

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Eighteenth Legislature
21st Day

Friday, April 9, 1976

The Assembly met at 2:30 o'clock p.m.
On the Orders of the Day.

INTRODUCTION OF GUEST

MR. M. KWASNICA: (Cutknife-Lloydminster) — Mr. Speaker, through you, and to the Members of the House, it is indeed an honor for me to introduce to you, Chris Paterson, of Marsden, Saskatchewan. Chris is here with his parents and his sister Kelly. The significance of Chris' visit here today is that Chris is the first Saskatchewan protege of the Champ program under the War Amputations of Canada. He is here today and he presented Premier Blakeney with the first War Amputations Key Tag for 1976. I want all Members to welcome him here and wish them a safe journey home.

HON. MEMBERS: Hear, hear!

WELCOME TO STUDENTS

MR. A. THIBAUT: (Kinistino) — Mr. Speaker, it gives me great pleasure to introduce a fine group of Grade Eight students from the Aberdeen School. They are led here today by their driver Art Cavill and Mr. Ted Thacker and Mr. Nick Peters, their teachers. They make this trip to Regina every now and then. I am sure that their trip here today is going to be a very interesting one and educational. I also want to wish them a safe journey home. Later on, I will be asking leave to introduce another fine group of students from Birch Hills. They are not in the galleries yet but will be later on.

HON. MEMBERS: Hear, hear!

MR. R. NELSON: (Assiniboia-Gravelbourg) — Mr. Speaker, it gives me great pleasure to introduce a group of Grade Eight students from the Gravelbourg Elementary School in the east gallery, along with their teacher Real Forest and their drivers Mrs. Piche and Mr. St. Amand. I hope they enjoy their stay in the Legislature and I will look forward to meeting them in Room 267 after 3:00 o'clock.

HON. MEMBERS: Hear, hear!

MR. P.P. MOSTOWAY: (Saskatoon Centre) — Mr. Speaker, I too, along with the MLA who has Aberdeen in his area, would like to welcome the students and teachers of Aberdeen School. I know many of the students, many of the parents and many of the teachers. I, too, hope you have a good day and a pleasant journey on the way home.

HON. MEMBERS: Hear, hear!

MR. G. PENNER: (Saskatoon Eastview) — Mr. Speaker, it may well be that Aberdeen will be the most welcomed group of students that have visited the House this term. They may not be in the best constituency in the province, I will leave that to the judgment of the House, but they are certainly in the best school unit in the province. I too, should like to join in welcoming the students from Aberdeen, the members of the staff, I wish them a good day and a good trip home. Take my greetings back to Mr. Crozier-Smith and the staff please.

HON. MEMBERS: Hear, hear!

MR. R. KATZMAN: (Rosthern) — Mr. Speaker, I guess I will be the fourth to welcome them, seeing as part of them are from my constituency. I hope they have a good day here.

HON. MEMBERS: Hear, hear!

MR. SPEAKER: — Oral questions. The Leader of the Opposition.

QUESTIONS

FIVE PER CENT CUTBACK IN HOSPITAL PATIENT DAYS

MR. D.G. STEUART: (Leader of the Opposition) — Mr. Speaker, I'd like to direct a question to the Premier in the absence of the Minister of Health. In the announced cutback by five per cent hospital patient days, announced by the Minister of Health on behalf of the Government of Saskatchewan, is the Premier aware that this will work relatively a far greater hardship on the larger hospitals in the Province of Saskatchewan where the waiting lists, for example, in Regina, are already quite long, than it will in some other areas of the province where, in fact, the smaller hospitals don't have any waiting lists at all? Is he aware that this will be the result and if he is aware, is he prepared to announce any steps that will alleviate the situation in those major hospitals in the province where there is already a waiting list? This sort of across the board cut will work a much greater hardship than it will in some of the rural hospitals.

HON. A.E. BLAKENEY: (Premier) — Mr. Speaker, I think that the measures taken to restrain the growth in the health costs will undoubtedly have an impact and will cause some real difficulty for hospital administrators. I think that there will be instances in which the impact will be difficult for small hospitals, instances on which it will be difficult for big hospitals. I think it will cause some difficulty for all hospital administrators as indeed it will cause difficulty for the Government. I think all we can do is ask administrators and hospital boards and others to make the best of what is, undoubtedly, a situation which all of us would like to avoid.

MR. STEUART: — A supplementary, Mr. Speaker. I wonder if the Premier does not have these figures, and I would understand if he

hasn't, would he take it as notice or pass the notice on to the Minister of Health, when he decides to get his nerve up and come back into the House after this announcement. The exact number of beds, the reductions; the exact number of beds this will mean in the four major cities, cities of Saskatoon, Regina, Moose Jaw, and Prince Albert; how many beds will this mean will be cut out after July 1, not available to the people of Saskatchewan in those four major centres. I wonder if he has any idea of that figure now, if he hasn't will he take it as notice either for himself or for the Minister of Health on Monday or Tuesday?

MR. BLAKENEY: — Mr. Speaker, if I relied on my memory it might be in error, and accordingly I will ask the Minister of Health to secure those figures and report to the House.

MR. G. PENNER: (Saskatoon Eastview) — A supplementary, Mr. Speaker, to the Premier. Is it a fact SHSP has recommended staff reductions in its recent line-by-line budget analysis with hospital administrators?

MR. BLAKENEY: — I think those larger hospitals which are on global budgets are probably what the Hon. Member is referring to, although it may not be. I will attempt to deal with both.

The larger hospitals which are on global budgets and therefore don't sustain, strictly speaking, a line-by-line analysis, have been in a three year global budget period which is now up for review and are being reviewed. No doubt the recommendations along that line might be for staff reductions, I don't know that. With respect to line-by-line, I wouldn't be aware of what recommendations will have been made by the SHSP staff who go over the budgets with the hospitals. I think they will vary from hospital to hospital. But I have no doubt that in some cases those recommendations would have suggested staff cuts.

MR. PENNER: — I wonder if I could pursue that with a further supplementary, Mr. Speaker. The Premier may wish to take this as notice, along with the question that the Member for Prince Albert-Duck Lake asked. Would you be able to tell us what the number of personnel cuts were for example in the nursing area and in other staff components, at least those that were recommended? If you don't know I would like you to take that as notice and provide us with those figures as well.

MR. BLAKENEY: — Yes, I will take that as notice. I think that it will be appreciated that to say 'recommended' is a loose term in the sense that with a global budget the suggestion would be that the figure be lowered by such and such an amount and that the result might be achieved by staff cuts or in some other way. But in any case I will take it as notice and ask the Minister of Health to secure that information and respond.

AMOUNT OF CUTBACK IN FEDERAL COST-SHARING HEALTH PROGRAMS

MR. R. NELSON: (Yorkton) — Mr. Speaker, I'd like to ask the Premier a question about the amounts in dollars and cents of the cutback in the Federal Cost-sharing Program in the health programs and the percentage of cutback in that same program?

MR. BLAKENEY: — Mr. Speaker, I don't have that information either, which will surprise Hon. Members. I think I will ask the Minister of Health to look into that and if he feels that he has that information, to respond.

MR. R. COLLVER: (Leader of Progressive Conservatives) — A supplementary question, Mr. Speaker. Is there a corresponding cutback in the payments under the global budget system to the community clinics in the Province of Saskatchewan as that which you have announced with regard to the hospitals in Saskatchewan?

MR. BLAKENEY: — Basically the community clinics are paid for providing physician services and not hospital services, although some of the services they provide are akin to hospital services, i.e. radiology in some cases and the like. Since the great bulk of their payment is with respect to physician services, these tie in really to the payments made to physicians under the Medical Care Insurance Commission. That is the usual basis for comparison, rather than the payments to the hospitals.

MR. COLLVER: — A supplementary, Mr. Speaker, is the Premier not aware that many of the hospitals in Saskatchewan pay physicians directly an annual salary in the same way that the community clinics pay the physicians an annual salary and that the community clinics have x-ray and laboratory and community health workers the same as hospitals have, the same kinds of employees. And my question is: is there going to be a corresponding cutback in moneys provided to the community clinics as there is in cutbacks of moneys provided to the hospitals in Saskatchewan? A simple question.

MR. BLAKENEY: — I think it is a simple question which is predicated on a simple statement of fact that there are a large number of hospitals that pay doctors on salaries and I think this statement of fact is not a fact. Therefore, I think the whole substance of the question is hypothetical. There are remarkably few hospitals who pay practising physicians on a salary. The University Hospital may be one, obviously, but thereafter we run out of gas pretty fast. I really am not aware of any hospital other than a university based hospital which does regularly pay a salary, except possibly to a pathologist or radiologist. But there may be some. Accordingly, since I am not totally informed — I rather think I am better informed than the Member for Nipawin on this point — but there may be some argument there, and I will ask the Minister of Health to look into this and report.

CUTBACK TO ALCOHOL COMMISSION

MR. C.P. MacDONALD: (Indian Head-Wolseley) — I would like to direct another question to the Premier. The Minister of Health and the Government immediately said, preventive services are the most important direction that health services should go in Saskatchewan. Is the Premier aware that the largest profit in the history of the Liquor Board will be realized by the Province of Saskatchewan this year and there are some indications by the Minister of Health (Mr. Robbins) that this year one of those services that will be cut back is money granted to the Alcohol Commission. Is this a fact and could the Premier indicate or give notice as to whether

or not and the total amount of what that cutback will be?

MR. SPEAKER: — Order! We are getting into an area where we are moving up the committee work, which I am not supposed to be here for, in the first place, and the detailed discussion which should be discussed in Estimates. I think there has been that shading on a number of the questions that have been asked. Secondly, I am not prepared to admit that I recognize that as being an urgent matter at this time. Next question.

MR. MacDONALD: — A further supplementary, if I might. The one that bothers me, Mr. Premier. Does the Premier agree with cutting out of one of the very important self-help programs to Indian people if you cut back in services for their battle against alcohol in Saskatchewan?

MR. BLAKENEY: — I am not aware of the point of the Hon. Member's question.

MR. SPEAKER: — Order! I am still not impressed with the urgency of the matter. It is a matter that can be discussed in committee on the Estimates. If the Member is wishing to refresh the Premier with the newspaper, that is out of order as well. Next question, the Member for Rosthern.

MORRIS RODWEEDER

MR. KATZMAN: — Mr. Speaker, in light of the Minister of Industry's reply to our question the other day about Morris Rodweeder plant in Yorkton and its stated intention that the Government of Saskatchewan would do everything within its power to ensure that the province retained Saskatchewan employees — I direct the question to the Minister of Labour. Is the Minister aware of an agreement signed between Morris Rodweeder and the union specifically stating that the 40 employees suspended during the labor dispute will be rehired with no payment for loss of time as a condition of settlement? Secondly, is the Minister aware that as of March of this year the union placed assessment of \$78 on each employee to pay for the loss of wages to those employees?

HON. G.T. SNYDER: (Minister of Labour) — No. I am not aware of the fact, Mr. Speaker. I think the Member should be surprised if I were aware of the fact. No, I must say, quite frankly, I am not.

MR. KATZMAN: — A supplementary, Mr. Speaker. In lieu of the facts that were similar to this in the SGEA workers, is the Minister prepared to look at legislative changes?

MR. SNYDER: — No.

