well as to relieve congestion presently being encountered on existing buried distribution facilities in Hillsdale.

4. Another million dollars will be spent on a project to upgrade and relieve congestion in two areas of the city. One is the area bounded by Dewdney Avenue - Albert Street; 6th Avenue - Ottawa Street; the other area is bounded by Victoria Avenue - Cameron Street; Wascana Creek - Argyle Street.

5. Buried cable to new subdivisions - Approximately 2,000 new homes in Regina will receive service under another project approved at a cost of \$970,000, which covers the installation of all buried telephone cable in new subdivisions in Regina in 1976.

6. About \$600,000 will be spent on two projects that involve extensions to existing buildings in Regina. One involves the construction of a 4,200 square foot extension to Sask Tel's Pasqua North switching centre, and the second extension will see 4,000 square feet added to the second floor of a warehouse building located at 2133 - 1st Avenue.

7. At Pasqua and Campbell Street another \$280,400 will be spent on the construction of underground duct and installation of feeder cables along Pasqua Street and Campbell Street to provide service to an area to be developed in 1976 to 1977.

8. Buried Cable for the Regina Rural Region - Two buried cable projects for two rural areas in the vicinity of Regina will account for a further expenditure of \$180,000; one involves the installation of seven miles of buried cable and 75 miles of buried wire north of Regina to provide the service to 100 subscribers previously served by three rural telephone companies. The other project covers the installation of 21 miles of buried cable south of Regina to provide improved facilities for a number of rural telephone companies and other subscribers.

9. A Regina to Maryfield long-distance facility increase was also approved at an estimated cost of \$178,000. These new facilities at the Maryfield community dial office are expected to meet customer demands for the next several years.

Finally, other projects approved accounting for the remainder of the expenditure of \$7.2 million will include the construction of a plant work centre in east Regina and the purchase of a Regina building. Both projects are required to relieve the congestion of space presently being encountered at Sask Tel's warehouse located on 1st Avenue.

I think that these expenditures by Sask Tel are indicative of its goal to provide quality service with up-to-date methods of telecommunications. A good percentage of the money will be spent to keep up with the anticipated increase in new housing and building construction, and further, Sask Tel has also provided for the installation of cable television services for Regina people.

MR. G. LANE (Qu'Appelle): — Mr. Speaker, I welcome the announcement made by the Minister responsible for Sask Tel. I would hope that he would put a priority in light of the improved facilities surrounding Regina, and in particular the east side of Regina, to including

a much wider area around Regina on the Regina exchange so that long distance calls would be unnecessary.

In light of his comments with regard to Glen Cairn and University Park subdivisions, I certainly welcome the Minister's announcement.

I am wondering if he wouldn't be prepared to use his good offices to discuss with the Minister of Highways (Mr. Kramer) the stopping of the diamond interchange which was announced last night, and a stopping of further building of the ring road which will certainly balkanize various communities within Regina. According to the Community Planning Association it's simply bad community planning and I hope in light of the activities of the Minister if he would use his good offices to stop that type of bad community planning.

Increase for Leased Lands

HON. E. KAEDING (Minister of Agriculture): — Mr. Speaker, before the Orders of the Day, I should like to have an opportunity to reply to the Member for Morse (Mr. Wiebe) the question he raised yesterday with regard to lease fees.

The letter he refers to went out to leaseholders who are leaseholders of cultivation leases, approximately 2,000 cultivation leases and approximately 750 fodder leaseholders where there is a substantial amount of improved hay land. This is a rental revision which applies to cultivated or improved acres only. However, there may be some adjustments on grazing leases where these are not in line with rates presently being charged for grazing leases.

It should be made very clear, Mr. Speaker, that this letter did not go out to holders of grazing leases, nor does it apply to any such lease. The grazing leases agreements require that rates be set based on the average price of beef in a year and the 1976 grazing rentals will be set shortly after the end of the 1975, as soon as we are able to compute that figure.

The problem that arises with the cultivation leases is that the Act requires that the changes be made in years which are multiples of five, which means that they could have been changed in 1965 or 1970 or 1975. If they are not changed in the year 1975, if notification is not given, then it can't be changed again until 1980. You might be interested to know that many of the cultivation leases out now are at rates as low as \$1.50 to \$4 an acre. These are cultivation leases where there is good cultivated land. If you would compare that rental rate to the rate which is being charged by private rental arrangement, if you would suppose that a farmer would be getting a 20-bushel per acre crop and cropping half his farm, and assuming a \$3 a bushel price for his wheat and that is very low, a comparable private lease would be costing him anywhere from \$10 to \$15 an acre. We feel that it is a good time to raise rates on cultivation leases, certainly farmers who are growing cash crops have never had it as good. I think it is legitimate that we should be raising it at this time.

It is interesting to note that the past government had an opportunity to raise these rates in 1970 and failed to do so.

This has contributed to the arrears we are now in and the fact that we now have a very low rate as compared to private leases.

MR. J. WIEBE (Morse): — Mr. Speaker, a supplementary to the question I asked yesterday. Is the Minister not in agreement that the majority of these cultivated leases are being held by ranchers who use this land in turn for the growing of hay as he did mention and also the cultivation of feed grains in order to feed their livestock enterprise. Is he not aware of this and is he not prepared at this time to have the same consideration for our agricultural industry in the province as we did when we were the Government when the farmers were in a difficult position and said no, we won't increase your rental rates at this time. Are you prepared at this time to show that same compassion for the livestock industry in this province?

MR. KAEDING: — Mr. Speaker, I am not sure that the Member is not trying to confuse the issue. I think that a cultivation lease is a cultivation lease. You raise grain on it and there is no necessary reason to assume that the grain that is raised on that particular cultivation lease is going to go to feed livestock. It may or may not be true. It must be remembered that the amount of production he takes off that piece of ground is returning a substantial return to him and I think it is not unreasonable that he should be paying something close to what a private lease would be paying.

AN HON. MEMBER: — You can't have it both ways, Jack.

MR. WIEBE: — A supplementary then. Is the Minister then saying that he and his Government are not prepared at all at this time to waive their right to increase the rental rates on these farms and that there definitely will be an increase as of January 1st?

MR. KAEDING: — I would assume that when the rate is struck it will take into consideration some of the considerations that you have. There is also a possibility that the price and wage guidelines which we are not sure of at this stage may have some effect on the rate that is set. However, I repeat again, that grazing leases are not covered by this particular statement and certainly they will not be raised.

QUESTIONS

Blue Book On Rules & Procedures

MR. R. E. NELSON (Assiniboia-Gravelbourg): — Mr. Speaker, could I rise on a Point of Privilege. My Point of Privilege, Mr. Speaker, is that we have got this little blue book when we came into the House, I have gone through it and I have found out that you can amend motions, you can take resolutions as the Hon. Attorney General has done, he has presently adjourned debate on ten resolutions and motions. He can have these motions stood right off the Order Paper and keep the Members from discussing problems and questions they have in this House. Now for the third day in a row he has stood these questions on this Order Paper and I should like to know what your ruling is on this, Mr. Speaker, and how long it can go on?

MR. SPEAKER: — I think that is hardly a Point of Privilege. The point the Member raises is in regard to answering questions put on the Order Paper. The Minister obligates himself to try and answer it as soon as possible. The Minister has stated that he is unable to answer it at this time and I don't know what the Member proposes that we do in regard to that.

MR. NELSON: — Mr. Speaker, has he given these questions to the different Ministers? Each one of these questions is for a different Minister.

HON. J. R. MESSEY (Minister of Industry & Commerce): — Just to this point that has been raised. The Member well knows, as do the Members of the Opposition, that the Attorney General is the House Leader and to try and carry on that his asking for extended periods of time dealing with a host of questions, ten or 15 or 20, the number is irrelevant, it is not within his jurisdiction alone to be responsible for those. He is acting on behalf of the Government, on behalf of the Cabinet, on behalf of other Ministers and departments of government in trying to seek some further time in order to answer the questions legitimately and the Member should be ashamed of trying to raise in this House that it is the Attorney General who is trying to deter the democratic rights of this Legislative Assembly. That's just not the way it is. In a number of instances Ministers are not here. In a great many instances the departments have asked for extended periods of time in order to answer the questions of the Opposition Members and I think it is shameful that that Member should try and present a case that the Attorney General is trying to deter the actions of this Legislature.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — Let's go back to the basis of the question the Member asked. We are not denying the Attorney General as House Leader the right to adjourn debates, we are not denying anyone the right to stand. The question he wanted, he asked me and I said to ask you for clarification. How long can anyone, but especially the Member of a government with a majority continue to stand questions? Now that's not a motion as I understand it, he adjourns them and then he stands them, I think it should be clarified early, otherwise they can use the power of the Government to stand questions right off the Order Paper. There is a vast difference between adjourning a debate, taking some time to answer the question, that's exactly what you are doing. If you find a question embarrassing you stand it, you can either vote off the Order Paper or amend it. Three or four days is long enough to ask the deputy or the Minister in that department to answer. Is it an embarrassing question, is it a wrong question, should it be answered, is it privileged information, do we need to defeat it or do we need to amend it? And not continue to stand and deny free speech in this House.

SOME HON. MEMBERS: — Hear, hear!

MR. ROMANOW: — On a Point of Order, I want to tell the Hon. Member that this thing has gone on for two days.

MR. SPEAKER: — Order! I think we have had enough comment from both sides of the House. The Member for Prince Albert and the Member for Assiniboia-Gravelbourg apparently are asking for a Speaker's ruling on the matter and I certainly will consider that and report back to the House at the earliest opportunity.

SOME HON. MEMBERS: — Hear, hear!

ADJOURNED DEBATES

Second Readings

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Romanow, that Bill No. 1 - An Act respecting the Development of Potash Resources in Saskatchewan, be now read a second time.

MR. S. J. CAMERON (Regina South): — Mr. Speaker, in adjourning debate last night I was speaking, as you may recall, on the need to recognize that the work of government from time to time is very difficult. I said that government can be expected from time to time to be challenged in many quarters in what it is trying to do. And I said that what is required at these times when government is under stress and is being challenged is a rational as opposed to an emotional response. I said, to illustrate the point, I was speaking just before the adjournment, about the time when the Provincial Government hiked its oil royalties substantially having been first told by the Government of Canada that so long as the two-price oil agreement was in effect to raise its royalties would erode the federal tax base and that the Federal Government would not permit that. I said that despite that warning the Government hiked the rates and the Federal Government responded by disallowing them as income tax expenses that is payment of provincial royalties. I was saying the result of that was that the oil industry in Saskatchewan was in consequence so bruised and abused that it may take another decade to retrieve it. Our province as a result of that conflict has suffered a good deal. We say that our Government at that time should have foreseen that as a consequence. We say that had it acted rationally rather than out of anger and frustration, it wouldn't have happened.

