

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Fourth Session — Seventeenth Legislature**  
**4th Day**

**Tuesday, December 4, 1973.**

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

On the Orders of the Day

**WELCOME TO STUDENTS**

**MR. E.F. GARDNER: (Moosomin)** — Mr. Speaker, I should like to introduce a group of students from the Moosomin High School. They are located in the east gallery and they are accompanied by their teacher Mr. Dayday and their bus driver, Mr. Bob Bruce. They are members of the Grade Twelve social studies class and I should like to commend them for coming to watch our proceedings today. I hope they find the afternoon very interesting and informative.

**HON. MEMBERS:** Hear, hear!

**HON. J.E. BROCKELBANK: (Saskatoon Mayfair)** — Mr. Speaker, I should like to take this opportunity to introduce to you and to all Members of the House, a group of 38 Grade Twelve students from Bedford Road Collegiate in the constituency of Saskatoon Mayfair. I believe they are situated in part, if not the entire group, in the west gallery. They are accompanied by two of their teachers, Mr. Mike Serienko and Miss Bonnie Stevenson. I welcome them here and hope they have an interesting day. The students from Bedford Road Collegiate, it seems, traditionally come down on the day that the Leader of the Opposition (Mr. Steuart) speaks. They are serious students of the political arts. They then go home and analyze what they heard in the Legislature. I have found the results extremely heartening in Saskatoon Mayfair.

**HON. MEMBERS:** Hear, hear!

**INTRODUCTION OF GUESTS**

**HON. A.E. BLAKENEY: (Premier)** — Mr. Speaker, I should like to introduce some guests to the Legislature. I don't think they are strictly students except as we all are students of the political arts. I first want to welcome and acknowledge the presence of the Hon. Herb Grey, Minister of Consumer and Corporate Affairs, who is seated behind the rail on the Liberal side.

**HON. MEMBERS:** — Hear, hear!

**MR. BLAKENEY:** — I then wish to acknowledge the presence and welcome two Members of the Legislative Assembly of the Province of British Columbia. The Member for Alberni, Mr. Robert Skelly and the Member for Richmond, Mr. Harold Staves.

**HON. MEMBERS:** Hear, hear!

## QUESTIONS

### INCREASED FAMILY ALLOWANCE

**MR. C.P. MacDONALD: (Milestone)** — Mr. Speaker, before the Orders of the Day, I would like to direct a question to the Minister of Social Services (Mr. Taylor). On October 27th the Minister indicated that increased family allowances would be passed on to welfare recipients in the Province of Saskatchewan even though calculated as income. I have had a tremendous number of complaints from welfare recipients over the past month that this is in fact not happening. Yesterday a widow with six children came to see me and indicated the change in welfare allowances from October to November in her family allowance was \$51 but after the Minister of Social Services deducted the increased federal family allowance she received \$21. Not an increase of 15 per cent. I have two questions for the Minister. Is it the Minister's intention that the only mothers in Saskatchewan and probably the only mothers in the Dominion of Canada who will not receive the benefit of the increased family allowances, regardless of their income, rich or poor, are the mothers on welfare in the Province of Saskatchewan. Those that need it the most?

The second question, is it a fact that all people on welfare without children, in other words single people, couples, employables, transients, you name it, receive the full benefit of all increased welfare payments as of November 1st, except mothers who are having the increased family allowances deducted:

**HON. A. TAYLOR: (Minister of Social Services)** — Speaker, I am not really sure where the statement started and left off and the question started. As I announced earlier, Mr. Speaker, increases were being provided to all recipients of assistance including the people the Member refers to and those who do not have children, such as senior citizens.

It is rather amazing that a Member of the Opposition who have been screaming that 17 per cent is too much of an increase, now asks why there isn't a larger increase. Mr. Speaker, we did provide an increase, an increase which is costing the province over \$4 million a year and not just the Federal Government. The Member asked on a particular case. He knows well that no one can answer for that case unless he has the individual circumstances. I will provide to all Members of the House examples of the rates in August and examples of the rates that will be in effect in January.

**MR. MacDONALD:** — Speaker, I say that this is the most disgraceful policy the Blakeney Government has instituted. Mr. Speaker, the NDP makes a living out of welfare. They are committing, Mr. Speaker . . .

**MR. SPEAKER:** — Order! I must insist that Members ask questions and don't make statements on the question period because we get into trouble.