CUTBACKS IN AGENCIES OF DEPARTMENT OF HEALTH

MR. J.G. LANE: (Qu'Appelle) — Mr. Speaker, I should like to direct a question to the Premier. In the absence of the Minister of Health, there was a statement by the Minister of Health that there would now be a cutback or a restriction on spending for the Cancer Commission. In addition, the news release of the Minister of Health indicates that other agencies and branches would also be subject to similar cost trimming. Would the Premier now give to us the Cabinet policy with regard to these other branches and agencies that will face similar cost trimmings in the health expenditure cutbacks program.

MR. BLAKENEY: — Yes, the policy is to reduce expenditures wherever possible, to consider very carefully the hiring of new employees even to fill positions which were previously in the establishment. This has involved in some places our assessments that positions could be deleted, permanent positions could be deleted, and to assess in other ways, ways in which expenditures could be curtailed in a way least harmful to the service rendered.

MR. LANE: — By way of supplementary, Mr. Premier, are you saying that is what the Minister of Health is referring to when he talks about trimmings and cutbacks in other branches and agencies?

MR. BLAKENEY: — I wouldn't be able to say what the Minister of Health was referring to when he evidently made a statement which was subsequently reported in the press, which I did not see and which the Hon. Member I think has seen and now reports to me. I think I wouldn't be able to say with precision what he had in his mind, although on the point of the Cabinet policy, I have stated our position.

MR. LANE: — A further supplementary. Would the Premier not be prepared to admit that rather than cut back on the health expenditures as admitted by the Premier, that perhaps we could transfer some of the moneys being spent for potash advertising nationalization takeover into the health field . . .

MR. SPEAKER: Order! The Member is debating an issue. The Member for Moosomin.

DAIRY PROGRAM

MR. L.W. BIRKBECK: (Moosomin) — A question of the Minister of Agriculture. Under whose direction was the DHIS program revised with subsequent rate changes to \$14 per entry on the supervised plan and that the fourth year cost possibly even higher after that and an all time high in the bargain?

HON. E. KAEDING: (Minister of Agriculture) — The rates on the DHIS program were raised as a result of additional costs which are in the Department and it is not

surprising that that rate is higher. There are a good many rates in the province that have been increased because of increased costs and this is another one. The rates are set I think at \$7 for the one program and \$14 for the other and on the third year and they'll continue at that rate, at least until there is a decision to make a further change.

MR. BIRKBECK: — A supplementary, Mr. Speaker. With all costs spiralling as you have just stated in the cattle industry, and in particular the dairy industry, can you justify these added costs?

MR. KAEDING: — Under the Canadian Dairy Commission program the dairy industry is one of the few industries which are able to keep their costs of production and have them reflected in the returns they get. That is not true in the beef industry and the hog industry. The Dairy Commission does provide for the livestock industry a fair bit of support and I understand that the level may be even going higher than it is at the present time. I think that they are, of any group in agriculture, well able to take care of their additional costs.

MR. BIRKBECK: — A supplementary, Mr. Speaker . . .

MR. SPEAKER: — Order! I am at a loss as to what the program is and I am also at a loss as to the urgency of the matter. I don't understand the urgency of the matter. The Member has had two questions to impress me with the urgency and I am not impressed with the urgency of it at this point. The Member for Regina South.

CUTBACKS IN HEALTH SPENDING

MR. S.J. CAMERON: (Regina South) — Again, Mr. Speaker, in the absence of the Minister of Health, I direct a question to the Premier.

In an announcement yesterday by the Minister of Health, which was taken to be a major announcement, he indicated that his Department had requested \$30 million in funding which it didn't receive for the coming year. Would the Premier indicate what programs and what aspects of the health program in total was that \$30 million additional request intended to apply to?

MR. BLAKENEY: — Mr. Speaker, I would not have that information at hand. I would imagine that during any Budget review process the amount of money requested by all the Departments combined would exceed all reasonably available funds by several hundred million dollars.

It is the habit of my friend, the Minister of Highways, to ask for very much larger sums than he ever secures from the Treasury Board and the Cabinet. It is similarly the habit of my colleague, the Minister of Education to do the same, and so forth.

Generally speaking there would have been a request that all of the existing programs operate at a somewhat richer level, together with probably a very wide range of new programs

which are constantly being urged upon us by the officials of the Department of Health, the Department of Education and other agencies, in many cases desirable new programs. I wouldn't have a list of them here. They are simply programs which however desirable, we in our judgment, decided that we could not afford.

MR. CAMERON: — A supplementary, Mr. Speaker. In view of the fact that in this one instance the Minister clearly indicated that he had requested \$30 million more, is the Premier prepared then to take notice of my specific question, directed to the Minister of Health, what programs, where was the additional \$30 million to apply to in that specific instance because he made the announcement.

MR. BLAKENEY: — The answer is a straight flat, no. I think that the whole process, the whole idea, that we should lay out before the Legislature all the so-called 'A Budget requests' and 'B Budget requests' is simply not acceptable and we are not going to do it. That is not the policy of the Government.

MR. SPEAKER: — Order, order! On this line of questioning we are dealing with an alleged \$30 million which was not granted, therefore we are having an academic discussion in the Question Period and I think the question is out of order for that reason.

MR. CAMERON: — I have a supplementary.

MR. SPEAKER: — No, next question.

INCREASE IN MILK PRICE

MR. R.L. COLLVER: (Leader of the Progressive Conservatives) — A question to the Minister of Agriculture.

In the light of his reply to the Member for Moosomin that the dairy producers are going to be able to get more for their milk in order to cover the costs of the increased fees from the Government, is the Minister announcing today that the milk price in the Province of Saskatchewan is going to go up?

MR. KAEDING: — No, I am not, that is not our decision to make. The price set for manufactured milk is set by the Canadian Dairy Commission. They set a base price, a target price and that is now, I believe, \$11.02 per hundredweight. As I understand it there is a decision pending to possibly increase that price. But that would not be a decision that we would have part of.

MR. COLLVER: — A supplementary question, Mr. Speaker.

Is the increase in the cost of the DHIS fees charged by the Government presently before the board in the presentation of the dairymen or is this something new and they don't realize it in the light of the Minister's answer to my last question?

MR. KAEDING: — Mr. Speaker, the increase in the price that you are talking about is a price that may be a cost of \$25 or \$30 or maybe \$50 to the odd producer, which is not a very significant increase in cost. Certainly this hasn't gone into the formula but it is just being put into place. That will be in the next cost formula. In the next round of discussions it will probably be a part of the discussions.

MR. SPEAKER: — Order, order! I have heard two more questions and I am still not impressed with the urgency of it. The next question.

CUTBACK IN HEALTH SPENDING

MR. G.H. PENNER: (Saskatoon Eastview) — Mr. Speaker, would the Premier agree, in light of his response to an earlier question, that the objective of the Government with regard to the health program, is to reduce expenditures wherever possible and at the same time the Premier seems to have limited knowledge of a very important subject, at the same time we have an increase in office buildings, we have office space being rented on Scarth Street . . .

MR. SPEAKER: — Order! The Member is clearly debating whatever issue he is trying to bring forward.

MR. R. KATZMAN: (Rosthern) — Mr. Speaker, a supplementary to the Premier, to the first question asked. Is it the intent of this Government to cut costs of health care on the backs of the sick?

MR. SPEAKER: — Order, order! That is obviously a question that is intended to inspire debate. I think the Member will admit that.

The Member for Qu'Appelle.

TERMINATION OF GRID ROAD PROGRAM

MR. G. LANE: (Qu'Appelle) — Mr. Speaker, I think the silence indicates positive answer. But I should like to direct a question to the Minister of Municipal Affairs.

In light of the unannounced termination of the Grid Road Program, I believe letters have gone to the rural municipalities of the Province of Saskatchewan, announcing termination of the Grid Road Program — will the Minister advise the Legislature how many, if any, rural municipalities will be unable to finish the Grid Road Program plans that they have for this present year?

HON. G. MacMURCHY: (Minister of Municipal Affairs) — Mr. Speaker, what was announced to the municipalities was that as far as the grid road system was concerned, it

is considered to be complete, but the mileage that is left within the system will be transferred under the main farm access system. The number of municipalities involved, I don't have in my mind, but I can certainly seek out the information and provide it for the Hon. Member.

MR. LANE: — By way of supplementary. Would the Minister not admit that the termination of the Grid Road System and the transfer of the balance to the Main Farm Access Program, means in fact that the balance of the Grid Road System will be of lower standard as the Farm Access Program is a much lower standard than the Grid Road Program?

MR. MacMURCHY: — Mr. Speaker, the Grid Road System is about 16,000 miles and has been under construction over the past 20 years. I understand that there is about 500 miles which was considered perhaps within the system but the municipalities weren't seeking to construct it. The major difference with the Main Farm Access and the existing Grid System is for the most part cost share and I think that would probably be some of the concerns raised by the municipalities if they have some concern. I have not had many as yet.

MR. LANE: — By way of further supplementary. Would the Minister not admit that the cancellation of the program and the institution of the balance of the program under the Main Farm Access Program, will mean that municipalities will receive no maintenance grants for those programs and that the grants paid to the municipalities are, in fact, to be lower and that as a result of your announced intention to terminate the Grid Road Program that many municipalities will, in fact, have to increase their mill rates this year in order to complete the program?

MR. MacMURCHY: — Mr. Speaker, the Main Farm Access System is 50 per cent cost shared, while the Grid was 60 per cent, so it is a 10 per cent decrease in the cost share at this time. There is no maintenance formula for the Main Farm Access System.

MR. R.E. NELSON: (Assiniboia-Gravelbourg) — Mr. Speaker, a supplementary. Will the Minister pick up these maintenance grants for this Farm Access Road System, that being the grid road portion, that is being lost and transferred into the Farm Access System? This particular system has been planned for many, many years and municipalities have their full program laid out on this particular situation. Will the Minister pick up the no maintenance grants and will he pick up the extra 10 per cent of maintenance in this particular portion of the program?

MR. MacMURCHY: — Mr. Speaker, the maintenance grants for the Main Farm Access System is under very serious consideration by the Government at this time, obviously, because we are cost sharing the construction costs and we want to maintain that system. As well, serious consideration of improving the maintenance grants

for the present grid system is being given.

RENEWAL OF LEASES OF COAL COMPANIES

MR. R.A. LARTER: (Estevan) — Mr. Speaker, to the Minister of Mineral Resources. Is it the intention of the Government to renew the leases of the private coal companies when they come due, some of them as early as 1978?

HON. E.C. WHELAN: (Minister of Mineral Resources) — Mr. Speaker, that is a matter that we hope will get full consideration once the legislation is before this House and is given approval.

MR. MALONE: — A supplementary, Mr. Speaker. The Act that was tabled yesterday, Mr. Minister, I think you will concede contains very sweeping and wide powers in connection with coal resources. In view of your Government's policy in development of the oil industry, the potash industry and minerals in northern Saskatchewan, can we assume that the Government will be announcing in due course a plan to take over the coal industry?

MR. WHELAN: — Mr. Speaker, I don't think that the Member of the Opposition can assume anything in that respect.

MR. SPEAKER: — Order! I would like to see you get a good answer, but unfortunately the time has run out.

MR. MALONE: — Mr. Speaker, I assumed you would let us have a few more minutes to develop the question.

MR. SPEAKER: — As a matter of fact, if the Member had been watching the time he would have seen that he now had about three or four minutes more than you are normally allowed.