Now we see in the potash takeover announcement by the Government in this Bill this same attitude of government at work. That when things get a little difficult the Government is so quick to anger. And when it gets angry it reacts with all power. This attitude of damn the consequences, roll out the tanks, we say is surrendering judgment and reason in this Government when it is most needed, in periods of pique and anger and frustration at the difficulties of making government work. We say sure, we understand, government is a tough business and government has a tough road in dealing with the potash industry. It always has and it always will have. But we say for the sake of the future of the province in dealing with this industry we asked you to check your anger and let reason prevail.

Lest Members opposite should think that I misstate the case, I want to remind you what the Attorney General in his lengthy address said. He spoke of step No. 12 of June the 20th, 1975. The potash companies he said started an action. He said they withheld their tax. And then he said and I quote, "This angered the Government."

And, of course, that's the very point I make. It angered the Government. Then he went on to step 13 in his address, October 2nd, 1975, another legal challenge. He said that prorationing was struck down. And then he said again, "We were angered by that action." Now I don't think I have to give further evidence to this House to make my point and that is that this was a decision not taken out of any sound, economic reasons. It wasn't based on reason, it had its foundation in anger and in frustration. I say you don't commit the entire financial well-being of a province and for a generation out of anger and frustration with the problems of government. And that's what is happening in respect to Bill 1.

We say that what happened in the piece, is that in your dealings and with your difficulties with the potash industry you worked up an enormous resentment because you didn't always get your way. Then what you did was to lose the final power which government has which is to nationalize. The point that we make, Mr. Speaker, is that that's bad government. You didn't get your own way in the oil bargain, you got angry with the Federal Government so you rolled out your power in defiance and brought the oil industry to its knees. Again, bad government.

The kind of government that says don't challenge us; the kind of government that knows no compromise; the kind of government that wields its power and its weight without regard to consequences, the attitude of government that runs roughshod over everything and everybody before it, if you dare anger it; we say that's not only bad government, we say, Mr. Speaker, that's dangerous government. When all is said and done and stripped to its core that in the end is the one very weakness of this Premier. That quick anger, that ready willingness when frustrated to roll out the full power of government and squash whatever stands in the way. That was its response in oil, its response in potash and I suspect we will see it again and again in the next four years. The difference now is that we are beginning to recognize it for what it is, and as it reappears again in the years ahead we will recognize it and we will draw it to the attention of the Government opposite and we will draw it to the attention of the people of Saskatchewan and in the end that is going to be the undoing of this Government if it persists in that way.

Mr. Speaker, we say apart from the staggering financial risk involved in this venture, with the magnitude of the potential loss in the event it fails, far outweighs the potential benefits in the event of success and there are other entanglements that we should be aware of. Following the Throne Speech I asked a series of questions of the Premier and of the Attorney General, to find out whether they had considered the indirect as opposed to the direct constitutional ramifications of this particular measure. We were satisfied from the responses we got that they understood at least some of them but am concerned lest again they have treated the pitfalls here rather recklessly. I want to take a minute to discuss what I have been meaning by raising those constitutional questions.

The first question of constitutional significance is a rather simple one and a direct one. It's a simple question, "Does this Assembly have the constitutional authority to pass Bill 1?" As all Hon. Members know the BNA Act gives to the Provincial Government certain powers under Section 92 and to the Federal Government certain other powers under Section 91. These two sections are occasionally spoken of as embracing collectively

the totality of government power in this country. There is a danger however, in that over-simplification, because while it is often said that we have exclusive jurisdiction over the heads enumerated in Section 92, the National Government in several ways has an overriding power or jurisdiction. The Liberal caucus is satisfied having now examined fully the first direct constitutional question, "Do we have legislative authority to pass this Act," that we do have that authority. We have here exclusive power in this House to legislate in respect to property and civil rights and to provide for expropriation of property. There is no legal obligation on the Government as the Attorney General rightly indicated to be fair in expropriation. Indeed, as he also pointed out, the 61 of us here could legally if we chose, take property without paying a single cent. That is to say we do have power of confiscation. So we are satisfied that the Bill which is now before us is directly within the constitutional authority of this House.

May I say so that there is no misunderstanding that we have at no time suggested otherwise. I want to add too that while there is no constitutional obligation or legal requirement that we be fair, there is most certainly a firm moral obligation that this House act fairly in this Bill.

Now I want to turn if I may to examine the indirect constitutional questions that arise and that we should be having regard for. Let's look at the first of these. While as I have said the Provincial Government has exclusive legislative authority in respect to those matters enumerated under Section 92, the National Government has a number of overriding powers. Sections 56 and Sections 90 of the BNA Act give the Government of Canada power to disallow any enactment of a provincial legislature. The power in those two sections is simply this. If we pass Bill 1 as of January 1st, 1976, the Federal Government has the power until January 1st, 1977, to set the Bill aside. In effect it can simply say this Bill will not be and the Bill will disappear.

The other day when we made some reference to the power of disallowance during debate, I heard the Attorney General say, and I am sure he said it correctly because I heard it twice, he said, "I wish they would use it, I wish they would use it," in speaking of the Federal Government and its power of disallowance. I say that we on this side were a little shaken with that reference by the Attorney General. That he should be prepared so openly to challenge the National Government to disallow this legislation. The reason we were so shaken is that does he not understand the chaos that that would bring to the constitutional relationship in this country. I think the Attorney General said in the same breath it would wreck Confederation. It wouldn't do that, Mr. Speaker, but what it would do is seriously reorder Confederation.

The 108 years that we have been a nation, the central power and the provincial powers in this country have each in turn ebbed and flowed, swung to and fro. We have had periods in Canada of predominantly central government power, followed by periods of ascending provincial government power. Then we have had a swing back the other way. Over our history there have been several of these peaks and valleys of federal as opposed to provincial authority.

Today in history, where we are in history, we have a fair

balance of strong provincial governments and a strong national government. Indeed we believe here it is one of the fairest balances that we have seen in history and it is a good healthy balance indeed.

Suppose the Federal Government found this particular Bill 1 not to be in the national interest. They have the power to disallow it. I remind the Government lest they think I am raising something which is highly, highly unlikely, that that power has been exercised 112 times since Confederation. It was last exercised in 1943. It was exercised extensively by MacKenzie King against Social Credit legislation in the '30s which wasn't in the national interest.

If it should be used today by the Federal Government and let me say that we on this side do not want to see a Federal Government forced to use it, then what would happen is that it would upset the balance that I mentioned between provincial power and federal power. And it would seriously damage the relative position of power of the provinces. That is why I said it would reorder Confederation. The provinces in the process would be the losers.

For an Attorney General so quickly and readily to say, I wish they would use it, we say is hardly to be applauded, indeed one might say it's the very pinnacle of recklessness in the relationship with the National Government. Again it is this same attitude to confrontation, this attitude of damn the consequences that characterizes so much of what this Government is prepared to do.

We say that when the Government devised this Bill it knew or it ought to have known that it was running the risk of disallowance. Again it looked it right in the face and it said, we defy it. We hope we don't stumble, believe me. If in the long run that power has to be used it is going to cause some serious repercussions in relationships among the provinces and the National Government. It is yet another risk apart from the financial risks which the Government is taking in putting forward Bill 1. I think it is a foolish risk, confronting in this way this power of disallowance. As I say we hope it doesn't come to that. We hope the Bill is never used to take over all the potash mines in the province. But we wonder already how this defiant attitude has harmed our relations with other parts of the country. That is why we have been wanting to know whether you have had talks with the National Government in advance. Because we think that would be the sensible thing to do.

In effect, has it tested the air to see what the attitude there is, to ask as it were, how is the beast likely to react in view of this challenge. Now we draw some assurance from the Premier's answers that he consulted the Federal Government at both the elected and non-elected level in advance. We presume what that means is that various persons within the Provincial Government and various departments consulted with various people in the National Government and we also presume it means the Premier consulted in advance with the Prime Minister.

What we would like now very much to know and I would ask the Attorney General or the Premier to provide us with information. And it is, with whom did you meet in advance, what aspects of Bill 1 were talked about, what was the attitude

of the federal people, and what did the Prime Minister indicate to the Premier was his attitude in respect to this Bill?

We say we think the House should be better informed in these respects.

If the Federal Government is opposed to Bill 1, we would like to know what extent that opposition is likely to be. Was there any talk with the Federal Government about what its attitude is, what is the extent of that attitude or what are they likely to do in opposing this Bill?

It is an important reason. Suppose the Federal Government had said to the Provincial Government in these talks, well we have arrived at a point in this country where we intend to arrest the drift towards socialization of a kind other than utilities. Suppose it said, we will prevent any more socialization of industry in the country. Suppose it had said to you, if you take over the potash industry it will encourage Quebec to take over asbestos, Ontario nickel, British Columbia the lumber industry and on and on. And that we in this country will not stand for that kind of balkanization and erosion of our tax base. Suppose it had said that. Suppose that it had said it will seriously weaken the central power in the nation. What we would like to know then, is what it said. What is the extent therefore of its opposition to the Bill?

You have said that you had these talks in advance. We would like to know full details of those talks so that we can assess what is likely to be the Federal Government response in view of this power.

Suppose the Federal Government had said too, however distasteful to us Bill 1 may be, we will have to consider our power of disallowance. We say if that were the case then those considerations combined with the financial and other reasons for not going forward with the Bill, would surely persuade a reasonable man to pause and reflect.

So we ask your assessment, Mr. Attorney General, of this aspect of the action you ask us to take.

If there is a significant possibility the Federal Government may move against this measure, then I think we ought to know that because some of us may wish to consider whether we want to be part of the reordering of Confederation of which I have spoken. We have also asked questions about whether the Federal Government will move to tax the Crown corporation that will be established to take over the potash mines.

We all know that Crown corporations have traditionally enjoyed a tax exempt status. That tax exemption has of course been to the tremendous advantage of Saskatchewan Minerals, Saskatchewan Government Insurance, Saskatchewan Transportation and in turn has been to our financial benefit in the province as a whole.