**MR. MacDONALD:** — I have some further calculations of great importance. The question is this: When the family allowance increases from \$12 to \$20 and the increase in welfare allowances in January for this same family come along and the Minister deducts the \$20 from the increase, it will be an increase of less than one-half per cent for that mother with her six children. Is this policy going to continue? We are the only province, we are the only people who are discriminated against . . .

**MR. SPEAKER:** — Order! I must rule the Hon. Member's question out of order because he is not asking a question, he is making a statement. I must insist that it be a question.

**SOME HON. MEMBERS:** Hear, hear!

**MR. MacDONALD:** — May I ask the Minister, are you going to continue to calculate and deny mothers on welfare the very purpose of the increase in family allowances being given by the Federal Government on your January 1st increases in welfare payments?

**MR. TAYLOR:** — Mr. Speaker, the way that question is phrased, I might ask the Member — has he stopped beating his wife?

**SOME HON. MEMBERS:** Hear, hear!

**MR. TAYLOR:** — He is assuming that we have not passed on increases and we have passed on increases. As to our future policy, as is always the case, it will be announced in due course.

**SOME HON. MEMBERS:** Hear, hear!

### **PROVINCIAL FEED GRAINS COMMISSION**

**MR. E.F. GARDNER: (Moosomin)** — Mr. Speaker, I should like to ask a question of the Minister of Agriculture (Mr. Messer).

As you know, it was reported in early September that the Minister was establishing, and with some great urgency, a Provincial Feed Grains Commission, supposedly to set floor prices for feed grains. If the Member from the Battlefords (Mr. Kramer) would keep quiet I could get to my question.

**MR. KRAMER:** — On a Point of Order.

**MR. GARDNER:** — Does the Minister intend and indeed plan on setting such floor prices in the near future? Three months have gone by since the Commission was set up and really we have neither heard of the Commission nor the floor prices.

**HON. J.R. MESSER: (Minister of Agriculture)** — Mr. Speaker, there was a letter sent out by the two commissioners of the Feed Grains Commission. I believe that it covers fully the question that the Member asks. I am sure that he has one in his own mailbox at home. If not, we will certainly provide him with one immediately.

**MR. GARDNER:** — Mr. Speaker, if I could ask a supplementary question. Then the answer, of course, indicates that the Commission is indeed a failure. Would the Minister consider abolishing the Provincial Feed Grains Commission?

**MR. MESSER:** — Mr. Speaker, the Commission certainly is not a failure, and the Government will not consider disbanding the Commission and I suggest that the Member pay attention to the kind of progress that has been made in regard to the formation of an equitable feed grains policy since the Commission was formed in September.

**SOME HON. MEMBERS:** Hear, hear!

### **BOTTLE RETURN PROGRAM**

**MR. T.M. WEATHERALD: (Cannington):** — Mr. Speaker, I should like to direct a question to the Minister of the Environment (Mr. Byers).

In view of the public opposition to the Government's disastrous bottle return program, and in view of the fact that the Member for Arm River (Mr. Faris) announced his resignation in the caucus, unbeknown to the Premier I might add, does the Government contemplate in this Session a change in The Litter Control Act that will be more acceptable to the public?

**MR. N.E. BYERS: (Minister of Environment)** — No.

### **SPEAKER'S RULING**

### **NOTION FOR RETURN NO. 31**

On 31 I have looked over this question and I would like to make a statement on 31.

I have carefully examined Motion for Return No. 31 and in my opinion it asks for the tabling of privileged correspondence. Citation No. 183 of Beauchesne's Fourth Edition states that:

Consideration of a public policy and in due regard to the interests of the state, occasionally demand that information sought for by Members of Parliament should be withheld at the discretion and upon the general responsibility of ministers.

Disraeli once said in the House that if the House were to insist upon the production of papers and correspondence which concern the preparation and preliminary considerations, confidential reports given frankly and freely for the heads of departments, will be discontinued and we shall have a system of reports framed for laying upon the Table of the House.

Furthermore, in Erskine May on Page 421 it reads:

On August 10, 1893, the Speaker ruled that confidential documents or documents of privileged nature passed between officers and offices of the department cited in debate are not necessarily laid on the Table of the House, especially if the Minister declares that they are of a confidential nature.

Consequently, I rule Motion for Return No. 31 out of order on the ground that it requests privileged correspondence.