STATEMENT

CANADIAN CONSTITUTION

HON. A.E. BLAKENEY: (Premier) — Mr. Speaker, I should like to make a statement.

It is my information that the Prime Minister will be tabling documents in the House of Commons this afternoon concerning the Canadian Constitution. I am wishing to make a statement on that.

I have received a letter from the Prime Minister together with the draft proclamation on the patriation of the Canadian Constitution. These documents are scheduled to be tabled at 3:00 o'clock this afternoon Regina time, in the House of Commons. I propose to get a confirmation that they have in fact been tabled and when I get that, hopefully in five minutes or so, then I will table the documents. The understanding is

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that they will be tabled in the House of Commons first. This procedure is a little bit unusual but I want to make this statement at the proper stage in the Order Paper and not as leave later on.

It will be noted from the Prime Minister's letter that the draft proclamation does not in any sense represent an agreed position among the Federal and Provincial Governments, nor does it constitute a federal proposal. It is merely a compilation of suggestions incorporating several of the proposals advanced at the Victoria Constitutional Conference in 1971 and is intended to illustrate the form that a final agreement might eventually take.

We will be studying the material. In due course our Government will be making its views known to the Federal Government and to this House.

For the moment, I wish to make only a few comments in order to put these documents in their proper perspective. I want to emphasize that at this point neither the Saskatchewan Government, nor to my knowledge any other government, has agreed to anything in the draft proclamation. It would be incorrect to assume that the outcome of the Victoria Conference in 1971 constituted an agreement, either on a complete constitutional package or on the particular elements of the package which have now been resurrected.

Indeed, when I talked last year with the Prime Minister's representative, Mr. Gordon Robertson, I raised a number of objections to the Victoria proposals. I expressed our concern with the proposed amending procedure as it pertained to the western provinces, and our preference for a formulation similar to that for the Atlantic region.

Also, I expressed the view that the provisions with respect to Supreme Court appointments gave inadequate guarantees to the provinces. Neither of these problems have as yet been resolved.

Moreover, the provisions in the draft proclamation giving certain constitutional guarantees for the French language and culture are entirely new proposals which we have seen for the first time this week. Officials of our Government are now examining them.

I look forward to discussing all these matters with the Premiers of the other western provinces during our conference in Medicine Hat on April 28, and 29.

I want to conclude by expressing my conviction that steps to effect patriation of the constitution should be taken only with the unanimous consent of the Federal and Provincial Governments. Unilateral action on the part of the Federal Government, particularly if it were to have the effect of enshrining in the constitution an amending formula or other substantive provisions to which the provinces had not given their prior concurrence would constitute a most unfortunate precedent and one to which we would take strong objection.

We recognize that the task of finding an agreed solution is not an easy one, but the Government of Saskatchewan stands ready to play a responsible and constructive role and looks forward to doing so.

MR. STEUART: — Mr. Speaker, we are at a bit of a disadvantage here because we haven't got the documents.

It appears to me what the Premier is attempting to do here is as usual, to come down on both sides of the Feds at once, and I hope that if he continues to do this his fate will be what happens to people who come down on both sides of the fence at once.

On the one hand he is suggesting that he's going to disagree with something that it doesn't appear the Prime Minister has said. There was some suggestion that the Prime Minister might have been attempting to repatriate the Constitution unilaterally and at that time, I understand, many Premiers raised an objection because they felt that there would be no protection for the provinces in regard to any amending formula that might be decided upon by the Federal Government and in that position we would agree. I don't think there is any Canadian who would want, or very few Canadians, who would want one level of government, the Federal Government, to have the total power over the Constitution in regard to setting out an amending formula. If this happened it would make a farce of our federation.

However, it was at the time, 1971, of the Victoria meeting, it was the opinion at that meeting, almost unanimously if not unanimous that an amending formula had been agreed upon. It appeared that Quebec stated later that they had not in fact agreed. It was the opinion of a great many people that they had agreed and that when they went back and considered it they backed out or appeared to back out.

However, I look forward to seeing the documents and I would hope that the Premier would take a positive attitude about bringing the Constitution to Canada. I think that again Canadians who think about it and when any Canadian thinks about it he would want to have the destiny of Canada in our own hands. That the idea of having what passes for the Canadian Constitution, the British North America Act, lodged with the government at Westminster, to most Canadians just isn't good enough.

So I would hope that the Premier, when he is speaking on behalf of the people of Saskatchewan at a subsequent meeting that may take place in regard to the Constitution, will take a positive attitude, will not attempt to play politics with this historic, which can be and I hope would be a milestone in the history of Canada and would look at it from the point of view of doing everything that he could on behalf of the people of Saskatchewan and on behalf of the people of Canada to get the Constitution into our own hands so that we will be in Canada, in fact, masters of our own destiny, not at the beck and call of the government in Westminster, who incidentally are as embarrassed about having The BNA Act still lodged there as any self-respecting Canadian is.

MR. BLAKENEY: — Mr. Speaker, may I just interrupt for a moment to announce that I have received news that the Prime Minister's letter and draft proclamation have been tabled and I accordingly table the copies in this House.

MR. COLLVER: — Well we too are at a disadvantage, Mr. Speaker, without having the documents in front of us, but from what I understood in the comments of the Premier this afternoon, the presentation by the Prime Minister is not a specific proposal; it is merely suggestions; and I thought that what I heard of the Premier's response to those suggestions was most reasonable and most rational and I commend the Premier for setting a reasonable tone to getting the . . . he said nothing basically and that's . . . but setting a reasonable tone to getting the negotiations underway; to go through what the Leader of the Opposition has suggested, which is the minds of all Canadians and that is to bring the Constitution to Canada, but at the same time to protect the interests of western Canada and specifically the Province of Saskatchewan, which is the job of the Premier. I commend the Premier for his response.

ANNOUNCEMENT

DEATH OF MR. VALLEAU

MR. BLAKENEY: — Mr. Speaker, before the Orders of the Day, I wonder if I could first table under The Election Act, the statement of payments made pursuant to 201 (d), subsection 1 (b).

I wonder if I might also announce to the House that we have received word of a death of a former Member, the Hon. O.W. Valleau. There will in the near future be an appropriate time for Members to express their condolences.

I wish to announce that there will be a memorial service for the late Oakland W. Valleau to be held at Aylsham United Church, Aylsham, Saskatchewan on Monday, April 12 — that's next Monday, at 2:00 p.m. I thought Hon. Members would like to know of the fact that this service is to be held.

POINT OF ORDER — QUESTION PERIOD

MR. C.P. MacDONALD: (Indian Head-Wolseley) — Mr. Speaker, before the Orders of the Day, I'd like to bring a Point of Order up in relation to the Question Period and I want to join the other Members in this and I am a little concerned, Mr. Speaker. Today you were on your feet more than perhaps all the Members put together. I'm not sure whether it was six or seven times and perhaps the Speaker can then determine. The majority of them were on a point of urgency. I should like to say why I think that the point of urgency was urgent and would request that the Speaker doesn't jump to conclusions too rapidly.

First of all, Mr. Speaker, the health cutback was urgent enough for the Leader-Post to put it on the front page of the newspaper. It was the most important health announcement that has occurred in Saskatchewan in many, many years to my recollection. Since perhaps utilization fees, you may be right.

The second thing, in relation to health, I consider the health care of the Province of Saskatchewan urgent today.

SOME HON. MEMBERS: Hear, hear!

MR. MacDONALD: — Second, when you talk about the Indian and Metis people and their alcohol programs, there are people who are employed there and I'm sure the cancellation of this program and their employment is urgent to them. I suggest also that those people who receive treatment from that alcohol program will consider it equally important.

I should like to say also, I heard that Calder Rehabilitation Centre in Saskatchewan was being cut from 40 to 25 beds. I wanted to ask the Premier that question. The 300 alcoholics, people who were being treated there a month, I'm sure that they consider it urgent.

I would ask the Speaker to consider carefully before cutting off questions on a matter as important and serious as the health cutbacks that have generated some concern in the Province of Saskatchewan.

MR. SPEAKER: — Are there more comments? Member for Regina South.

MR. S.J. CAMERON: (Regina South) — Mr. Speaker, I want to address some comments to you as well on that Point of Order.

I say at the outset, Mr. Speaker, it's difficult enough following on the heels of a major announcement yesterday to come into the House to ask questions about it, to find the Minister of Health missing, so one has to direct the questions to the Premier. However, that's not Mr. Speaker's particular problem. That is one I wanted to raise with the Premier and didn't have an opportunity. But I did want to raise with him one specific matter because Mr. Speaker will recall in that press announcement yesterday the Minister of Health said that there was \$30 million that he had requested that he didn't get. I question the propriety of the Minister saying publicly that he requested \$30 million which he didn't get. That is a bad thing a Minister to do because having said it he exposes himself and the Premier and the Government to questions about it. My supplementary when the Premier said "no", I'm not prepared to give those comments, to give those details", was this: does he then consider it appropriate for a Minister of the Crown to make that kind of a statement publicly when he knows the details of it cannot be given for the reasons the Premier indicated? As he said "flatly no", we're not prepared to give a response to that kind of a question. Obviously he shouldn't be giving a response, and of course it follows that it should never have been said by the Minister of Health to begin with.

Now, my point is that I had led it to that point and wanted to ask one more supplementary question and that was, does the Premier then consider it appropriate for Ministers . . .

MR. SPEAKER: — Order! I hesitate to be on my feet, since I've just been, this matter has just been discussed, but if the Member can't properly put a Point of Order, then I have to get on my feet. If he starts to debate the issue rather than putting a Point of Order, I have to get on my feet. You leave me no alternative.

MR. CAMERON: — Mr. Speaker, let me make a comment. It's difficult enough for us as it is. If the question period is to be so circumscribed and so limited it becomes virtually impossible, for us to enquire into these areas.

MR. SPEAKER: — Does the Member for Souris-Cannington (Mr. Berntson) wish to speak on this point?

Yes, go ahead.

MR. E.A. BERNTSON: (Souris-Cannington) — Whatever your ruling is on the Point of Order, I'm sure we can live with it. I would just point out that the price of milk may not be of great urgency to us in this House, but I'm sure there are a lot of mothers out there who would disagree with that. Secondly, Mr. Speaker, I don't quite understand how when the Hon. Member for Indian Head-Wolseley (Mr. MacDonald) was ruled out of order on an initial question how a supplementary could be in order.

MR. G.H. PENNER: (Saskatoon Eastview) — Point of Order and the question that I asked and you rose and I unable to continue.

MR. SPEAKER: — Yes, was that with regard to urgency?

MR. PENNER: — Yes, with regard to a question that was related to the priorities of the Government. It seems to me, Mr. Speaker, that there is nothing that is more urgent or more relevant than a question related to the priorities of the Government and that was what my question was phrased to get at and because you cut me off there was not response to it.

MR. SPEAKER: — Yes, I appreciate the problem that exists in the House here about me being on my feet. I would like nothing better than to be able to run the House: sitting here with the Members adhering to the rules. The only reason that I'm on my feet is because someone is bending the rules or breaking the rules. I hesitate to get up at any time. That's the only thing I can say with regard to being on my feet a number of times. Now you may make generalizations that I'm on my feet all the time, but I want you to be able to support me when we check the record, every specific case where I was out of order when I was on my feet. I'd like to deal with the specifics of it and I cannot do that until the debate is available to us.