Our question is, are we with this Bill 1 pushing our luck, as it were, with respect to the tax exempt status of Crown corporations? Is the Federal Government likely to say that Bill 1 is the last straw in the erosion of our tax base, and assert what it thinks is its right to tax Crown corporations? If it does I gather from the remarks of the Attorney General

that the Provincial Government would take the position that under Section 125 of the BNA Act, the Federal Government doesn't have the power. There is again the possibility of yet another constitutional confrontation in the making.

Again, we ask, have you discussed that with the Federal Government and what is its attitude? Is it likely to assert a right to tax the Saskatchewan Potash Corporation?

We say if you haven't had these kinds of discussions, you had better begin to have them quickly because that is a very important consideration.

SOME HON. MEMBERS: — Hear, hear!

MR. CAMERON: — Once again, we say if out of anger and defiance you precipitate a battle on this front, the result conceivably could be the loss of the tax exempt status not only of the Potash Corporation but indeed other Crown corporations as well.

You say that the Federal Government doesn't have the power to tax a Crown corporation. The Federal Government says they do have the power to tax a Crown corporation. We all know that question has never been decided in this country by the Supreme Court. There has never been a direct collision of this kind before between provincial and federal governments. Both levels of government in the past have come to this exempt status for Crown corporations by way of convention or mutual understanding between two levels of government.

This Bill 1 very clearly threatens those arrangements. It raises the spectre of the federal power asserting a right to tax Crown corporations. If they would ultimately be found right in what they say is their power, the precedent would be established and presumably all Crown corporations would then be exposed to taxation. Again, what all of that says is that in this action of taking over the potash mines, you are running yet another risk, and that is the risk of jeopardizing longstanding arrangements between governments giving Crown corporations tax exempt status.

SOME HON. MEMBERS: — Hear, hear!

MR. CAMERON: — We believe that even if the Federal Government in this country could not tax the Potash Corporation by way of an income tax, it could indirectly extract the equivalent tax by way of an export tax. That is to say, that it is the opinion of the Liberal caucus that every ton of potash that crossed the borders of Saskatchewan destined for places outside the country, could have attached to it an export tax. We would like again and we ask the Attorney General and his advisors to give us what is the view of the Provincial Government of this possibility. This is a very important question because it affects in a very real way the financial viability of the Government takeover of any mine. What we would like to know is whether the Government in its calculations of the financial viability of the mines has included as an expense item, an income tax, an export tax or both. That is how much money do you expect you might have to pay either by way of income tax or export tax or both or some money in lieu of that. Of course that has a very direct bearing on the wisdom or the folly of the financial side of the takeover.

Mr. Speaker, I have raised as have my colleagues, a series of serious questions about the financial end of this takeover, about the effect that it will have on the investment climate in this province; about the likelihood of constitutional questions being raised; about the need for fairness; about living by our commitments. As we have thought about these and as we have raised them, we see inherent in this takeover the enormous complexities that are involved.

The people too, are very confused about it, bewildered and indeed some of them somewhat frightened. In view of the enormity of the decision that you are asking us to take in respect to Bill 1, and in view of the complexities of the issues that it raises, we believe that what you should do is pause in the process to take better stock of where we are going, to examine alternatives and to give to the people of Saskatchewan an opportunity more directly to participate in one of the largest decisions that they have been asked to take in this province's history.

SOME HON. MEMBERS: — Hear, hear!

MR. CAMERON: — To that end, Mr. Speaker, I am about to propose an amendment to the Motion under consideration.

Mr. Speaker, I move, seconded by the Member for Thunder Creek (Mr. Thatcher):

That all the words after the word "That" be deleted and the following substituted therefor:

Bill No. 1 be not now read a second time and that this Assembly recommends to the consideration of the Government that a Commission of Inquiry be established consisting of:

- (1) A Chairman drawn from the Judiciary;
- (2) A financial expert;
- (3) A person knowledgeable in the mining and marketing of potash;
- (4) A person fully conversant with constitutional law; and
- (5) Two members of the general public of Saskatchewan, one at least of whom should be a woman and a mother;

And that such Commission be empowered to hold public hearings throughout the Province and to report back to this Assembly with all convenient speed as to:

- (a) The financial commitment and various risks involved for the people of Saskatchewan in the takeover of potash mines by the government.
- (b) The alternatives to state takeover;
- (c) The dangers and disadvantages weighed against the benefits for the next generation of Saskatchewan people.

Mr. Speaker, I urge Members, particularly back bench Members on the other side to give this amendment very serious consideration. Because what we are about, will not only significantly affect us but more importantly it will profoundly affect our children and theirs to follow.

The debate continues on the motion and the amendment.

MR. B. M. DYCK (Saskatoon Mayfair): — Mr. Speaker, I was very interested in some of the comments that the Member for Regina South (Mr. Cameron) made with regard to the legislation that we have before us.

He was talking about the possibility for example, of the Federal Government disallowing legislation. I want the Member for Regina South to just recall the recent convention that they held in Saskatoon. I believe at that time that the Minister of Finance made it very clear to the convention that he wasn't concerned about the principle of legislation. As a matter of fact he was not opposed to it at all. There was some comment I believe by the Minister of Finance that there might be some changes in the tax structure. As far as the legislation is concerned he wasn't at all challenging it. So I think the Liberal Party had better get together on some of their policy positions.

Questions have been raised regarding the viability of the potash industry. Some claim the potash industry isn't realizing sufficient revenue, either to expand or to justify the risk of investment by the people of Saskatchewan.

Well, Mr. Speaker, let's review the facts. First, potash is an essential commodity, necessary for improved food production in many areas of the world. It is hard to believe that demand for potash will decline in the long term. Certainly the market may be subject to short term fluctuations. However, the British Sulphur Corporation, a leading authority in the potash industry predicts that by 1990 world demand for potash will double from 23 million tons to over 47 million tons.

Look at prices. Potash sold for over \$35 a ton from 1962 to 1965. It dropped drastically from 1965 to a low of \$20 a ton by 1969 due to an oversupply, the result of unplanned and irrational production. That was in the days of when the private speculators, the free enterprise champions had control of production.

The potash companies came hat in hand to the Liberal Government of the day asking for help. The Liberal Government of that time introduced prorationing, setting production limits and establishing a floor price for potash. Well, what happened? The price increased rapidly to over \$30 in 1970. Over \$35 in 1972 and to \$50 a ton by 1974. This year potash is selling for some \$75 a ton. The British Sulphur Corporation forecasts that the price will rise to \$100 a ton by 1980. These forecasts by a leading authority on potash tell us that the future of potash is bright indeed, and contrasts sharply with the doom and gloom forecast made by the Opposition Leaders about the future of this industry in this province.

Second, revenues in potash have shown a similar rising trend. Revenue from the industry in Saskatchewan is estimated at over \$300 million in 1974. Remember that was at prices averaging \$50 a ton. Today the price is 50 per cent higher. Estimates suggest revenues this year may exceed \$400 million. I hasten to add that the Government's decision to buy into the industry was made on revenue estimates of \$200 million a year. Obviously a conservative estimate in view of the current prices.

At the 1980 forecast price of \$100 a ton, revenue from

Saskatchewan at capacity production would be \$800 million dollars a year. More than ten times the 1969 revenue level. If the potash industry is making a profit at \$75 a ton with revenues of nearly \$400 million a year, it is difficult to appreciate Opposition arguments that revenues in the neighbourhood of \$800 million a year would be risky.

On the basis of knowledgeable forecasts and the light of present trends in the industry there can be little doubt that potash will be a valuable commodity for the foreseeable future.

Certainly there may be risks, but a reasonable assessment of the facts suggest that the risk is minimal in the long term. This is a good deal, a good deal for the people of Saskatchewan, a good deal for the hungry people of the world.

SOME HON. MEMBERS: — Hear, hear!

MR. DYCK: — Now, Mr. Speaker, in the midst of the potash debate an important principle may be overlooked. It centers on an issue that's important to every Canadian, whatever their political allegiance. I refer to the question of Canadian ownership. Some people don't seem to care who owns Canada, our native land. To them it seems just another disposable commodity on the world market, available to the highest bidder. But there is a growing concern over the question of the foreign ownership and domination of the Canadian economy. There has been a massive foreign investment in the Canadian economy. So much so that even the Federal Government has expressed concern about our ability to control our own destiny.

Most of our resource industry is dominated by foreign capital. Much of our manufacturing capacity is directly or indirectly controlled by foreign companies. Many of them are giant multinational corporations, who sometimes appear to be answerable to no government.

The Saskatchewan Government's proposal to acquire a controlling interest in our potash industry will be a positive contribution to the repatriation of the Canadian economy from foreign domination and control.

We will be buying back from foreign owners a significant and important industry. Something that the Federal Government has said must be done, but about which they in practice have done very little.

We believe in Canadian ownership. We believe it's right for Canada to be controlled by Canadians. We believe it is essential and urgent for Canada's non-renewable resources, particularly, to be under the control of people who have a commitment to Canada and to the future of Canada. Growing numbers of Canadians are concerned over the question of foreign ownership. In fact, a recent national public opinion poll revealed that over 51 per cent of Canadians are so concerned over foreign ownership of our oil industry, that they favor nationalization of our foreign oil companies.

Canadians believe that foreign control of our oil industry is not in Canada's best interest. The majority of Canadians favor nationalization as the best means of regaining control of our oil industry. That's only natural. What if their priorities

are not Canadian priorities? Sometimes that's just too bad for us. Foreign investors are not dedicated to preserving our jobs or preserving our communities.

They do not want to keep the maximum amount of profit in Saskatchewan or Canada. They are interested in exporting profit back to their own head offices, wherever they may be.

In acquiring a controlling interest in the potash industry, the people of Saskatchewan are buying back a piece of Canada, a piece of our own future. That's in the best interests of Saskatchewan, it's in the best interests of all Canadians. We are giving the example that all of Canada could be advised to follow.

SOME HON. MEMBERS: — Hear, hear!

MR. DYCK: — Now some reference has been made by the Opposition parties that the Government's proposal to acquire a controlling interest in the potash industry will somehow result in a loss of freedom for the people of Saskatchewan. This is a strange argument.

The Government is confronted by a group of multinational corporations with head offices in the United States, Europe and eastern Canada where all the decisions are made regarding our potash mines, corporations who refuse to pay their taxes and obey the laws of the province.

The Government has decided to protect the legitimate interests of the people of Saskatchewan in the face of this multinational threat to our greatest non-renewable resource, by repatriating control of the industry to Saskatchewan people. This act by the Government is alleged to be a threat to the freedom of people of Saskatchewan.