**MR. A.R. GUY: (Athabasca)** — Mr. Speaker, the names of the civil servants that were reprimanded by the Minister of Northern Saskatchewan (Mr. Bowerman) have already been made public, at least a number of them. Surely if some of them have been made public there is nothing wrong with asking for the list of some others that may have been reprimanded under the same situation. I find it very difficult to see that the Minister who will make names public in one instance and who didn't say that he was not prepared to let that Motion for Return go through, should not be allowed to provide the information requested. So, I wish you would reconsider your decision.

**MR. SPEAKER:** — If a Minister wishes to make statements, that's his responsibility outside the House, that is his responsibility. But I feel that it is my responsibility to try to see as close as possible that we do adhere to the general principles of the rules and, therefore, I think the Members must find other means of ascertaining the information they request rather than using the rules of the House. Therefore, I rule it out of order.

**MR. D. BOLDT: (Rosthern)** — Mr. Speaker, are you suggesting that we follow the procedure of the Watergate investigation hearings?

This is something like Watergate. You know he has been out in the country telling who these people are and you are making the decision. We have the right. If he wants to give us that information it is not your right to deny him giving us that information. Let's have him deny it. Or we will have to go to the courts if we want that kind of information.

**MR. J.C. McISAAC: (Wilkie)** — Mr. Speaker, if I may say a word on your ruling. I wonder if we are not establishing somewhat of a precedent, I don't know if we are or not in your ruling. But, it seems to me that we've had motions in the past that would result in perhaps giving privileged information, if indeed they were passed by the House. But, in those cases, when the present Government were sitting in Opposition benches and when some of us were in the Government, it was felt by the Government of the day that such correspondence was indeed privileged the motion was turned down. I just question whether or not we should be making a beginning to decide from the Chair, and presume to know whether or not this correspondence is indeed privileged. It's interdepartmental mail you might say. Certainly the mail perhaps from one of the employees to the Minister. Who is to say? Who is to say this is privileged? The Minister himself may not feel that this is privileged

information. He may be very happy to provide it and I just question, as I say, whether or not we should be establishing a precedent for the Chair to decide and perhaps you well could, within the guidelines. But whether we should make that beginning or not, or whether we should leave it and we'll debate it and let the Minister decide, if indeed that correspondence is privileged.

**MR. J.G. RICHARDS: (Saskatoon University)** — Mr. Speaker, I find that I can be in complete agreement with your ruling — part 2 — out of order, inasmuch as this deals with correspondence with the Minister, which I think is privileged information. However, with the core of the question posed by this motion, is the question of whether the Minister acted appropriately in criticizing certain people, or whether the civil servants were exercising their perfect rights as citizens of the province to state their opinions about government policy. And, to that extent I think that it's a motion which is in order and I would request that you should reserve your judgment as to whether the first section is in or out of order until you have heard some of the debate both from the mover of the motion, Mr. Guy and from the Minister in response.

**MR. J.G. LANE: (Lumsden)** — Mr. Speaker, on the matter before us, have you yourself seen the information, or have been advised on the information? Have you yourself been advised of the names of the civil servants, and have you yourself seen the copies of the correspondence in order to make a ruling of privilege?

**MR. SPEAKER:** — Is there any further comment on this ruling before I . . .

**HON. R. ROMANOW: (Attorney General)** — Well, Mr. Speaker, I don't know how I can comment on the ruling other than to say that quite obviously the question implies this is interdepartmental communication in some form or other. That I think is clear, if you look at items 1 or 2 and I don't think that you can separate them as my colleague from Saskatoon University (Mr. Richards) says. To me, the ruling that you enunciated was clear and to the best of my knowledge (limited knowledge of the rules) consistent with parliamentary practice, ancient parliamentary practice as stated by yourself. With respect, Mr. Speaker, nothing that has been advanced to this date by any of the Members opposite, in my judgment, should give grounds for you now to reconsider. So, I support your reasoning behind the ruling.

**MR. McISAAC:** — Mr. Speaker, may I just say one word in reply to my friend the Attorney General.

It is true, it is true that decisions by yourself, Sir, can certainly be made based on past rulings and parliamentary procedures and so on, in this House and indeed in other Houses. But, I think it is also true, as all Members are aware, that rulings and decisions of this kind are evolved by way of the practices that have gone on in the past in this particular Legislature. I don't recall — I haven't been here that many long years as some have — I don't recall ever of ruling out

a motion of this kind. It could have been many times in the past, but I just question whether we are embarking on a departure from what has been practised in this Legislature, whether or not it could have been done to previous motions. It is for that reason I would ask that we reconsider, or you Sir, that you reconsider the ruling.