On the matter of urgency, I think the interim report is quite clear on that. It says questions should be asked only in respect of matters of sufficient urgency and importance as to require an immediate answer. An immediate answer. It would seem to me that the minister of Health and I don't want to get into debating this, alleging that \$30 million was not granted to him is not a matter of urgent public concern, because the money is not there. Therefore, the questions are not urgent.

Unfortunately I do not read the Leader-Post or the Star-Phoenix before I come into the Chamber to judge question period urgency. I'm not obligated to do that. Therefore, if they put it on the front page that's their business. It's got nothing to do with me, nothing to do with this House. Nothing to do with the rules and nothing to do with urgency as far as this House is concerned. It may be urgent to them, but it's not urgent to me for that reason.

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he Member for Regina South (Mr. Cameron) said that the Minister is missing. He admitted that's not really my problem because some days Ministers are missing. The point that he was making was with regard to \$30 million cuts in programs.

I would suggest to Members that a lot of the questions that are being asked, if they are reviewed carefully by the Members they will see that those are questions which should be dealt with in Estimates, and not dealt with in the Question Period.

MR. MacDONALD: — The Estimates are over.

MR. SPEAKER: — That's too bad. You had the opportunity to deal with them in Estimates. It's difficult to know when Members ask questions about DHIS or whatever it is. If the Member doesn't impress me with the urgency of the matter in two questions and later after two more supplementaries, I'm still not impressed with the urgency of the matter, I have to be on my feet to say it's not urgent. That Member may be preventing some other Member from getting in with what might be an urgent matter of public concern. The interim report on page 7 deals with this matter about the Speaker making snap judgments. The Speaker has to do that, any Speaker would have to do that. It says:

That all Members must appreciate that in the end Mr. Speaker must interpret the rules and guidelines under which the Question Period operates. Even though they may have a difference of opinion, Members must respect the decisions of the Speaker. In order to facilitate a quick exchange of questions, Mr. Speaker must be able to move on to the next questioner. This will allow us to utilize our time in the best possible manner.

I suggest to the Members that the purpose of the Question Period on behalf of the Government and on behalf of the Opposition as well, that a quick exchange of questions and answers rather than getting into a detailed debate on what in effect amounts to Estimates.

MR. STEUART: — Mr. Speaker, speaking on your Point of Order. We all recognize the Question Period, the decision to attempt or at least to experiment with this type of Question Period was in fact an experiment. Surely we recognize as well that the rule of urgency in a provincial Legislature if adhered to too strictly would rule out almost any question. But in the question of having the point raised by one of the Members as a fact that was on the front page of the Leader-Post was just one more argument to be advanced, to talk about, the urgency

that someone else thought it was urgent. The point here is that it was a major announcement. The point is that the Minister can bring — it is in his responsibility and it is within the purview of the House Leader, who is a member of the Cabinet, along with the Minister of Health, that they could have had their Estimates in front of this House at this time. They could have had them for the last three or four days. That Minister chose to make that major announcement public and what does it affect? It affects hospitals immediately, not next week or next month, but immediately, in a decision to lay off staff. It affects, as the Member pointed out, in this case, the Commission that was set up to try and assist people with the problem of alcoholism, especially the native people. It is an urgent decision. If they are going to be cut off in July, or maybe they are going to be cut off immediately. We are in the current budget year right now. That means that they have got to make the decision today, tomorrow. I think in the case of the health question, that it is immediate, it is urgent. Otherwise the minister would not have announced it. If he could have dealt with this in due course when his Budget came up, he would have done so. He must have thought it was urgent when he announced it publicly. Okay, you have made your ruling and that is the end of it. I think the same question goes with regard to the price of milk. I am not sure that I understood what those initials meant, but as I listened to the question it was impressed on me that you were talking about probably the price of milk.

I would hope that the Speaker would take a very broad view and a very lenient view of the urgency of questions that are brought before the Legislative Assembly, otherwise and certainly I am convinced that the question of a major announcement in regard to a cut back in health costs is of great urgency. I can't think of anything that is of greater urgency almost in this province and in this Legislative Assembly. I would hope for the sake of the Question Period, that you would take a broader view and a more lenient view of the definition Of urgency than you appeared to take today, for example.

MR. SPEAKER: — The Member for Nipawin.

MR. COLLVER: — Mr. Speaker, I should like to make one more comment to your ruling and to the point just raised by the Leader of the Opposition (Mr. Steuart). There are situations we understand and I think what we are talking about is the way you are ruling on urgency. I wouldn't like you to carry it as far as the Leader of the Opposition suggests where you go totally leniently towards the question of urgency. I think there is quite a difference between an understanding of what is urgent if, for example, on the price of milk, if what you want us to do is put in the first question, "this question is about the price of milk" and then go on to ask a question to build up to the last question that we are working towards, to impress upon you the urgency, that is what we will do.

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I think what we are looking for in this is guidance and direction. To allow yourself to become involved however in being very, very lenient towards the matter of urgency, I think then the Members could take advantage of the Question Period with things that didn't belong in the Question Period. I think it is a matter of balance here and I think it is a

matter of trying to inform us precisely how we go about impressing you with urgency. Perhaps in the question pertaining to hospitals, it might have been said in the first statement, do you want us to put a statement in. This matter is urgent because I now direct a question to so and so. Would that be helpful to Mr. Speaker, in solving this problem? I know that this problem has come up day after day, sometimes for our caucus, sometimes for the caucus to our right. It appears that the problem is serious to us, because we don't have any guidelines. I should like to suggest that if perhaps you could take this under advisement and give us a ruling as to how we go about impressing you with the urgency of a question.

MR. H. ALLEN: (Regina Rosemont) — Mr. Speaker, I just want to address a few remarks on the question that has been raised in the Point of Order.

It seems to me it is not the job of the Speaker to frame questions for Hon. Members in the House. If Hon. Members in the Opposition do not know how to frame a proper question, they should perhaps inquire from somebody who knows how to ask questions, or how you go about it. I have seen time after time in the Question Period, the opening remark made, is the Government aware? And then gives a bunch of information. Will you deny, or do you admit? To me this isn't the way to frame a question.

The second thing that I should like to point out is that I think in your case Mr. Speaker, you have been more than tolerant with the Members of House, since we brought in this new Question Period, hoping that Members would come around to the rules and try to follow them. I noted for instance, today, Mr. Speaker, that you ruled that the Hon. Member for Moosomin was out of order on the dairy question. A couple of minutes later the Member for Nipawin gets up and asks a supplementary question on a question that you had ruled out of order. I found this amazing. I thought you were very tolerant, Mr. Speaker, to allow the Member to try to come to the point of urgency of the question.

Finally, Mr. Speaker, I think that we have witnessed over the last number of weeks with regret, what is in my view, disrespect for the Chair. Disrespect for the Deputy Speaker, a particular instance last week, that I was very shocked at. It seems to me Mr. Speaker, that you can question a Point of Order, but when you spend a half an hour discussing points of order and arguing with the Speaker, after he has made a ruling, I think that perhaps that is going a little bit too far. And that the proper route if the Hon. Members don't agree with the ruling of the Chair is to challenge the Chair, and not spend an hour and one-half or two hours arguing with the Chair on his ruling. As I said, Mr. Speaker, I think you have handled the Question Period, since its inception, with a great degree of fairness and tolerance to the Members. I would hope with the experience that we have now with the Question Period that perhaps Hon. Members opposite will learn how to frame questions and that you will be perhaps a little tougher on Hon. Members who do not know how to frame their questions.

MR. SPEAKER: — Member for Souris-Cannington.

MR. E.A. BERNTSON: (Souris-Cannington) — Mr. Speaker, I have some sympathy with the suggestion from the Member for Wascana (Mr. Merchant) during a point of order the other day, but I think rather than 15 minutes we need a half an hour of whining period after Question Period, plus a 15 minute rebuttal from the Government.

MR. SPEAKER: — I am going to call an end to this discussion. We are spending too much time on it. Members are taking too long to make their points of order, quite frankly. Order, order! I thank the Members for their comments. I will review the record. But I again ask all Members to review the verbatim transcript of this Question Period and previous ones and honestly make up their minds whether they are in fact in order in their questions; whether they are in fact of urgent nature. I think the Members will find that there have been times when they have not been urgent, and in fact when they were out of order and in fact debatable to a high degree. That applies to some Cabinet Ministers who have been long on the answers and tend to be a little debatable as well. Once the Members place the question and it is of a debatable nature and I allow it to go ahead, we get debate from the other side. As I said before, a little bit won't hurt anybody, but with a lot of it everybody becomes jealous about losing his position to make debating points. That is a bad situation in the Question Period. There are lots of other opportunities for that. Otherwise, I thank the Members for their comments. I will review the record of today and previous days, as I have done, and see if I can find any substance for the comments that have been made today.

MR. LANE: — . . . Points of Order . . .

MR. SPEAKER: — I hesitate because, I hesitate to accept more Points of Order, I don't like to pick out any single Member and say that I hesitate to take your Point of Order.

MR. MALONE: — You have to take a Point of Order.

MR. SPEAKER: — Yes, I have to take a Point of Order. I don't have to take a Point of Order when in fact it is going to be a specious Point of Order. I am not saying that in prejudgment of the Member. But the previous Point of order was a specious Point of Order.

MR. MALONE: — That's the Tories.

MR. SPEAKER: — Yes, but I have heard some over here too. If the member can be brief on a Point of Order and stick to the Point of Order, I will take it.

MR. LANE: — I have noticed in the Question Period, Mr. Speaker, that there is a singular absence of Cabinet Ministers after a controversial announcement and I notice that . . .

MR. SPEAKER: — Order, order! The Member

is trying to draw me into a debate. I am not supposed to be in the debate and that is a specious Point of Order, from my point of view. I will let my comments be judged on the basis of the record. The record will be available on Monday and the Member can check to see what his words were then.

What is your Point of Order?

MR. KATZMAN: — It isn't a Point of Order. I should like to beg leave to introduce somebody in the audience.

INTRODUCTION OF GUEST

MR. R. KATZMAN: (Rosthern) — I should like to introduce Mr. Trudeau Smith, sitting in the gallery across, right at the top. He makes many decisions every day, so I think he enjoyed this.

HON. MEMBERS: Hear, hear!

MR. SPEAKER: — Perhaps I could enlist his support.

MOTIONS FOR RETURN

RETURN NO. 59

MR. E.F.A. MERCHANT (Regina Wascana) moved that an order of the Assembly do issue for Return No. 59 showing:

The total amount of all claims paid by the Saskatchewan Government Insurance Office to the various Departments, Agencies, Boards, Commissions and Crown Corporations of the Government of Saskatchewan during the fiscal years: (a) 1974-75 and (b) 1975-76, to date.

He said: I have nothing in particular to say about it, Mr. Speaker. It is a matter which requires information of SGIO. We heard some remarks from the Minister regarding the matter the other day. I move Return No. 59 showing, seconded by the Member for Lakeview, Mr. Malone.

HON. E. WHELAN: (Minister of Mineral Resources) — Mr. Speaker, in order to get the complete picture, I should like to insert a reference to all expenses, therefore I move, seconded by the Attorney General:

That all the words after the word "claims" in the first line be deleted and the following substituted therefor:

and expenses incurred in respect of insurance coverages provided by the Saskatchewan Government Insurance Office to the various Departments, Agencies, Boards, Commissions and Crown corporations of the Government of Saskatchewan during the fiscal years: (a) 1974-75 and (b) 1975-76, to date.