What a strange piece of logic. Would the freedom of the people of Saskatchewan be protected by allowing our potash to be exploited further? Would the freedom of the people of Saskatchewan be safeguarded by allowing the potash companies to go on breaking the law and depriving the people of a fair return from our potash? Does it enhance our freedom to have the potash industry run from the corporate boardrooms in New York, London and Paris?

The Opposition may feel that the people's freedom will be better protected by giant multinational corporations. But the people know better.

That's like asking the fox to guard the chickens.

Bringing control of the industry back to Saskatchewan will mean that for the first time the people of this province will have the right to say what happens in our potash.

SOME HON. MEMBERS: — Hear, hear!

MR. DYCK: — If the people don't like the way the Government runs the industry, they can express their views to the Government or to their MLAs or through the ballot box.

You know that politicians . . .

AN HON. MEMBER: — . . . afraid of 1979?

MR. DYCK: — I'm not afraid of 1979. You know that politicians who must answer to the people in elections are more likely to listen to the people than those who run the multinational corporations from foreign capitals of the world.

If we don't like the way a multinational company is running our province or our industry, there is very little that we can do about it. We can't buy shares in our potash industry, we can't change the board of directors, we can't vote them out of office. About all we can do legally is what we are doing now. To say that the people of Saskatchewan now have any freedom concerning our potash industry is blatant fiction.

The people who have these outside entrepreneurs running our potash industry are all familiar enough with big business to know that the decisions are made by the entrepreneurs, not by the public.

Why is it that the old line parties never express concern over the loss of freedom involved in having our country run by the multinational corporations. Apparently they only become concerned when the people's government, answerable to the people, acts to curb corporate power.

Saskatchewan people . . .

AN HON. MEMBER: — . . . election . . .

MR. DYCK: — We just had an election on June 11th. Are you asking the people, is the Member for Morse (Mr. Wiebe) asking the people of Saskatchewan to pay another number of millions of dollars to call an election? Are you prepared to back that up?

MR. WIEBE: — Heck of a lot cheaper than \$2 billion.

MR. DYCK: — We just had an election. Saskatchewan people simply have no say in how the industry is run at present. Under government control of the industry every voter in this province will have the right to express his or her views and know that they will be heard. The Government of the day will have to listen to the electorate or face the consequences. Nothing indicates to me that the potash barons in far-off capitals of the world either hear or care what the people of this province are saying. They are in it for profit and they are in it for nothing else.

The whole issue of loss of freedom in this debate over our potash policy is a red herring. Worse, it's deliberate scare tactics used in the naive belief that the people of Saskatchewan can be frightened into an irrational response. Anyone who gives a moment's thought to the potash industry in Saskatchewan will see that we are a colony to a cartel of multinationals. By acquiring control we are gaining the freedom we did not have before.

Now, the Leader of the Opposition and the Leader of the Conservative Party speak with one voice on the issue of potash.

They both speak with a voice of those large potash companies which are sending us their messages of concern about our potash from their head offices in other parts of the world. And other parts of the world everywhere except the head offices in Saskatchewan.

The message that comes from all these places is that the people of Saskatchewan are being exposed to an unnecessary risk, by going into the potash business for ourselves.

Now I'll put aside for the moment the idea that somehow it's wrong and of no benefit for us to be owning a controlling interest in the industry, in our industry. Forget about all the huge profits, over perhaps hundreds of years that will be leaving our province and leaving our country because the potash companies and their Opposition spokesmen don't think we should own some of the industry ourselves. We'll put aside these profits because the Opposition doesn't want to admit that they exist. The companies don't want to talk about them. They won't tell the people of Saskatchewan about them. I can't say that I blame them, because if the people knew what the multinational parent companies are really taking out of this province in profits and by other means, I'm sure that they would see the matter in a much different light.

What the Opposition parties are saying is that they have no faith in the people of Saskatchewan. They have no faith in the people of Canada. What else can they mean when they say that investment in their own potash resource is a bad investment? It's negative, destructive and a defeatist argument. It can only have one result to aid and comfort the multinationals and to spread and encourage the feeling in Saskatchewan that we are not as good as other people. I reject those views.

AN HON. MEMBER: — Why . . .

MR. DYCK: — Why are you in the Opposition? I reject those views and I am sure that the people of Saskatchewan reject those views. We can do it ourselves like we did with Sask Power, like we did with Saskatchewan Minerals, like we did with Sask Tel.

It is claimed by the multinational spokesmen that investing in our potash resource is a terrible risk. The Americans didn't think it was a terrible risk, neither did the South Africans, the British, the Germans and the French. Although they have cried poor, they don't seem anxious to unload this terrible risk, now that they have the chance. On the contrary, the multinationals seem anxious, at least some of them, to resist us by every possible means when we offer to relieve them of this terrible risk.

It's the greatest risk the people of this province have ever been exposed to according to the Opposition. But even their friends in the multinationals don't seem to agree with them on that one. What our opponents are asking us to believe is that Canada is not a good investment. We are asked to believe that Saskatchewan is not a good investment. If our huge and valuable potash resources are not a good investment then what is a good investment? Investment in Saskatchewan according to the Opposition parties is too risky. When will the Opposition parties say something good about their own province and about the people who live here? When are the Opposition parties going to stop bad

mouthing our people and doing their best to encourage investors to stay away from Saskatchewan?

I want to make it very clear to the people of this province that their Government believes the move to acquire a controlling interest in our potash industry is the best long term investment this province may ever make. We think Saskatchewan people should be given the opportunity to exercise their rights of ownership by having a say in the expansion of our potash industry, by having a say in production, by having a say in the returns that should come to the people through taxes.

The multinationals think Saskatchewan is a good investment, the Government of Saskatchewan thinks that Saskatchewan is a good investment. If the Opposition parties don't think it's a good idea to buy back control of an important part of Saskatchewan's future, then I challenge them to say so. Let them say that we shouldn't own our province. Let them admit that they want our potash resources to be controlled effectively by someone else outside this province and mostly outside this country.

This Government has decided in favor of Saskatchewan. We think the people of Saskatchewan have the right to run their own affairs, without any outside interference. The people of Saskatchewan are going to have some say in the future of the potash industry. I have seen nothing in the behavior or the statements of the potash multinationals, all their spokesmen in the legislature or on television, to indicate that the potash companies believe they should obey all laws. Give us the information we need, pay their taxes like all our citizens or expand their output, unless the Government of this province and the people of this province do what someone in Denver or Pittsburgh or Toronto thinks we should do.

Who is running this province? There can only be one answer. The Government of Saskatchewan, not a group of multinationals. We think Saskatchewan is a good investment, we think the people of Saskatchewan can run a potash industry and they will.

Mr. Speaker, I'll be supporting the Motion and opposing the amendment.

SOME HON. MEMBERS: — Hear, hear!

MR. W. C. THATCHER (Thunder Creek): — Mr. Speaker, we are now well into one of the momentous debates that will affect this province for many, many years to come and will probably determine in many respects its course. I think it goes without saying that the proposed action in this Bill is a complete anathema to me. However, the greatest fear that I have, and I believe that it is shared by the majority of the people in this province, is that this Government does not completely understand the ramifications of their actions. Frankly, after watching several of the back bench Members from the Government take part in debate, it left me with an icy chill of fear running through me. I watched them read their speeches, written and prepared by someone else, some of them even having trouble reading the written word, and as they parroted their writer's words one had to conclude that what they were espousing was beyond them. It could have been a rank free enterprise speech and some of them would hardly have realized the difference. It was almost an indictment of the democratic process.

However, there are some of you who know full well, the Premier knows, the Attorney General, the Minister of Industry and the Member for Biggar (Mr. Cowley), they all know. The rest of you, I am not so sure. I was impressed by the Attorney General's initial presentation of Bill 1 in these Chambers. From his Government's point of view, he covered the potash scene very well, made his points effectively and summarized the Bill in an efficient manner. An excellent performance in all facets. However, something was missing and I couldn't quite pin it down. It wasn't until the next day when he presented Bill 2 that it suddenly dawned on me. He didn't believe it himself.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — A performance was all that it was. Sorry you missed that Roy.

This does not make him any less dangerous a socialist, incidentally Roy, I am talking about you now. Quite the contrary. It makes him the worst kind of socialist, the one who preaches what he doesn't believe.

SOME HON. MEMBERS: Hear, hear!

MR. THATCHER: — I believe that any successful politician, whether right, left, or centre, who can go against his innermost convictions, is a politician to be feared.

I think one of the real surprises of this debate has been its reactionary nature. I am sure that if one looked back into the debates in this House of the late forties and early fifties, it would mirror many of the comments of this past week.

The issue of whether Crown corporations could successfully compete against private competition is some 30 years old in this province. Even the Government of T. C. Douglas conceded, by their subsequent actions, the futility of this argument. Only those Crown corporations that were given a monopoly position in their field have been successful. When one examines SPC, Sask Tel, and SGIO in terms of return on investment, they are not exactly shining lights. To watch the government dredging up the shoe factory, the box factory, the woolen mill, etc. and attempting to place them in a surplus position, had to be almost funny. The accounting practices of those days were just as funny. Interest was never included as a cost of doing business. Isn't that a dandy. When one of the Crown corporations showed a deficit, the CCF Government would make it a grant, show it as income and present it as a profit. They had several other beauties but to go into them is to revisit an era and argument that has long been settled. But must we forget the lesson? It was demonstrated conclusively that the socialists of that day didn't have a clue about business. And I really don't believe that the ones across the floor have very much more.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — However, in fairness I must add that because of the nature of government, any government and its inevitable bureaucracies, I truly doubt that either we or the Conservatives could run a competitive business all that much better. Better,

but not much better. In a government bureaucratic structure it is simply not possible to generate sufficient productive capacity from the employees. In times of expansion there is always a tendency in both the private and government sector to build up the middle level of executives. In times of recession, the private sector can always trim off this fat whereas with government, the positions once established tend always to remain. In short, government corporations simply don't have sufficient latitude to react to changes incurred due to expansion or recession of market conditions.

Mr. Speaker, the question before us boils down basically to one of whether we must nationalize in order to manage successfully a resource to the maximum benefit of the people. We in the Liberal Party say an emphatic No, to that question. Yet we concede that different situations require different varying management techniques by government.