Amendment agreed to.

Motion agreed to.

RESOLUTIONS

RESOLUTION NO. 10 — DESTROYED CONFIDENCE IN OIL AND GAS INDUSTRY

MR. E.F.A. MERCHANT (Regina Wascana) moved, seconded by Mr. Malone (Regina Lakeview):

That this Assembly strongly disapproves of the policies of the Department of Mineral Resources of the Government of Saskatchewan which have destroyed the confidence of the oil and gas industry and resulted in a decline of Saskatchewan drilling and exploration activity, while drilling continues to increase in other provinces and the Territories.

He said: Mr. Speaker, I will in a few moments be moving a Motion which asks the Assembly to disapprove of the policies of the Department of Mineral Resources which, in my opinion have destroyed the confidence of the oil and gas industry and resulted in the decline of Saskatchewan drilling and exploration activity.

I want to begin by discussing the general investment climate for this province under any NDP Government. Then I propose to look at the specific changes which were made by this Government, which I say have worsened the distrust that the oil industry has of the Government. And finally, I will be placing before you, statistics which I think are very significant statistics from the last few years.

I say that those statistics will demonstrate that the attitude of this Government and the investment climate created by this Government have all but destroyed the oil and gas industry in Saskatchewan. They have snuffed out an industry which was responsible for many high paying, interesting jobs. Of course I begin by saying that any NDP Government has to be doubly careful in dealing with businesses.

Business begins with a healthy suspicion of NDP politicians. That is nothing to be proud of and nothing about which to be particularly embarrassed. All that I am saying is that the business community does not ordinarily fall within a constituency of far left wing political parties.

The NDP starts with a bad investment climate, but this Government has made it worse. They haven't just made it worse with some of the changes that they have brought forth, but for no gain whatsoever they have made it worse with the fighting flavor of their rhetoric; they have been a party that should well have listened to the words, to speak softly and carry a big stick, not so much because they should have been carrying the big stick, but they should have watched their rhetoric which has profited no one, not their political party and certainly not this province.

The NDP have driven business from this province by its attitude and the party hasn't even had the self-constraint to cover their anti-business and anti-resource industry attitude.

When this Government took over in 1971 I believe that their approach made an unfavorable investment climate even worse.

Bill 42 was undubitably bad for this province. The lost production and lost exploration speaks for itself as a result of the well-known taxing provisions of Bill 42. But that wasn't the only thing that this Government did to destroy the oil and gas industry in Saskatchewan.

The province is a province of small pools of oil and gas, much of that oil being sour. We can't really hope with our kind of potential to attract the majors. Saskatchewan must encourage the independent. The major oil companies, I suggest, are unlikely to become again interested in this province and, indeed, they haven't been interested in this province for many years. Their minds, by and large, have turned to the larger oil fields.

If we are to have meaningful exploration then it has to be by interesting the independents in investing their money here. We started down the road before this Government was elected. Not by choice did we move the majors out and concentrate on the independent, that happened because the majors simply weren't particularly interested in Saskatchewan.

The Provincial Government, under the NDP, looked at this matter as had the Liberals, as they carried on with the Liberal policy of trying to encourage the small independent. Unfortunately, however, Mr. Speaker, the NDP can't even carry on the Liberal policy with success. Rather than encouraging, the NDP way is to tear down. So the Government decided that they would drive the majors of the large holdings in this province with a mineral tax. An interesting result followed. The NDP should have known that the result would follow. They didn't drive the majors away, they go on holding their properties without developing them, but they drove away many of the independents. In an attempt to free leasehold exploration by the independents they drove the smaller oil companies off much of what little land they held.

Bill 42 and the approach to lease holdings, as well as the comments of the NDP Members and the Cabinet, were all part of a piece. All of the things taken together were driving the oil industry out of this province. They couldn't make money here and they rightly got the impression that the Government was happy and wanted them out of this province, and the Government, this NDP Government, was almost happy to see them suffering.

I sometimes wonder, Mr. Speaker, whether it isn't a lack of discipline by NDP Members, almost an inability to hold their tongues about the things that they would like to see done to their self-styled enemies in the business community. In any event, for whatever reason, the NDP talked an almost tougher stance than they took. The rhetoric was worse than their bite, which is impossible for me, as a politician, and I would think other Members of this House, to comprehend. To keep private enterprise trying you have to leave them with enough to survive financially, you always have to leave them with the hope that things will get better. Not only did the legislation of the Government destroy the oil and gas industry, but their rhetoric convinced the industry that they were determined to drive oil and gas exploration out of the province. The industry took the perceived hint.

I don't propose to discuss the after tax money to the industry for the production of oil. The House has heard comments

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about the matter from various Members. Just briefly, however, before discussing the numbers in the various jurisdictions I want to tell you about the money available from gas exploration as opposed to oil.

In Saskatchewan you get a price and then off of that comes your royalty. The after royalty price for Saskatchewan gas production is about 10 or 11 cents per thousand cubic feet.

In Alberta, on new gas, the after royalty price is about 60 cents. In British Columbia, and that was put in by an NDP Government, the price is about 65 cents per MCF. The simple reason that there is continuing exploration in British Columbia and Alberta is that they can make a buck in Alberta and British Columbia.

No industry will come to Saskatchewan if they can't make a financial go of it and when prices for exploration are better elsewhere, so obviously that is where the exploration is going. Who would explore for gas in Saskatchewan when you can earn six times as much in our two sister provinces?

MR. NELSON: — Saskoil.

MR. MERCHANT: — Not even Saskoil, Saskoil's major exploration is in Alberta and British Columbia.

Mr. Speaker, I have been long in the prologue of a speech which is really designed to put some significant numbers before Members of this House, which even the Member for Moose Jaw may understand.

The Premier of the province, in speaking on the Speech from the Throne, in the fall session, said that oil and gas production in other jurisdictions was down, just as it is down in Saskatchewan. He said that the federal tax initiatives have been hard on the oil and gas industry everywhere and that they have caused a cut back in exploration everywhere. He is right that the federal oil and gas initiatives have been hard on the industry but that is a pin prick in relation to the throat slitting of this Government.

According to the yearly production tables of the Government in their own Estimates, the NDP takeover in this province either caused or by some curious quirk, coincided with a major decline in oil production which the Government believes will continue for as long as their Estimates run. It is interesting that their own Estimates indicate that production will stay down. Their Estimates run until 1981.

I believe we will continue to have a decline of crude oil production in this province until the NDP Government is defeated and a government interested in oil and gas exploration takes over.

SOME HON. MEMBERS: Hear, hear!

MR. MERCHANT: — We had, before the NDP were elected, a fairly steady increase in oil production for about 25 years. The first meaningful production was in 1945 — 16,508 barrels were produced. The next year, double the production, more than double

the production — 136,000 barrels. The following year again doubling. The increase was steady and by 1950 we broke one million barrels.

MR. NELSON: — Tommy was smarter.

MR. MERCHANT: — Yes, Tommy Douglas was smarter. He was smarter and he was more honest and he was a little more cautious about slitting the throats of the industry that provides jobs for this province. Three years later under Tommy Douglas, by 1953, we more than broke the two million barrel level, again, a doubling. The next year we doubled production again — 5,422,643 barrels; in 1955 we more than doubled production again — 11,000 barrels. The following years again a doubling, 21 million barrels. In 1958 we doubled again — 44 million and some barrels. The next doubling took until 1965. We reached 87,775,474 barrels. The Liberals had taken power one year before.

MR. NELSON: — Ross had it moving.

MR. MERCHANT: — No, I don't think Ross had it moving completely. I think that he just carried on the sound policies of the CCF Government that wasn't nearly as anti-business as the Government opposite.

Let me move away from numbers for one moment only to say that the oil and gas industry was brought into this province through the guarantees of people like Clarence Fines and Tommy Douglas. And I give them full credit. Mr. Douglas was realistic about the province's need for the involvement of outside investment in our development. He made guarantees which were rightly believed by potential investors and unlike the present Premier, Mr. Douglas kept his guarantees for the resource industries.

The investing public believed the man, placed confidence in him and our growth and oil and gas production is in large part due to the work of Tommy Douglas, just as our decline in oil and gas production is due to the misplaced energies of Allan Blakeney.

Mr. Speaker, we reached the zenith of oil and gas production quite naturally under the Liberals in 1966 . . .

SOME HON. MEMBERS: Hear, hear!

MR. MERCHANT: — . . . producing 93 million barrels of crude. And we stayed at approximately at those levels, moving down to 87 million in 1969, back to 89 million in 1970 and then the NDP were elected and an obvious decline began to emerge. 1971 wasn't too bad; 88 million barrels. The Government of Ross Thatcher had taken a good policy by the old CCF and they had innovated on that policy and they said to the investing public, we are interested in you, we are interested in the jobs. They did a better job than the CCF and then the NDP would do far worse than the old CCF.

1972 was a little worse, 86 million barrels and then . . .

MR. NELSON: — Was Ed in charge then?

MR. MERCHANT: — No, it got even worse when Ed took over.

And then the established pattern of the NDP slide developed. Now that slide is a very interesting picture and as they do with the brief commercials on a television ad I will break that momentous moment before the slide for my colleague for Nipawin (Mr. Collver).

WELCOME TO STUDENTS

MR. R.L. COLLVER: (Nipawin) — Mr. Speaker, I beg leave of this Assembly and I appreciate the Member for Regina Wascana allowing me to do this, to introduce to you and to the Assembly some students in the gallery, who are participating in the Model United Nations Assembly that is being held in Regina, April 9th, through to the 11th. I will, later this day, be moving a motion that this Assembly commend this group of students and commend the organizers of this group of students to improve the quality of debate and elocution in our province and in western Canada. Perhaps we might learn something from them if we were to attend their debating society this weekend.

I will be making this motion, and I think the entire Assembly should recognize these students and commend them. I have been told by the Members of other parties that they will be supporting this motion to commend these students and to commend the organizers of this very worthwhile event being held in Regina for the first time.

HON. MEMBERS: Hear, hear!

RESOLUTION NO. 10 (continued)

MR. MERCHANT: — Mr. Speaker, I had started to go through the NDP decline and I think that it is very genuine and appropriate to say that the NDP are a far cry from the old CCF; that the NDP is a different kettle of cats; that it is a party that is an anti-business party; it is a determinedly anti-business party. And that was perceived by the investing public and the industry started into its worst slide, a slide from which we may never recover.

I had indicated a level under the Liberals, the highest level of crude oil production in Saskatchewan's history, in the high 80s, 87 to 89 to 93 million, our peaks, and certainly our best average. And then the slide started to come — 86 million in 1972; 84 million in 1973; 81 million in 1974; 78 million in 1975 and an estimated 74 million this year.

But the most fascinating thing is the Government Estimates themselves. They estimate 71 million in 1977; 69 in 1978; 66 in 1979 and 63 million barrels of crude in 1980, an estimated 61 million barrels of crude in the last year, as the estimates that I have been able to obtain 1981. The Government might have you believe that their election had nothing to do with turnaround in the oil and gas industry.

I believe that the figures that I have just given you show that it did, but there are better figures to indicate the interest of the industry and whether the election really

caused the decline that we have seen in the oil and gas production and jobs in this province.

Production figures might be misrepresented to you, they might be covered by the claim that the NDP election was just a coincidence with that decline. The figures on new investment over the years, however, absolutely indicate a casual relationship. Drilling figures are important and they demonstrate the initiative of the industry.

Under the old CCF and under the Liberals we had an aggressive drilling pattern in this province. The average amount of drilling activity under the Liberals was much better than the activity under the CCF, but it was good under the CCF. Again, I stress that Tommy Douglas had the wisdom and the foresight, unlike Allan Blakeney, to know that you can't shut off the investing world and have a prospering province.

I don't intend to go back 30 years with the numbers, but before I go back the 20 that I do intend to present to the House, let me say something about a curious anomaly. I am going to quote Canadian Petroleum Association figures that come from their statistical yearbook. Interestingly the Government figures are higher than the figures cited by the Canadian Petroleum Industry.

In Return No. 36 and Return No. 37 the figures are about five per cent higher than the figures given by the industry. And one wonders whether the Government may be kidding itself and trying to kid the public with the very figures that they give out in their returns. My point is that if anything the Canadian Petroleum figures which I use are low and by comparison by the Canadian Petroleum figures from 1970 to 1975 just cited, you would really be reading the Canadian Petroleum figures as being five or six per cent higher than the numbers that I will cite. That the figures that I show look better for the Government than the figures really are in reality.

In 1956, 20 years ago, the industry was healthy and active. The number of wells drilled that year was 1,108. The next year, CCF year — 1,227. Now industry then dropped, and I don't know whether it was some specific decision by the old CCF, but drilling activity dropped to the 700s. Now drilling activity is something that can go up and down. In 1963, we took an obvious upturn to 950. Note I don't claim that the election of the Liberal Government in 1964 had an undue effect on increased drilling, I think it helped, but things were turning up. The enthusiasm of the industry was higher because the Liberals were in power and because they could expect a tough but fair deal from Liberals.

SOME HON. MEMBERS: Hear, hear!

MR. MERCHANT: — In 1964 — 1,195 wells. In 1965 — 1,284. In 1966 — 1,168. In 1967 — 965. In 1968 some 923 wells. In 1969 — 1,162 wells. In the last year of the Liberals 945. And then the big slide to unprecedented lows of exploration which were brought on by this Government through their inept and I say greedy and stupid policy. Greedy policies that have killed the goose that would have gone on laying the golden egg for Saskatchewan for decades. Drilling activity tells the story of the investment climate this Government creates almost better

than the production figures.

Moving from 1970 through 1974, the number of oil and gas wells drilled in Saskatchewan has declined respectively from 945, 770, 655, 661 to 286 to 254 and even those figures are more complimentary to this Government than they should be because what has happened is that gas drillings have increased and most of that is shallow gas drillings. Gas drilling has gone on while oil drillings have declined even more dramatically than the figures above would indicate. Total drilling is down by two-thirds, but oil drilling is down by 80 per cent. Completed oil wells have declined from 477 in 1970 to a measly 93 in 1974.

SOME HON. MEMBERS: Hear, hear!

MR. MERCHANT: — Now what of Saskoil? The panacea solution of that Government had a lot to do with driving the industry out. In 1973 they didn't drill any wells. In 1974 they were in full blast, they drilled five wells. And in 1975 they drilled 25 wells. Quite an expense in direct outlay and lost investment for that pittance contribution to the oil and gas industry.

As another indication, Mr. Speaker, an indication of the approach of the industry, an approach caused by that Government, Crown land sales for western Canada. This Government would have us believe that it was not their attitude and policies which destroyed gas and oil in Saskatchewan. Yet, all the figures say otherwise. Crown land sales everywhere were up in 1971 over the previous year. Manitoba moved up 15 fold, frankly, but the figures are so small that I don't present them as being particularly significant. British Columbia in total Crown land dispositions, and British Columbia and Alberta are competitors for those investment dollars, British Columbia in total Crown land dispositions, including leases, permits and reservations, went up in total money, advanced to \$22 million. Alberta went from \$36 million to \$47 million. Saskatchewan went from almost \$4 million in 1970 — \$3.9 million and change to \$2.4 million in 1971. The acreage was almost cut in half from 4,389,685 to 2.9 million acres.

MR. NELSON: (Assiniboia-Gravelbourg) — Herman, too.

MR. MERCHANT: — Well, they were holding Ed and Herman in reserve in those days to spring them on them in later years.

While acreage taken in western Canada was up by 4.5 million acres and the money and bonuses paid was up by \$25 million, Saskatchewan fell. In that year of an NDP takeover in Saskatchewan, the industry was in an aggressive mood all over western Canada and was right pessimistic about this province. Unfortunately for the province the industry quickly found out that their apprehension was well justified. The reaction in 1971 was rightly continued. In June of 1974 the Government held a provincial oil and gas rights offering. The sale netted \$2.1 million but industry accounted for only \$39,000, 11 per cent of the sale. The rest was Saskoil and government through other agencies. In December of 1974 another disastrous sale was held which collected only \$469,000, much of it taken by Saskoil. That soured the Government on sales and for 13 months a sale wasn't even attempted.

MR. NELSON: — Then they sent Ed!

MR. MERCHANT: — Then they sent Ed. And in an effort the Ministry changed and the Member for Regina North West (Mr. Whelan) took over.

MR. NELSON: — He's blown it.

MR. MERCHANT: — Well we don't know for certain that he's blown it completely yet, but we know of his evil effort to turn around the industry when they announced the partial backing away from the stringent strangulation imposed by Bill 42. The changes increased the return to the industry from an average of 37 cents a barrel to 94 cents a barrel. They hoped that change, though grudgingly offered, would spur industry interest. Too little, too late, and the recent Crown sale proved that. The sale brought in \$2 million less than the June 74 offering. The industry's portion of accepted bids was only \$627,000, a mere 31 per cent.

MR. NELSON: — How about Saskoil?

MR. MERCHANT: — I'm coming to Saskoil because Saskoil and Sask Power picked up most of the piece and made it look even better than it was. Even that figure, even the \$2 million figure compliments the Government when one views the type of acreage bought by the industry because it is obvious that the NDP inflicted blight is not only continuing but is growing worse. Thirty-one per cent of the offering was taken by industry.

Permits, traditionally the most exploration directed parcels, were almost entirely taken by Saskoil.

MR. NELSON: — What will they do with it?

MR. MERCHANT: — They'll do nothing with it, they'll sit on it or they will fail in their drilling attempts, I suspect.

One permit was taken by private industry. Of all of the permits taken the type of exploration that when you look at permits you can usually tell the exploration that's coming. One permit by private industry for a more 5.2 per cent of the permits offered. The situation is even worse in the next lower rank on the exploration scale. Next, one ordinarily looks at drilling reservations. That is next down in the scale of predictions of whether exploration will follow. Saskoil and Sask Power bought all of the drilling reservations. There was no private participation whatsoever.

The Government lays the blame for declining oil and gas activity upon the Federal tax changes. The numbers in other provinces categorically indicate that that is not true and that this Government is misrepresenting to the public the true state of facts in the oil and gas industry in Saskatchewan. The Mickey Mouse changes announced by the present Minister last fall aren't turning around the disaster in the industry which the NDP has caused and I say nothing will turn it around until that Government is defeated.

SOME HON. MEMBERS: Hear, hear!

MR. MERCHANT: — Government should govern and the oil and gas industry should be left to explore for oil and gas, remembering always that the people deserve and will demand and will receive their fair share.

Now what has happened in Alberta during those same years when the Federal tax changes which the Premier told us last fall were wiping out exploration everywhere? What happened in Alberta during those same years of disastrous decline in Saskatchewan? Has drilling activity declined under those same Federal taxes? Drilling in Alberta for the years 1970 to 1975 went from 1,847 to 2,025 to 2,676 to 3,513 to 3,489 and those were my expectations because I couldn't get the last month in 1975. A steady increase through those self same years of Federal tax changes and initiatives. As I said before, the industry wasn't happy about them but those changes were pinpricks in relation to what this Government did, not only did, but the flavor in Alberta where they indicate to industry that they are happy to have them, that they want to work with them and that they want the jobs and the tax base. It may well be the rhetoric of this Government that hurts more than the acts themselves. In Alberta drillings increased while drillings in Saskatchewan have been declining cataclysmally. The move out of oil and into cheaper natural gas drillings was not duplicated in Alberta. As I said, that even in that disastrous decline the figures looked better because there is a great deal of shallow gas activity in this province. In Alberta, that toppling of the mix hasn't been maintained and a fair mix of producing wells to the end of 1974, those oil completions, and here are the numbers for those years, increasing from 301 to 362 to 509 to 481 to 635. In oil they have increased and in gas they have increased.

In gas, the numbers show the same kind of increase from 688 to 691 to 990 to 1,374 to 1,668. Alberta's industry is healthy, the people of Alberta are receiving the tax base, the municipalities have the tax base, they have the jobs, they have the activity and they have the industry. They even have the industry of Saskoil and the gas initiatives of Many Islands and the other Sask Power attempts. They have the benefits there of a healthy oil and gas industry.

North West Territories, again, with the same Federal tax initiatives, is basically constant in total drilling, though the North West Territories have had some ups and downs. To the end of 1974 their total wells drilled were 70 in 1970; 76 in 1971; 71 the following year, 97 in 1973 and 60 wells in 1974. A slight decline, but on a small sample like that for 1974 ups and downs were expected.

I take it from the comments of the Member for Regina that you are proud of the industry in Saskatchewan which has gone from the thousands down to 236 last year. All of the numbers say beyond a doubt that this Government is destroying the oil and gas industry in this province. And with a few crumbs in late 1975 the Minister of Mineral Resources hoped and prayed that he might entice some poor unsuspecting mouse of an oil and gas investor back into the province so that they could cut off their head the same way you have with the potash industry. After the way the industry is treated and after the exploration legislation regarding potash only a very naive investor would buy the few crumbs that the Government offered

to this industry. And this Government, Mr, Speaker, has to be kidding itself if it thinks that the oil and gas industry is coming back into this province as long as they are in power.

It is curiously funny that in the Speech from the Throne delivered in the fall, that the Government said in one breath that they would expropriate the potash industry and in another breath that they hoped to encourage some other resource industries back into the province. It seemed to me to be not unlike a neighbor who has just poisoned your St. Bernard, patting your new Collie on the head and saying “I really like Collies and you call trust role with that one”.

MR. KOSKIE: — Good corporate citizens.

MR. MERCHANT: — Oh yes, good corporate citizens. The only way the oil and gas industry is coming back is with the defeat of your government.

SOME HON. MEMBERS: Hear, hear!

MR. MERCHANT: — Mr. Speaker, my comments today have been principally designed to present the record. My comments are designed to call for an accounting by this Government, an accounting by this Government to explain the numbers. It shouldn't be any difficult task for a fast talking Member like the Member for Regina North (Mr, Whelan) and I see a podium in front of him and that's what I would like to see him concentrate upon and I am sure that is what the press would like to hear, some very interesting numbers. Numbers over exploration, numbers over reservations and over Crown land sales, numbers over production levels. Now explain those numbers and say to me, as the Premier did in the Speech from the Throne in the last session, that the cataclysmic decline in the oil and gas industry in this province is due to the Federal actions. Explain the numbers and explain to this House how we should be led to anything but what I say to be the truth, that the election of your Government started the destruction of the resource industry investment climate in this province and the destruction of the oil and gas industry in this province. Your own figures, your own estimates, your own indication of the future seems to indicate that you think you will go on being in power and the industry will stay in a decline and in a steeper decline.