In the late '60s when there was a Liberal Government in office, there was a situation of an oversupply of potash on the North American market and potash from this province was being given away with virtually no return to the people. At least two potash operations were faced with certain bankruptcy with the resulting loss of jobs and taxes. The Government was in the process of considering a series of alternatives to face the situation when a group representing the potash producers appeared on the scene. They proposed what eventually resulted in the potash prorationing legislation. Exploratory negotiations with the Governor of the State of New Mexico proved promising and the matter was investigated further.

Not all potash producers were in favor of such legislation. Central Canada was the most vocal in opposition. I can recall very vividly, being with my father in the company of several high level potash executives and the subject of Central Canada's potential challenge coming up. He told the executives present that if there were to be any challenges or vocal opposition from any company, Central Canada or otherwise, that the Government would abandon the prorationing scheme and proceed in another fashion, which he did not specify.

Apparently, pressure from their peers in the potash industry caused Central Canada to reconsider for a time. My father was well aware that prorationing was probably not constitutional and anticipated a challenge in the courts from the Federal Government. However, he felt that by the time all appeals had been exhausted and the Supreme Court had ruled on it, sufficient time would have elapsed for the prorationing to have had its effect on the market and would no longer be required.

Call this bending of the constitutional laws if you will, but at the same time you must also call it reacting to a situation and dealing with it.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — Not with nationalization but with management, in essence making the rules fit the situation, not the reverse.

I am certain that the Attorney General will concede that subsequent events have shown the validity of that course of action.

Mr. Speaker, we have been accused on this side of the House by the Attorney General, of favoring a policy of what he terms, "unbridled free enterprise exploitation of our natural resources." This is absurd and he knows it. No one in this province favors exploitation of any natural resource. We all favor proper and fair management for all concerned. To accomplish this end, the province by no means has to go into the business. To do so is to destroy for decades to come, the confidence of the business community and future investment from that source.

Over a period of years, this province lured well over a billion dollars in investment from the private sector with guarantees of fixed tax rates through 1980. This is an indisputable fact, one that I think our friends opposite agree on by their fear that the courts will upset the potash reserve tax.

Can you really blame the potash companies for being hesitant in committing investment capital for expansion in view of hostile postures this Government has taken in the last two or three years. I don't think any one in this House or in this province proposes to allow any one to exploit anything. What we do say is, honor your commitments and install a reasonable tax system that provides a fair return to the people of Saskatchewan but at the same time leaves the companies room for a reasonable return on investment and an incentive to expand in accordance with the market conditions. The potash companies have no right to ask for anything more, and I would doubt if they expect any more.

A decision by the Government to nationalize the potash industry has not exactly been a surprise. When the massive advertising program concerning Saskatchewan Minerals commenced one did not have to be all this brilliant to deduce that something was in the wind. A very ill wind it was.

Throughout the Attorney General's opening address on Bill 1, he continually referred to what he termed his Government's 'fairness'. Perhaps we should take just a little time and examine the unprecedented 'fairness' of this Bill.

Section 60 is perhaps exemplary of the fairness the Attorney General alluded to. Section 60 would have done credit to Adolph Hitler. This Section gives a power to the Saskatchewan Potash Corporation that is unprecedented in the free western world. Under this Section, officials of the Saskatchewan Potash Corporation can enter any potash company in the province and acquire virtually any information it may desire. The Member for Estevan (Mr. Larter) called it "industrial espionage". I think it is more appropriate to term it, "gestapo surveillance".

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — The Attorney General hopes that it would never be used. I would hope not. It is a discredit to this Legislature and everything it stands for. Under Section 60 and 61, even before a vesting order is issued, officials of Saskatchewan Potash Corporation may walk into the private premises of any potash company and virtually rape the place. These gestapo types can take any samples, borings and even sink a trial pit. They can copy any computer data, engineering drawings, agreements, books or records or any documents they so deem necessary, as the gestapo forces deemed necessary.

If the gestapo walks up with a vesting order, they can remove any documents they choose for copying purposes and return them when they see fit.

Only a government that feels that it governs by divine right would enact such legislation. One wonders whether we are in the banana republic or Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — It may shortly become a very valid comparison.

Mr. Speaker, this brings us to the King Cobra of the Bill, Section 45. To someone like myself who lacks legal training it is a complex and difficult section to understand. In fact, it is difficult and complex for one with legal training. It is very, very skilfully written. It would do credit to a Philadelphia lawyer. Perhaps even a Bay Street, Toronto lawyer.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — Even a Bay Street Toronto lawyer by the name of Howard Beck. That name is not exactly a household word by any means. Unless that household happens to be involved in corporate law. If it is the name of Howard Beck is very prominent. His law firms of Davis, Ward and Beck is probably the pinnacle of successful corporate law firms. Their clients are the epitome of everything this Government hates.

The Attorney General chose to engage this high-powered highly expensive law firm to write the apex or crunch of this legislation. Why, one has to ask? After all we've heard the Attorney General brag that Saskatchewan civil servants can outstrip the best of private enterprise. But that is one more thing that he doesn't believe himself. The fact of the matter is he does not have enough faith in his own battery of lawyers in his Department, that he thought it necessary to turn to Howard Beck. It must have been a painful decision.

Howard Beck stands for everything that the Attorney General deplores. Yet, he had Howard Beck, not just to consult but to author Section 45 of Bill 1.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — It is obvious why the province consulted Mr. Howard Beck. It is not obvious why Mr. Beck allowed himself to be consulted. I am certain some of his clients may wonder the same thing.

Section 45 is an incredible piece of legislation. It commences by providing that the compensation for expropriated assets shall be in an amount equivalent to fair market value. Fair enough to this point. And then the wild and woolly part starts. And the means of how this Government intends to steal these mines starts to emerge. No allowance will be made for depletion, interest on borrowed money, any loss for damages incurred by the company because of a compulsory takeover, or forced relocation. It strikes me that that is unfair by almost any conventional set of rules, but our friends opposite are

rarely conventional. And then the real gem comes, the area that you needed Howard Beck for.

Section 45(5) presumes that there is a direct tax in force for the raising of a revenue for provincial purposes, that when applied to an owner would exact an amount of tax equal to the taxes, royalties and fees payable under The Mineral Resources Act and The Mineral Taxation Act. In effect then, there is a presumption that a direct tax is in force, equivalent to the potash proration fee and the potash reserve tax. The fact that the constitutionality of both Acts is being questioned in the courts also raises a question as to the fairness of this Bill. It has all the fairness of a Chinese bandit.

What this Government has done is that it has said 'we shall not concern ourselves about the constitutionality of the potash proration fee and the potash reserve tax'. We, the almighty Government, shall presume an equivalent tax for the purpose of expropriation. If we cannot do something constitutionally, we will just pretend to be constitutional. In other words, if the two taxes were unconstitutional, this legislation would still require their consideration for the purposes of determining fair market value. This is how you will steal these mines.

Stealing the mines is the name of the game. You know full well what the market value, the replacement costs, etc. are for the existing operations. At least you should know. After all, this Government has apparently abandoned its plan to establish its own mine. Clearly, the price tag was so high that the project didn't make any economic sense at all, even to the business geniuses across the floor.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — But if the economics of establishing a new mine are completely suspect, then obviously the economics of expansion for the existing mines must also be suspect.

Very quickly, let's take a look at some of the economics faced by one company that incidentally has tabled its financial statement with this Government, Central Canada Potash. In case our friends across the way have forgotten, this is the financial statement that the Premier made such a fool of himself over in New York. He accused Central Canada, a subsidiary of Noranda, of paying a 12 per cent royalty to its parent company before commencing to compute its provincial royalty and tax returns. In view of the fact that the government had in its possession Central Canada's financial statement well in advance of the Premier's trip, I think this does raise a question of competence and integrity.

The financial statement submitted to the government for the three months ending October 31, 1975, showed Central Canada received an average of \$37.60 a ton for its potash. It paid \$17.20 a ton for operating costs and paid \$18.23 in taxes per ton, leaving an operating profit of \$2.07 a ton. For the month of September profit was \$2.04 per ton, based on a sales figure of \$37.60 a ton. In October the profit was \$3.79 based on a price of \$49.70 per ton. Even if there was no principal or interest on the initial investment, this set of figures would hardly send one rushing out to draw up a set of plans for any expansion.

Mr. Speaker, the Member for Nipawin (Mr. Collver) - thank you for waking up, Mr. Speaker - the Member for Nipawin has said this nationalization of the potash industry is inflationary. I agree with him but for different reasons. The Attorney General says it is not because the purchase of an existing producing vehicle is merely a change of ownership which will not have any effect on the economy. If this were true, I would agree with him also. However, it is not true. It is not true because government entrance into this industry will build up the self-perpetuating bureaucracies common to all governments with the resulting loss in productivity and efficiency.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — Make no mistake, this will happen no matter what party happens to occupy the seats opposite. Thus it is unquestionably inflationary. Add to this some of the basic assumptions that the government is assuming in arriving at their decision.

First of all, set aside the question of whether the province can borrow the money necessary to finance this massive takeover. And it is certainly a valid question for a province with only an "A" rating in financial circles, which for some strange reason the Attorney General is extremely proud of. Probably because he doesn't know much about financial ratings. However, the basic assumptions are: that current markets for Saskatchewan potash can be maintained and expanded; that long term world demand and the pricing structure will continue to be favorable; and that Ottawa will exempt potash mines from federal income tax if they are owned by the province.

All of these are assumptions, nothing more. The first two are dictated by market conditions, the last one by the Federal Government. There is no question that the Federal Government will react. Not to do so would be an abrogation of their responsibility. That area was a speech in itself made very ably by the Member for Regina South (Mr. Cameron).

However, quickly, let us play with some figures. For this year it is estimated that the industry will pay between \$215 and \$225 million in taxes. The total profit for the entire industry is estimated at \$25 to \$35 million, I think a most unimpressive figure for an investment that heavy and that number of mines. It also amounts to a taxation rate of 80 per cent. Why do our friends rationalize that they must have an industry like this under their thumb when they already have them there in many respects? Could it be the aspect of not paying corporate taxes to the Federal Government which may be worth \$50 to \$60 million. But in this area it will be most surprising if there is no reaction from the Federal Government.

Mr. Speaker, the damage that this proposed legislation has already done to this province and indeed Canada, cannot be computed in dollars.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — Even the Premier is aware of this by his actions in New York, and I think by his appearance this afternoon in the House. In New York, if I may quote from the *Globe and Mail*, one of the reporters sent back a story:

Potash expropriation sought peddled by Blakeney during talks in New York.

Mr. Speaker, I had intended to quote from some of these showing what appeared to be a moderation on the Premier's part, but I believe I did detect some effect of a moderation this afternoon. In New York he played down the idea.

Mr. Blakeney played down the idea of expropriation as inherent in the proposed takeover and held out the possibility that private enterprise could still play a part in potash development.

Well it sounds good, but I wonder if anybody would really believe that.

He answered several critics in the audience who feared the New Democratic Party would wind up expropriating the potash private industry, and then set up its own cartel. In an interview he said that he believes the Legislature will give the Government power to expropriate only as a last resort.

That is an interesting one, I must say.

Well there are several other gems in here, but I think what they do demonstrate (and I'm perfectly willing to table them if you don't get the Globe and Mail - that is for those of you who read), however, I think we could bypass that one. But it is surprising that the Premier, when he gets to New York, does soft pedal it and there are indications he's in the process of doing so here.

But going back to the effect of what this may already have had on this province, and indeed the effect that it may have had on the overall Canadian economy, I would quote from December 3, 1975, Toronto Globe and Mail, written by Leo Ryan. This is copywritten in Paris:

In a give and take discussion with French businessmen and financiers at the National Employers' Federation, Mr. Jamieson found there is a considerable preoccupation over Saskatchewan's recent decision to nationalize part of the potash industry and its fiscal plans that would amount to double taxation for foreign industries. French investors have told him they do not like finding the ground rules changed after they had already committed themselves very heavily.

Canadian stockbrokers and investment firms established in Paris for some time report their clients are very disturbed by the confusing provincial-federal relationship; the pronounced socialization trend in several provinces, the state of Canadian stock markets and other factors. Their business is low and Dominion Securities Harrison partners plan to close its Paris office. Phillip Garrin, head of Luvec Beaubien etc., in Paris says Canada's image is very bad at the moment.

If I might run down the article a little further, and pardon my Diefenbaker French:

December 10, 1975

Claude Decoster, vice-president of the Paris office of McLeod, Young, Weir and Company says some of the big French institutional investors like The National Bank and Credit Lyons are reducing drastically their Canadian portfolios.

Here is one that just may interest you:

In an interview Jacques Peccia-Gelleto, director general of the Society Mochta of the Rothschild group disclosed his company is postponing a final decision of investing \$80 million between now and 1980 in the new uranium mine at Amok, Saskatchewan. (If I fouled up the pronunciation of it I apologize). The fiscal regime presently projected by the provincial government is such that we could not pay back our debts in a reasonable way, he said. We hope very much that the door is not closed and that a solution can be found. Mochta had planned to make its final investment decision in mid-December.

The top executive of a French potash firm earlier marked for nationalization in Saskatchewan said it was not the takeover aspect as much as the double taxation aspect which preoccupies him. We must be assured of enough profit to justify our investments. Canadian trade officials here admit they are finding it difficult these days to project an attractive image for investment in Canada. France is among Canada's biggest foreign investors.

Well I suppose we can ask ourselves what's the significance of that; if we do have to ask ourselves that question then we are really in trouble in this province.

I can only close by saying that this entire concept is stupid and shortsighted.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — I say that it is stupid and shortsighted even if it were a self-liquidating debt which is highly doubtful. I say it is stupid and shortsighted because of the precarious and uncertain times that face us.

The potash industry is well established here. The private sector has put up the money, is taking the risks and providing a tremendous amount of money to the provincial Treasury. Even if we are able to borrow the necessary funds, and even if it were a self-liquidating debt, we are still tying up credit in order to do something that is already being done.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — It is not only a question of regulating the potash industry. But what about the future energy requirements of this province? The experts in this field vary their predictions from one extreme to another in a matter of months. What happens if a crisis condition arises that is far too big for the private sector and consequently must be done by significant government involvement? Syncrude is a prime example. With inflation taking many energy projects out of the reach of the private

sector, government involvement may very well have to be significant in future years. If our credit has been severely limited by this pointless incursion into an already producing industry, future generations will point a most condemning finger at this Government.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — I trust the Attorney General noted last week that the Government of Ontario, which incidentally has a credit rating of "AAA", one of the highest in the world, presented a bond issue of Ontario Hydro. This offering was equivalent to the latest issue of Canada Savings Bonds in every respect. I trust the Attorney General noted that the public didn't exactly snap up the issue overnight. In fact, a large portion of the offering had to be significantly discounted in order to sell it out. Bear in mind, this is a province with a vastly higher credit rating than Saskatchewan, having a problem. The significance of this is obvious. The bond buying public is suspicious of government. The day is rapidly approaching when the public will not shell out money to government via bonds carte blanche. I trust the Attorney General and his Government has heard of the city of New York.

Mr. Speaker, through you and the people in the press gallery, I should like to address a very few brief remarks to the business community and anyone who believes in the principles of freedom of enterprise.

The past several years have resulted in unprecedeted incursions by government into the marketplace and the system that has given Canadians one of the highest standards of living in the world for 108 years. For too long, you have left it for politicians to fight your battles. Too often there has not been a battle, but rather a default.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — The socialists in this Legislature have become aware of just how easy a mark you have become. You are rapidly running out of room in which to retreat. You must now decide whether you will stand and fight or once again lose by default.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — To lose by default is spelled D u m m y. We need your help, we need your voice and we need your action. It is potash today and it may very well be you tomorrow.

SOME HON. MEMBERS: — Hear, hear!

MR. THATCHER: — Mr. Speaker, I'll be supporting the amendment of the Member for Regina South (Mr. Cameron) and I would beg leave to adjourn this debate.

Debate adjourned.

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Shillington that Bill No. 16, An Act to Amend The Residential Tenancies Act, 1973, be now read a second time.

MR. E. F. A. MERCHANT (Regina Wascana): — Mr. Speaker, I should like to tell you I am pinch hitting for Mr. Collver, but that's not quite the case.

Mr. Deputy Speaker, in the course of this debate the Liberal policy towards The Residential Tenancies Act will become apparent but we begin by saying, however, that this is not a good Act. The Opposition will be presenting amendments to the Act and we hope that those amendments will be passed by this House, turning legislation which can best be described as better than nothing into good legislation.

Nonetheless, Mr. Deputy Speaker, it is not our intention to throw out the baby with the dirty water. Let me begin by saying that we are alarmed at the obvious continuing reluctance of the Government to bring in an anti-inflation program. When we indicated in the Throne Speech that we would support an anti-inflation program as would the vast majority of this province, we expect and the people of this province expect that a sound program would be brought in before the Christmas recess. Instead all that we have seen is a lack lustre, confusing performance in Ottawa by our Minister of Finance, threats to professional incomes and a Residential Tenancies Act which, though needed, is in many ways extremely unfair. We are becoming concerned that the Government proposes to use as an umbrella the anti-inflation program to get some of its traditional enemies and to get landlords whether they have been gougers or not. We are growing concerned that this is a cover-up of a totalitarian attack upon certain groups which the Government has wanted to get for many years.

Mr. Speaker, let me now turn to the Act itself. I hope there is no illusion by any Government Member about the effect which this legislation will have on construction. It will wipe out construction as it has in other cities and in other jurisdictions. A headline of the Winnipeg Free Press of some months past reads: "Rental Control called most Efficient way to Destroy a City except for Bombing." And I think that definitely is the case. Wherever rent control has been tried it constricts rather than promotes supply, it strangles the market's ability to make optimum use of the stock of structure that already exists and it hastens its deterioration.

Rent control has been described as the confidence trick of the century, because it gives the appearance of a solution while indeed creating a greater and more serious problem for the future. We are going through a time of legitimate tenant discontent. Rents in Regina and Saskatoon particularly have been increased dramatically, and the gougers in the industry can take pride for having brought upon their entire industry rent controls which contain the seeds for the destruction of the apartment industry for years down the road. The problem has been for older people particularly of tragic overtones. Small incomes whether they be of senior citizens or those of limited earnings have been faced with the impossible task of keeping up with \$20 and \$30 and \$40 increases which has taken place as many as three times in the last 15 to 16 months.

The question then becomes, is this the solution. Rent controls operate in many parts of Europe. It has been in effect in New York city for more than four decades, it is found in San Francisco, Chicago, British Columbia, Quebec and it is springing up all across the country. Indeed though rent control doesn't exist in British Columbia it is rent review and I'll explain that distinction in a moment. Governments brought in rent control everywhere as this Government has, as a panacea solution. The practice wherever rent control exists of 'key money' quickly develops. Key money where the landlord or the tenant sold the right to their accommodation for the incoming tenant. Now this Government chose to implement rent controls, rather than rent review, as I said which Quebec has had for some time. They apparently, in bringing in this legislation, Mr. Speaker, thought that rent control was more appropriate.

The way rent review works is that when a tenant is gouged they come to a commission rather than having the improper and overwhelming meddling of government, which is required by rent control. Rent review is not as absolute a step into the private rights of the landlords and the tenants. The disadvantage of rent review compared to rent control is the large numbers of people who must be involved to make the system work.

In Quebec, for instance, they have a staff of over 400 to make rent review operable. Seventy-five of those 400 are lawyers. In British Columbia, albeit with a smaller population, a mere 20 makes that rent control operation work. Our Government I suggest in opting for rent control rather than rent review is putting cost ahead of the more flexible and thereby fairer system of rent review and is putting cost ahead of the problems which this overwhelming intrusion into the free market operation may create.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — What effect is this having on some individual landlords? Mr. Speaker, let me give you three examples within my knowledge, three examples, and I suggest these examples are common throughout the industry. The Minister said landlords will get the higher of ten per cent or their costs. I hope he means that but for the three landlords, the types that I will describe, if that is not well meant these three will actually be wiped out.

The first is a company which owns a large apartment complex. They are a company, they have other holdings, so that it may be that this Government, at least, will be less sympathetic towards their position than others thinking that they can average out their position. But from the projects within our constituency they are in fact losing money. They had been low in the first place, their rents were not gouging and the real problem with the way this plan will work for them and for others, is that it freezes in the inequities. The gougers who were overcharging go on overcharging. They get their ten or eight or six per cent while the honest and fair landlords who were undercharging are really hurt because they will now be frozen at those unnaturally low rates.

The second example is a different kind of landlord. A man and a woman living in the cathedral area of Regina. They own about 15 homes. They indeed earn their living buying rental

accommodations, fixing up those accommodations, renting them out, paying the mortgage payments and doing the best they can to survive on what's left. They buy rundown rental properties, fix them up. They own houses which were renting for \$125 and \$150 a month last year but since then they have spent \$5,000 and \$6,000 and \$7,000 fixing them up and they will be rolled back nonetheless to December, 1975 rates plus ten per cent. They will in many instances actually be losing money on those houses after the rollback. Their livelihood is made by appropriate rentals in relation to the house as it is fixed and they stand to lose almost everything they have, unless some changes are made in this legislation.