SOME HON. MEMBERS: Hear, hear!

HON. E.C. WHELAN: (Minister of Mineral Resources) — Mr. Speaker, the Hon. Member for Wascana, during his remarks, said that we are different from the old CCF. There is one thing that is very obvious from his comments and from his statements, there is no difference in the Liberals. They are the same people who have been here for a long, long time. Allan Fotheringham has said, and is on the records with the facts, that the Liberal Party in western Canada has disappeared. After listening to the Hon. Member for Wascana, is there any wonder? He has undertaken to represent a small group and he has done it very effectively. He is an eloquent

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spokesman for the people who come here who are from outside of the province and I think he has done an excellent job for them.

Well, Mr. Speaker, I plan to speak in this debate for the people of the Province of Saskatchewan. I expect somewhere along the line some of the Hon. Members opposite will say that while I move an amendment (that's a correct version of what's been taking place at the end of this) that I'm thwarting an attempt at censure. That I'm thwarting their motion of censure. Mr. Speaker, it's a fact that you can't censure someone in this House with a handful of Members with four or five sets of triplets. It's just not possible, Mr. Speaker. You've got to have the numbers before you can pass a motion of censure. You've got to have the support. After listening to that speech I question. I think it would be doubtful the Hon. Member can get the support from his own group. Certainly not the other group that sits on that side of the House.

The drilling and exploration activity in Saskatchewan certainly declined in 1974 and 1975. so it happened too in British Columbia and in the Territories, and the Federal Government's taxation policy on resource development companies can be cited as one of the major contributing factors for that situation.

Drilling continues to increase in other provinces and in the Territories, says the Member for Wascana, implying that there is no increase in drilling in Saskatchewan. Drilling has not in fact increased in the Territories and in Saskatchewan the footage drilled in the first three months of 1976 is 63 per cent ahead of the period in 1975. Inferences and innuendoes in the hands of a person such as the Member for Wascana can be a pretty vicious weapon.

The following summary gives the facts. They are not irresponsible statements, they are the facts representing and giving you the exact number of wells that have been drilled. In the year 1973, in 561; in British Columbia, 165; in Alberta, 3,513; in the Territories, 97. In 1974, in Saskatchewan, 286; in British Columbia, 146; in Alberta, 3,489; in the Territories and the Arctic Islands, 60. In 1975, in Saskatchewan, 277; British Columbia, 81. That's not an increase. Alberta, 3,615; the Territories and the Arctic Islands, Mr. Speaker, 45. Increase, I question it. Misleading, the resolution was misleading when we talk about the Territories and the Arctic Islands.

In all fairness, there is no doubt that the confidence of the oil and gas industry was shaken by Bill 42. The combination of Bill 42 and the Federal taxation policy of non-deductibility of payments made to Saskatchewan for calculating the income tax, caught the industry in a squeeze play.

Drilling activities in Saskatchewan declined drastically in 1974 and 1975 but the loss of industry activity was offset by greater revenues to the people of Saskatchewan through increased royalties and mineral income tax. Obviously Saskatchewan would have had more drilling if the new provincial revenues were not instituted by Saskatchewan. Bill 42 was and is intended to obtain a fair share of the windfall profits accruing to the people of Saskatchewan who own the resources.

SOME HON. MEMBERS: Hear, hear!

MR. WHELAN: —If Saskatchewan had not acted fast and decisively, the windfall profits would have fallen into the hands of the national and multinational corporations whose shareholders are for the most part outside Saskatchewan, whose policies and management are controlled and operated in the luxurious board rooms in Toronto; New York; Houston; London, England, and the like, and whose exploration and development budgets are spent in provinces other than Saskatchewan, or in the Territories, or in Canadian offshore or even in foreign lands and foreign seas. This would hardly be in the public interest of Saskatchewan. Let us look at some statistics which are facts and not some illusionary political gobbledegook.

The following are oil and gas revenues for the last fiscal years, the last three fiscal years. In 1973-74, or before Bill 42, the oil and gas revenues were \$46,232,000. In 1973-74 they were \$223,888,000, and in 1975-76 the estimated revenues were \$183,140,000.

A part of the increased revenues from oil and gas is returned to the producers for exploration and development work carried out in Saskatchewan.

After the initial shock of Bill 42 the industry is gradually accepting the facts of life. The industry's confidence was shaken in British Columbia and in Alberta, and the industry's apprehension concerning the Federal policies governing northern exploration is by no means lacking. An equitable sharing of revenues from oil production among the producing provinces, Canada and the industry is a slow, painful process and is here to stay.

Saskatchewan has made a significant contribution towards the national policy of one oil price for all Canadians. For example, besides supplying crude oil to eastern Canada, the Federal export tax revenue derived from Saskatchewan crude oil to eastern Canada, the Federal export tax revenue derived from Saskatchewan crude oil exports alone, which is used to subsidize eastern Canadians who use more costly imported oil which costs about \$13.00 per barrel, is as follows.

In 1973 the amount was \$10,005,000; in 1974 the amount of our subsidy, because of the price, was \$189,814,000; in 1975 our subsidy came to \$99,988,000 for a total subsidy to the people in the eastern part of Canada who use oil commodities and the products of oil, \$299,807,000.

Mr. Speaker, Saskatchewan has contributed \$300 million to help eastern Canadians pay their fuel bills in the last three years.

SOME HON. MEMBERS: Hear, hear!

MR. WHELAN: — I suppose the Hon. Members opposite think that that's the way it should be done. I think that they think that's fair, that the Federal policies are fair to the people of Saskatchewan. The people of Saskatchewan have watched this thing and watched the discrimination develop while the federal leadership in Ottawa has completely ignored our plight.

SOME HON. MEMBERS: Hear, hear!

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MR. WHELAN: — Yet some oil consuming provinces complain that the producing provinces, such as Saskatchewan, are taking too much from the oil revenues in the form of royalties. Similar accusations are heard from the Opposition Members in our own Legislature, here in our own Legislature. Let us again look at some of the facts, not the fantasies.

In Saskatchewan crude oil is refined and sold in Ontario as gasoline and the following is the breakdown of that gasoline sold in the Province of Ontario.

I'm going to look at a gallon of gasoline and I want every Member of this House to listen carefully because I think this is important. Saskatchewan, out of a gallon of gasoline sold in the Province of Ontario, Saskatchewan (we're supposed to be the people that are taking all the money and gobbling it up), we just own the crude that just happens to be ours you know, Saskatchewan gets out of that gallon of gasoline 9.2 cents. The Federal Government, through income tax, sales tax and excise tax, picks up 27.3 cents. I want you to contradict that. I want some of you when you get on your feet to contradict that figure. The Ontario Government has a sales tax of 19 cents. The industry for all its costs, all its profits, it takes up to 25.5 cents. The total for a gallon of gasoline, 81 cents.

Note, that Saskatchewan's take of 9.2 cents per gallon of gasoline does not include the 15 cents gasoline tax for road construction and maintenance. The 15 cents road tax on gasoline cannot be considered as revenue from the natural resources, any more than automobile licences and insurance fees can be said to be revenues from oil.

The Federal Government and the Ontario Government each derive more revenue than Saskatchewan who supplied the crude, who owned the crude in the first place. What a travesty of economic justice. What a travesty of economic justice, Mr. Speaker.

People of this House come here to criticize Saskatchewan and Saskatchewan gets 9.2 cents out of a gallon of gasoline, while the Federal Government gets over 27 cents. They have the audacity to blame the situation on the Department of Mineral Resources. What an outrage. What an unreasonable approach. Did you ever hear anything so ridiculous?

Mr. Speaker, even if the 15 cent road tax on a gallon of gasoline were to be added to Saskatchewan's share of 9.2 cents above, Saskatchewan's total would be 24.2 cents which is still 3.1 cents less than the Federal Government's take.

Mr. Speaker, one of the Hon. Members wishes to introduce some school students.

WELCOME TO STUDENTS

MR. A. THIBAUT: (Kinistino) — I want to thank the Member for Regina North West (Mr. Whelan) for giving me this opportunity to introduce a fine group of students from the High School of Birch Hills. They make this trip very religiously every year and we certainly appreciate having them come down to see the Legislature in action.

They are led here today by their teachers, Mr. Art Barth and Mr. Tony Jiritka. Their bus driver, Mr. Lyle Cox from Melfort. They spent today in the city and I'm sure that their stay here will be an educational one and I'm sure they will be able to take home some very pleasant memories. I also want to wish them a safe journey home. I hope the House joins with me in welcoming this fine group of students.

HON. MEMBERS: Hear, hear!

The debate continues on Resolution No. 10.

MR. WHELAN: — I think these students are very fortunate to have such a fine, considerate and good natured Member as the Hon. Member for Kinistino.

SOME HON. MEMBERS: Hear, hear!

MR. WHELAN: — What is . . .

MISS CLIFFORD: — That is the best thing you've said all afternoon.

MR. WHELAN: — The Hon. Member for Wilkie, you can pick her voice out and you know before she starts she's not going to say anything. She's been doing this since this Session began. I thought she should know that's how we feel about her. She just rattles away. It sounds somewhat like someone dragging an empty buggy over a rocky road. Then it goes on and on and on and on and on and you never say anything at all.

SOME HON. MEMBERS: Hear, hear!

MR. WHELAN: — What is Saskatchewan . . . I wonder if you'd let me finish. Do you think you'd be mannerly and polite enough to let me finish. Oh, that's real generous of you. I happen to have the floor, but that's real nice of you to let me proceed.

What is Saskatchewan doing to improve the lot of the oil industry? We have instituted incentive programs. For instance, if a company is earning the available incentive rebates, the average royalty rate in Saskatchewan is comparable to that in Alberta and in British Columbia.

MR. PENNER: . . . keeping them a secret?

MR. WHELAN: — No, the only trouble is that you may be a school teacher, but you can't add. You just can't add or you haven't looked up the figures. That's your only problem. These young children alone now, there is a school teacher in here who can't add.

The direct royalty deduction of about 50 cents per barrel and the increased incentive rebates have met with favorable and encouraging results in our discussions with the industry. Effective January 1, 1976, royalties were reduced by about 50 cents per barrel and the incentive credits were increased.

For your information, you can check these out if you like.

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I'm not going to give them. There is a long list of figures, but I'm sure that, I'll be very pleased to make them available to you, but that's precisely what happened.

The issue of the withdrawal of services that was staged by the industry and supply companies in 1975 was something that happened and may happen again. Our program of rebating a portion of our oil revenues for expenditures made for reworking and maintenance of production facilities have provided substantial benefits to the service and supply companies.

In 1975, the Federal Government introduced a program to phase out oil exports to the U.S. Exports were reduced from one million barrels per day to 750,000 barrels per day in 1975. The present export level is 510,000 barrels per day and will be further reduced to 385,000 per day by the year end. Saskatchewan's medium and heavy crudes are largely dependent on the export market. Over 50 per cent of Saskatchewan's production is heavy and medium crude.

Saskatchewan argued strongly, I disagreed with this position of not allocating the reduction on the basis of the type of crude. We felt that the crude should have been cut back, but it should have been allocated. We strongly argued before the Federal Government that (a) there should be a separate export licensing by crude type and (b) that export tax should vary with the crude type, to restore the historical competitive positions.