Certainly I can tell you that that kind of person will never fix up another home and indeed that is one of the biggest problems of rent control legislation. Rent control legislation encourages deterioration. We have seen, for instance, in New York City that it doesn't pay to fix a building up and in that way this plan, as with all rent controls, is bad.

My last example is the most harsh of all. A family who owns a small apartment building, indeed, they live in our constituency. The man is a tradesman and every nickel that he and his wife have ever earned, and they are older people, is tied up in that apartment building. She worked when they were younger and they bought an apartment building in 1969. They have, for example, a building right next door to them which happens to be an identical building. They held back on rental increases, they were concerned about their tenants. The man next door gouged as hard as he could. The result was that in December of 1974, the proposed base month by this Bill, the people living in our constituency were charging \$120 per month, the man next door for the same accommodation was charging \$230 for identical suites. Now they will revert from their modest \$170 to \$142.50 and actually have to pay something back. Identical suites next door will go to \$273 next year, over \$100 difference between identical apartments and that inequity by this Act is built in forever.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — Mr. Speaker, that couple will actually be losing money because of the size of their mortgage payments which were increased last year. Mortgages have increased, expenses have increased, insurance has increased, gas rates have increased, all have been increased and in part because of the Government. And this couple with that apartment building is considering giving their apartment building back to the mortgage company and suffering the complete wipeout of their investment. They are not a particularly young couple. I, indeed, told them to hold on to see what happened to this Bill but their equity with that frozen rental is absolutely wiped out.

Those are three examples of the unjust way that this Act operates and we believe that something has to be done about it. When the Minister says, "The greater of ten per cent or their costs", I hope that he means it and that some of these situations will be remedied in the name of justice. I hope that the rent control legislation is handled fairly though from judging this Government in the past I suspect that it well may not.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — Landlords, incidentally, have some particular expense items in Regina which should be considered. The most important of those particular expense items are fire regulations, which this year, after the base year was set, will cost many landlords from \$1,000 to \$2,000 per suite to comply with new fire regulations which have been imposed by the Government. Their costs have gone up dramatically in that way, gas, power and insurance rates have gone up dramatically and the Government has repeatedly indicated they will not roll back those rate increases.

The Government demands that some landlords actually suffer a loss yet this Government is not prepared to cut back one iota on its increases though the profit margins in the Crown corporations are ample profit margins and Crown corporations are supposed to serve the people.

I mentioned amendments to this legislation. First we suggest that it is atrocious that the Government told us that they will not go along with the Federal Anti-inflation program because it was a three-year program and not 18 months and then when they bring in their own Bill under the guise of an Anti-inflation Act they don't put a limitation on the legislation.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — Now having been told by the Federal Government that an 18 month limitation will apply surely the controls of this Bill should expire in 18 months. All controls should operate in the same way. If we hope to have any construction in this province in the private sector, absolute guarantees have to be made to potential investors that this legislation will come to an end although judging from the way your Government treats other guarantees in the resource industries I am not sure that investors would put much credence in a guarantee of any sort from Members opposite.

We will be suggesting that the base month in a second amendment be tied to the imposition of the Federal Anti-inflation program. That base month is not as specific as one might like but it certainly isn't a base month of December of 1974. We all realize that there have to be rollback provisions. Some of the gougers within the industry in anticipation of rent controls attempted steps to avoid those controls. My colleague the Member for Lakeview (Mr. Malone) has tenants under whose door rental increases were actually slipped the night that the Prime Minister announced his increase. We knew that some rollback had to be forthcoming, why, however, is the base month set for a time dramatically different from the base month and the base year of the federal program? Controls are supposed to apply in every sector of the economy in an equal way. They are supposed to push in on all sectors at once. Only then are they fair. A base month under the national program doesn't really exist in a specific way as it exists under this legislation. The federal program indeed deals with base years. The base year of the Anti-inflation program for wages is the last year of the contract which expired if there were a contract or the last year when the company reviewed its salaries and let me explain that system by way of examples.

The communications workers for instance represent employees at Sask Tel. If their contract, and I don't recall when it did expire, if their contract expired on the 1st of May, 1975, the base year for the purposes of the federal guidelines would be from May 1, 1975 to the end of April of 1976 and the base month would be the last month of that contract.

The second example would be an employer who doesn't have a trade union and doesn't have a collective bargaining agreement. Suppose that employer ordinarily reviews salaries in June of each year the base month under the federal program would be May of 1975.

A third example is a trade union or workers' group whose contract perhaps expired in August of this year, or perhaps September, but no new contracts had been made before the wage and price controls were announced October 14 by the Prime Minister. In that example the base year would end on the month of the last legitimate contract, August 31 of 1975. The base month would be August of that year.

I said that under the federal program the base month isn't as specific a month as it is under this Act. But it doesn't take much imagination to realize that it won't go back to December of 1974. Going back that far moves us well before any controls were considered. It doesn't take much imagination to realize that the heavy gouging by landlords took place over this past summer, as the controls talk increased in Saskatchewan. A rollback to December of 1974 is unfair and will result in terrible injustices.

We recommend that the base month be tied more meaningfully to the federal base month and that would not be December of 1974. If the rent control legislation is brought in under the umbrella of the federal anti-inflation program, then it should apply as does the federal anti-inflation program.

I say to the Hon. Member whose constituency is significantly working class, I hope that when you suggest to me that the base month should be later than December of 1974, you are as well prepared to go back to the unions that you choose to represent and say to them the base month will be December of 1974 and offer them a rollback to December of 1974 and tell them that they should pay back some of the money that they have received in October and November and December of 1975 and you do that and come back to this House in 1979 and then I'll be impressed with your oratory.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — I mentioned earlier, Mr. Speaker, that I believe this Government is trying to attack landlords as a group of people. Governments ordinarily follow the patterns set in other jurisdictions, particularly when those patterns are working well. That argument is given credence by the fact that our Provincial Government when I suggest to you that they are attacking landlords, I say that argument gains credence by the fact that the Provincial NDP Government is ignoring recommendations handed down by the Housing and Rent Control study of British Columbia which was published on the 20th of October of 1975.

British Columbia has had a rent control program for some time. The study is a lengthy study and I'm sure it's been considered by the Government. In the main this Act ignores the recommendations of that study implying to me that in Saskatchewan they are out to get the landlords.

We all accept that something has to be done with the people who have been sticking it to the tenants of this province. But even the NDP realized in British Columbia that they had to ensure that they did not destroy the industry by their legislation.

Well we have the offhand guarantee delivered by the Ministers in the House that landlords will receive ten per cent of their costs, ten per cent over their costs. The British Columbia study says that increased rents should be based on the three elements, three elements that they proposed to enshrine and that this Government should look at very carefully.

- a. A basic allowable rent increase designed to compensate landlords for increases in all operating costs, except taxes.
- b. The amount of actual tax increase attributable to each rental unit.
- c. An added amount designed to deal with the effects of inflation on the landlord's rate of return on investment.

Now they go on and I'll refer to those matters but let me first say that it's obvious when we bring in a ten per cent increase based on December of 1974, that that may be fair for the gougers who owe something back to the tenants, but it doesn't even keep pace with the current inflationary pressures, so that the landlords during this year will have fallen behind against inflation, when you consider that the ten per cent is based on an inappropriate base month.

People are asking why Saskatchewan chose not to bring in a fairer rent control program, particularly when they had the British Columbia program to look at.

The British Columbia program and study goes on to indicate that landlords with operating expenses which are out of the ordinary or who undertake major renovations will be able to recover those costs on a special application. And landlords who are charging a below average rent will be able to obtain an increase. A below average rent like the example that I gave to you a few moments ago. Those are both good suggestions for this House. Even the NDP cousins of this Government, David Barrett and company proposed to be fairer with their landlords than does this Act.

The British Columbia study suggests that new construction be exempted for the first seven years. Again contemplating the problem with which this Government seems to ignore, namely that rent control may be a short term solution, but it is as well a long term cause of even greater problems.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — This Government adopted the rentalsman concept from British Columbia and I approve of the rentalsman concept. As landlords well know they were bound by the provincial mediation board and by certain court procedures in any event and the rentalsman procedure simply takes away some of the expensive and time consuming trappings involved in getting a solution solved by the courts.

But the very fact that Saskatchewan adopted from British Columbia the rentalsman and looked at their legislation and recommendations, but ignored the way that that Act and that study proposes to keep the industry going in British Columbia, seems to indicate that the Government of Saskatchewan was specifically ignoring the study conducted in British Columbia and is specifically out to get the landlords of this province.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — We have to control the gougers. We have to provide a fair and adequate return to landlords and we have to encourage new housing. Now how can those three aims all be accomplished. I say they can, but that Government with its narrow perspective clearly says that it cannot.

I spoke last night about the Government of Saskatchewan becoming involved in financing of apartment projects through the private enterprise system. That policy is working well in Alberta. Regina and Saskatoon have the lowest vacancy rate in the country and that means that the long term danger for us in Saskatchewan is the greatest. It also means that our Provincial Government is the greatest. It also means that our Provincial Government should be taking steps now to put some public money into housing. The Province of Saskatchewan has one of the worst housing programs in this land.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — Got a Minister instead of a program. Money should be available to assist in the private development of apartments.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — I was suggesting, Mr. Speaker, that this province should not expect that Ottawa do it all and that that's the tendency of the Members opposite.

Other provinces know that Ottawa can't solve all of the problems within their jurisdictions and other provinces have acted, particularly Ontario and Alberta. Saskatchewan sits on its hands and if our Government continues to ignore the problem, the problem will grow to gigantic proportions.

Secondly, Mr. Speaker, the Government should accept that the rent control program has to end on a specific date. Since this Government demand is an eighteen month program, obviously eighteen months is the appropriate time frame. The NDP must categorically guarantee to potential investors if we are going to have an industry in this province, first that it will end in eighteen months and second that potential investors will know for certain that the Government will adhere to their pledge and that the Government will not be moving into this industry.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — I'm shocked, shocked to have read on the 26th of September of this year, that the Minister of Housing is talking about the Government going into the construction business. It makes me suspicious frankly, Mr. Speaker, that the rent control Bill so obviously more anti-landlord than a rent control bill need have been to control gouging, that the rent control Bill is designed to be the forerunner to drive private industry out, so that then the Government can move in and fill that vacuum.