Saskatchewan took steps to improve the marketability of heavy and medium crudes by reducing the wellhead values for royalty purposes by 15 cents per barrel on heavy crude and ten cents per barrel on medium crude.

Currently, Saskatchewan has over 60,000 barrels per day of shut-in production and we continue to bear that heavy burden dictated by the Federal oil policy to conserve oil in the national interest. Do the provinces who are dependent on Saskatchewan crude now and in the future realize or appreciate the burden that is being placed on the citizens of Saskatchewan by the Government of Canada?

What has been the result of Saskatchewan's vigorous oil programs? In the first three months of 1976, drilling has shown a significant increase over the previous two years, although it has not as yet reached the 1973 level.

The following are the results. The first three months of 1974, there were 32 wells drilled and a footage drilled of 97,000 feet. In 1975, 53 wells drilled and a footage of 101,000 feet. In 1976, 59 wells drilled and a footage of 165,000 feet. Moreover, in the last Crown land sale held on March 9, which we heard a great deal of biased information about just recently, the total bonus bids were \$2,023,000. The second over \$2 million land sales since 1967 in 34 land sales. Saskoil was the largest bidder.

MR. MERCHANT: — . . . 61 per cent.

MR. WHELAN: — Are you criticizing the people of Saskatchewan for having confidence in their own resources? Enough to decide to

drill and is that what you are saying?

MR. MERCHANT: — . . . out . . .

MR. WHELAN: — I'm getting the message. You don't want the people of Saskatchewan to drill their own oil wells.

But there was a significant increase shown by private companies who spent \$626,000 on the sale. A number of companies have already indicated renewed interest for the next land sale. Seismic activity shows increased activity in 1976. Dome Petroleum has finished drilling three wells in a planned 15-well deep-test program. Oh, I know you don't like to hear this, the Hon. Member for Lakeview (Mr. Malone) is trying to stop me, but it's all factual and I'm sure you can check it and you'll find it not misleading you in any way.

The first well became the first Winnipegosis formation producer in the province. The third well has been cased in the Mississippian.

The general outlook in the oil industry, therefore, is encouraging and promising and the future of gloom and doom is for the misguided, misinformed and the uninformed.

Mr. Speaker, therefore, I move, seconded by Mr. Allen (Regina Rosemont), to set the record straight, the following amendment to Resolution No. 10.

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

SOME HON. MEMBERS: Hear, hear!

MR. WHELAN: — I said it was going to be accurate, that is why you knew what I was going to say.

Commends the Department of Mineral Resources of the Government of Saskatchewan for retaining for the people of Saskatchewan a fair share of the windfall gains from unprecedented crude oil price increases in the past two and a half years; while at the same time establishing incentive programs aimed at encouraging exploration and development in Saskatchewan by allowing oil and gas producers to recover certain expenditures made for such exploration and development from the mineral income tax and royalty surcharge.

MR. B. ALLEN: (Regina Rosemont) — I know that everybody is very anxious to get home so I will say just a very few words on this subject before adjourning debate.

Mr. Speaker, the Hon. Member for Wascana mentioned three things, I think, in particular. He said that the policies of this Government, in particular Bill 42, (1) snuffed out oil exploration in Saskatchewan; (2) he said that the policies of this Government have created a bad investment climate in the province. He also had a number of other things to say about gas. I might mention to the Hon. Member that there is a considerable amount of gas coming from the other side of the House.

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Mr. Speaker, it seems to me that when we talk about oil exploration in the province, we cannot skip over as the Hon. Member for Wascana did, the impact of the Federal Government's taxation policies on oil resources. It seems to me that this Government has taken a responsible position. It has, in fact, in the face of Federal Government taxation policies, in a sense backed down. In a sense, come to an accommodation with the oil companies in order for them to continue exploration in the province. Because of this statesmanlike approach, we are seeing an increase in oil exploration in the province.

The Hon. Member said that the Government's policies have created a bad investment climate. Mr. Speaker, the investment climate in this province is so bad, so bad that it now has the highest per capita investment of any province in the Dominion of Canada.

SOME HON. MEMBERS: Hear, hear!

MR. ALLEN: — That's how bad the investment in this province is. It is just the best per capita of any province in Canada.

I am surprised that the Hon. Member would mention gas. We all recall what the Liberal Government did when they sold off the Hatton Gas Field. We all know that the consumers of this province are now paying for that 60 per cent of the natural gas that we have to import. I am surprised that the Hon. Member would mention that.

Mr. Speaker, I think perhaps we have reached a plateau. The Hon. Member mentioned a number of figures of oil production in the province. I think perhaps we have reached a plateau as far as the production of sweet crude in Saskatchewan is concerned. It is true that we have a large reserve of heavy crude, sour crude, that is expensive and difficult to develop.

I think the point that I want to make in regard to Bill 42, is this. The Hon. Member mentioned production levels. It would be fair to say that both under the CCF Government and under the Liberal Government, while these production levels increased year by year, there was never a year in which the people of Saskatchewan received more than 50 cents a barrel for that oil. All the time that we were exporting, and increasing exports to the United States, we were told by the oil companies and we were told by an incompetent National Energy Board, that the oil supplies of this country were limitless, that they were infinite. We find today, that we were led down the garden path by the oil companies and by the National Energy Board.

Today, Saskatchewan people get about \$3.20 a barrel. The Federal Government is now getting \$4 a barrel where it got virtually nothing before. Let that go as it may. Fifty cents for oil that we couldn't get rid of fast enough it seemed in the '60s and in the '50s, \$7 a barrel today on resources that are rapidly running out. Wouldn't all of us agree that we should have had years ago some conservation policy as is outlined in Bill 42 to protect this resource? Would not the Hon. Member for Wascana agree with that?

I got from what the Hon. Member said, that he was still operating on what has been called the old Liberal development

syndrome. The way that works is this: we have different provinces of Canada with different governments. And this has gone on for 30 or 40 years in Canada. The job of a provincial government is to try to get industry into the province, try to get resource development into the province. How do we do that? We vie with each other to see how much we can give away to get these industries. We have given a lot away. We have given away so much oil that in 10 to 15 years, unless we find other sources of energy, people in this country will not be able to heat their homes. That was Liberal development syndrome policy. A policy of absolute faith in international oil corporations. A policy of absolute faith in a National Energy Board which they created, totally incompetent. That is where we are today.

We have learned to our sorrow that these resources are finite, that they are not infinite resources. We have learned to our sorrow that unless government takes a hand in the development of our resources in a very, very short period of time we will have regretted what we have done in the past.

As I said, I suppose that most of you Hon. Members have a long way to drive, I have got a few other remarks that I could make on this subject, but at this time I would beg leave to adjourn the debate.

SOME HON. MEMBERS: — Hear, hear!

Debate adjourned.

RESOLUTION No. 11 — SASKATCHEWAN ELOCUTION AND DEBATE ASSOCIATION

MR. R.L. COLLVER (Nipawin) moved, seconded by Mr. Larter (Estevan):

That this Assembly commend the Saskatchewan Elocution and Debate Association for hosting the first annual Western Canada Model UN Assembly in Regina, April 9-11, 1976, at Miller Comprehensive High School, at which over two hundred high school students from across western Canada, chosen by the debating societies and clubs in their schools, will be debating extremely important international issues such as:

- (1) That the UN support a system of indexing of raw material prices to prices commanded by manufactured goods traded internationally;
- (2) That the UN support a system of internationally financed and controlled buffer stocks of key resources;
- (3) That the UN encourage the concept of an integrated commodity agreement for fairer trading of key raw materials;
- (4) That the industrialized countries lower or abolish tariff duties presently charged on manufactured goods coming from third world countries;
- (5) That UN member states have the right to regulate the activities of these institutions and transnational corporations according to domestic law, including the

right to nationalization;

(6) That special drawing rights be created as an international currency under the International Monetary Fund, and that the distribution of these be according to development needs;

(7) Be it resolved that: (a) UN member states recognize the concept of the "Cultural Mosaic" and encourage its reality both within national borders and on the international level, and (b) Member states take into consideration in planning development strategies, international and domestic, the aspirations and priorities of any differing cultures to be affected by such strategies. (c) UN take steps to eliminate apartheid policies in countries where they exist.

And whatever our political views of the topics chosen, further commends the Saskatchewan Elocution and Debate Association for involving the young people of Western Canada in a debate of such important international topics.

He said: Mr. Speaker, the reason I want to get my speech off on the item is the fact that the debate is taking place, this weekend, April 9-11. One would hope that we could clear this up in no time flat if we are all going to support it.

Mr. Speaker, it might interest the Members to know briefly who is sponsoring this particular debate in Regina this weekend, and what it represents. The Saskatchewan Elocution and Debate Association is sponsoring the first annual western Canadian Canada Model UN which is a reorganization of the Lethbridge Collegiate Institute Annual Model UN which existed for over 20 years. This was a form for students primarily concerned with international affairs. It is an attempt now to expand this to students of high school age.

At a re-organizational meeting last spring it was decided to break with tradition and rotate the model UN across Canada and across western Canada. The rationale being that it would generate a greater involvement of students in each province, instead of merely catering to the selected schools which traditionally attended the Lethbridge event. Consequently, Saskatchewan was asked to host the first western Canadian Canada Model United Nations Assembly.

The Saskatchewan Elocution Debate Association is currently involved in promoting this first event. And it is hoped that debating associations in each province across western Canada will obtain new students, and they have obtained new students, who have never attended the Lethbridge Model UN. I think it might interest you to know that over 200 senior high school students from across western Canada will be participating in this debate this weekend and I think it is incumbent upon us to recognize that this is the first ever, they are debating extremely important topics of the world. I suggest that some of the debate that we have in this Assembly is on less important matters than is going to be debated by the students this weekend. All of us could take a page from their book perhaps to drop in and attend their debates if we are going to be in Regina this weekend. I think we should stop in for a few moments for awhile to hear the quality of debate that is going to

develop.

Therefore, Mr. Speaker, I so move, seconded by Mr. Larter.

HON. R. ROMANOW: (Attorney General) — Mr. Speaker, I just want to say on behalf of the Government that we support the Leader of the Conservatives in his motion. Also, we should like to commend the Saskatchewan Elocution and Debate Association for these activities. I notice one of the guest speakers is the Hon. Premier, Mr. Blakeney, who will be undoubtedly having some thoughts of interest regardless of political views of the group on some of these topics of discussion and accordingly we would commend the activities of the Association.

SOME HON. MEMBERS: Hear, hear!

MR. C.P. MacDONALD: (Indian Head-Wolseley) — I want to join with the House Leader and the Leader of the Conservative Party in expressing our support. First of all I think the concept, or the philosophy of having debaters come from other parts of the province and the country into a public forum and then with the type of guest speakers and the type of program that they have, is an excellent one. I know that this particular individual who is spearheading the debating society is an old friend of mine. I think he has done an excellent job. I think this is commendable. It deserves the support of all the Members. I should like to see these debaters come to the Legislature and see some of the people that they are far superior to in action. Perhaps they may have an opportunity to do that. We certainly are going to support the Resolution.

SOME HON. MEMBERS: Hear, hear!

Motion agreed to.

The Assembly adjourned at 4:54 o'clock p.m.