The Minister of Housing and the Government Whip have both made comments and statements to the effect that the Government may be moving into public housing. They have frightened landlords and potential investors throughout this province.

To allay their fears the Government should categorically announce that they do not intend to move into that field and that they are encouraging investment in that field before it's too late.

Mr. Speaker, other . . .

AN HON. MEMBER: — . . . what . . .

MR. MERCHANT: — I hate to interrupt you when you are talking.

Mr. Speaker, other members of our caucus will be moving amendments as this debate continues.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — We will be moving an amendment to change the base month to a more meaningful month. We may well move an amendment to float that base month in accordance with the anti-inflation program, and second we will move that controls will expire after 18 months.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — Mr. Speaker, as I have said the Liberal caucus has a great many concerns about this legislation as it is proposed. But as I have also said, we will not choose to throw out the baby with the dirty water. We hope that the Government will accept the amendments by the Opposition which will improve and strengthen the rent control Bill, allowing it to help tenants without destroying landlords.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — Mr. Speaker, thank you.

MR. P. P. MOSTOWAY (Saskatoon Centre): — Mr. Speaker, it certainly pleases me to rise and speak in support of this Bill. Before I get into the meat of what I really want to say, I want to reply to some of the comments in regard to what the Hon. Member preceding me just said.

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Now if I could just sum up what he did say, it would seem to me that he doesn't do very much reading, because it's obvious that his facts are distorted or else they are way out of date.

Now I want to just take up some of the points that he had mentioned. First of all it would appear to me that he isn't aware that there is an appeal mechanism built into this Bill, to protect . . .

AN HON. MEMBER: — . . . you weren't . . .

MR. MOSTOWAY: — Well, you certainly didn't sound like it when you were talking here. It seemed to me you were trying to buy it under all the other nonsense that you came up with.

There is an appeal mechanism and this Government took steps to set up an appeal mechanism to protect the numerous good and just landlords in the province. When you were talking about new construction, if you are aware that new construction is exempt for five years, it certainly didn't sound as if you were aware of that.

Now, Mr. Speaker, I really can't understand the Members opposite when the Federal Liberal Government asks that steps be taken to fight inflation.

SOME HON. MEMBERS: — Hear, hear!

MR. MOSTOWAY: — Now they ask that steps be taken to fight inflation and when this Government does, they hack away at our position and Bill. It is because we have a New Democratic Government. What we are doing happens to coincide with the request of the Federal Government to institute rent controls. When that happens they are against it.

SOME HON. MEMBERS: — Hear, hear!

MR. MOSTOWAY: — Now, may I also say in regard to another point that the Hon. Member made, if he's so hung up on the retroactive feature of this Bill, then I would suggest that in 18 months you come and propose in this House that we take off rent controls, and we certainly will be waiting to hear from you, Hon. Member.

Another thing, the Hon. Member suggests that we ask union members to give back some of their pay, that there be a rollback in their pay. Now we have never suggested that the workers of this country have been gouging, and I maintain that's the implication of what you said, Mr. Hon. Member.

The Hon. Member talks about housing starts. Well it's a well known fact that the number of housing starts, percentage-wise in Saskatchewan, is better than any, than the record of any other province in Canada and has been for the past number of years.

SOME HON. MEMBERS: — Hear, hear!

MR. MOSTOWAY: — Mr. Speaker, I wish to spend a few minutes on this Bill.

AN HON. MEMBER: — . . . Federal Government money.

MR. MOSTOWAY: — No, it's not all Federal Government money, Mr. Hon. Member, but I wish to spend just a few minutes on this Bill because I believe that drastic action is required in an attempt to solve a drastic situation.

SOME HON. MEMBERS: — Hear, hear!

MR. MOSTOWAY: — Now you may recall that in replying to the Throne Speech I had occasion to mention that Saskatoon Centre constituency has the largest number of voters of any constituency. Now what I neglected to say is that a very high percentage of those voters in Saskatoon Centre constituency are renters. It's really on their behalf that I am speaking here today.

SOME HON. MEMBERS: — Hear, hear!

MR. MOSTOWAY: — I would image that you will hear from various other Members on this side who are interested in the plight of the renter and not always in the plight of the big landlords such as Members opposite.

Now, I'm not one who will say that rent controls are the perfect solution because they certainly aren't. I say this because I believe they have a tendency to lock in or perpetuate inequities, particularly from the renter's point of view.

Now, if we assume that all rents asked for are either fair or too high, one can then easily see that at a set rate of increase allowed all landlords will further benefit the unfair landlord at the expense of his or her renters.

But, Mr. Speaker, I can see no other reasonable solution to the problem, so I endorse the Bill without hesitation and without any real reservations. Mr. Speaker, the fact that such a Bill is required in this province and I believe most other provinces in Canada only proves that this nation's housing policy is absolutely ridiculous. Now this is not to imply that I am not aware of the good job being done by the Saskatchewan Housing Corporation, because I am aware of that fact, and I think most other thinking Members in this House are aware of that, too. I do, however, want to go on record as saying I believe the Federal Government allowing mortgage rates to soar away up over 12 per cent is cold, cruel, callous and typical Trudeauian, if I may call it that.

Where are the subsidized mortgage rates promised by the Trudeau regime before the last federal election? Have any of you seen them? They went through the shredder, certainly.

Now, Mr. Speaker, if we can house senators, such as the Federal Government is doing, in plush accommodations for their afternoon naps, surely we can and must provide subsidized mortgages to provide decent housing for sleeping babes, their mothers and their fathers.

AN HON. MEMBER: — What kind of babes?

MR. MOSTOWAY: — Well, that is another topic. It may or may not be of concern to some gentlemen in this House. And who would deny that unscrupulous land speculators are not gouging and driving up the price of housing of our citizens.

Mr. Speaker, most of these so-called speculators are gouging, but at this point I should mention that most are not true speculators because who in this House can name an urban land speculator 'who has gone broke over the past number of years'? I can't think of any, Mr. Speaker. No speculation is ever really present, and this activity is really only for those who have vast amounts of capital and want a solid investment at terrific rates of interest, and profit. In this regard, Mr. Speaker, may I suggest that the Government fully involve itself in a plan to squeeze out these so-called speculators (we don't need them) who only drive up the price of housing, more often than not, for the benefit of corporations or companies, and it seems to me that the majority of them are based outside of the province.

At any rate, Mr. Speaker, I believe rent controls are necessary. I can well remember a few years ago when our senior citizens received a nice little increase in their pensions.

MR. STEUART: — From the Federal Government, bless their hearts!

MR. MOSTOWAY: — Well it would seem to me, Mr. Opposition Leader, that they are in a position where they need a lot of blessings these days. But I tell you, that won't do the trick. Now I believe that this little increase that they got amounted to approximately \$20 per month. And what happened to rents at about that same time? Well, Mr. Speaker, they rose \$20, \$30 and even \$40 and in some cases \$50 per month, with no benefit to those citizens.

MR. MESSER: — What did the Federal Government do about that?

MR. MOSTOWAY: — They did absolutely nothing in their coldness and callousness.

SOME HON. MEMBERS: — Hear, hear!

MR. MOSTOWAY: — And you know there was a reason for that, because those gouging landlords, mainly big landlords, are aware that our elderly are loathe to move. They don't want to move at all, and they knew that they had them trapped. And I don't recall any Members opposite ever saying one thing about the gouging that took place at that time. You know, Mr. Speaker, when some of those elderly people received pension increases, it really amounted to a decrease. Not a word from Members opposite who sat in this House at that time. What about the present day situation, Mr. Speaker? Rents increased in some cases up to 150 per cent in the past year, and why? Certainly not because of a 100 per cent increase in cost to landlords, although some would say that the costs have increased due to anything, the Human Rights Commission, the Human Rights Association, ingrown toenails, you name it. They blamed everything in the book. Well, why again? I believe some landlords thought they would get in there and get their increases before controls came into

effect, and this is the very reason I commend this Government for the retroactive feature of this Bill.

SOME HON. MEMBERS: — Hear, hear!

MR. MOSTOWAY: — For those who took too much will be compelled to return those amounts to the rightful owners.

Mr. Speaker, one Member opposite, who isn't in the House at this time, claims that there should be a right of appeal to the courts. Now that is just the sort of nonsense that should be avoided at all costs.

MISS CLIFFORD: — No appeal?

MR. MOSTOWAY: — Oh, no there is an appeal. If you will just stop to listen, I will be pleased to enlighten you. Now doesn't that Member who made that statement saying that we should go through the courts, know that when the courts are asked to involve themselves, that automatically gives an unfair advantage to big landlords who usually retain a lawyer or two just for such purposes.

AN HON. MEMBER: — That's right from the horse's mouth. You know all about it!

MR. MOSTOWAY: — Right from the horse's mouth. That's right.

MR. LANE: — Why don't we throw out the courts?

MR. MOSTOWAY: — Mr. Speaker, the Hon. Member there is suggesting that we do away with the courts. And I say that's a bad move, because we do need protection from some neutral agency such as the courts from people such as himself, possibly.

Doesn't that Hon. Member who suggested that we take things to the courts, know that the vast majority of renters would sooner avoid the courts and pay unjust rent increase. Now, Mr. Speaker, in matters such as these, renters don't want the courts because the courts frighten them. The loss of time frightens them and some (but Mr. Attorney General) not all lawyers frighten them. And this is why I think it is a stroke of genius that this Government chose to ignore this route . . .

SOME HON. MEMBERS: — Hear, hear!

MR. MOSTOWAY: — . . . in favor of an impartial rentalsman, or possibly a commission to allow or disallow rent increases. It is here, Mr. Speaker, that I find a massive inconsistency on the part of the Members who sit on your left. The spokesman for one group asking that the courts and high priced lawyers be asked to involve themselves at terrible expense and inconvenience to renters. And then there is that other group who know, in their hearts, that the Bill is good. We know that they know that the Bill is good, but they insist on sidetracking the issues by trying to bail out the Federal Liberal Government's unwillingness

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to halt inflation by taking bold and imaginative steps in regard to the acute shortage of housing.

Mr. Speaker, I have other goodies that I wish to present to this House in regard to this Bill and at this time I beg leave to adjourn debate.

SOME HON. MEMBERS: — Hear, hear!

Debate adjourned.

The Assembly adjourned at 5:30 o'clock p.m.