**MR. LANE:** — One more point on that. In the ruling in Beauchesne it was quite clear that the Speaker saw the documentation before he made the ruling as to privilege and unless you've seen it you can't make the ruling.

Certainly the Minister can stand up and demand it, say it is privileged, but that call wasn't made. I don't think you have a choice in this matter, unless you yourself have seen the information and the names of the civil servants and the other information that is requested.

**MR. SPEAKER:** — Well, I thank the Hon. Members for their contribution on this ruling.

The Member for Saskatoon University (Mr. Richards) said that he agreed that the last part was out of order, but the first part was in order. The rules are quite clear if any part of a motion is out of order the whole motion is out of order, and the Speaker does have a right to change motions which sometimes the Speaker does do to facilitate the work of Members, but the Speaker doesn't have to change motions to put them in order. I must be bound by the rules of the House as I see them and I feel if members wish information from the Minister on his activities or Department they could do as is done on numerous occasions before. Discuss it with him and he can then put a motion on to bring out the information wanted. But, in my opinion I think the statements of Disraeli are quite appropriate that confidential reports given frankly and freely for the heads of departments will be discontinued and we shall have a system of reports free for laying upon the Table of the House, if this procedure continues, so, therefore, I rule this out of order. Not saying that the Member can't resubmit it in a different form to get the information which he may require.

**MR. ROMANOW:** — It just occurs to me in the light of your ruling with respect to Order for Return No. 31, if I might direct your attention, Mr. Speaker, to Order for Return No. 19, which asks for copies of communications issued by the Cabinet or individual Members to civil servants much along the lines and we called debate on it before anything transpired further. I wonder, Mr. Speaker, if you might care, in the light of the ruling of Order for Return No. 31, a similar decision be made with respect to 19?

**MR. SPEAKER:** — I believe when 19 is on the motion as debated now and it comes up again the minister concerned at that time can raise the point and it can be debated at that time. Now. I don't want to be ruling on all them that may involve a portion of the statements I have tried to bring forth this afternoon. It will then be the Minister's responsibility to question any infringements made by my ruling.

**MR. McISAAC:** — Mr. Speaker, if I may, either on the motion or a Point of Order, but when one looks at Motion No. 33 to move that an Order of the Assembly do issue for Return No. 33 showing, if we were to follow basically the same argument given in throwing out motion 31, we'd almost have to rule out this one. This is the point that I think I was trying to make and we could find ourselves looking at a lot of these. If we wanted to be really sticky you would have to rule them out of order and that's why I would hope you could reconsider the points made on the previous motion because we are asking again for copies of correspondence and perhaps even more confidential correspondence than that alluded to in the previous motion you ruled out of order.

**MR. SPEAKER:** — As I pointed out when these motions come up for debate, those points can be made at that time and I did not wish to take the time of the House to go over each motion and say if I thought parts of them were out of order or the Minister can amend them or some Member can amend them if he feels it is out of order.

**MR. LANE:** — For this Nixonian approach . . .

**MR. SPEAKER:** — Order, order! It's not debatable any further. It's not debatable.

## **ADJOURNED DEBATES**

### **ADDRESS-IN-REPLY**

The Assembly resumed the adjourned debate on the proposed motion by Mr. E. Kaeding (Saltcoats) for an Address-in-Reply.

**MR. D.G. STEUART: (Leader of the Opposition)** — Bless your little hearts. Before I start, Mr. Speaker, I should like to make an apology to the Government Members opposite. I have, I think, yesterday or at other times, accused them of being rather narrow and small in their outlook, but something has come to my attention that has certainly changed that. I noticed in yesterday's Leader-Post there was an advertisement by the Saskatchewan Government, Department of Government Services, Purchasing Agency, Sales and Salvage Division. I see the Premier has read it. In fact, he was probably down at the sale. It advertises some watches for sale, which kind of surprises me, but anyway we have watches for sale. When you get right down to the bottom, and I looked about ten times to make sure it was in this Government ad, it's got, "Christmas Special while they last — selling at \$1.00 each, size 52 brassieres."

**SOME HON. MEMBERS:** Hear, hear!

**MR. STEUART:** — We have heard about Blakeney bologna and Messer's meatballs. I think they are going very well, although they are a little high-priced and the quality may be questionable. I can tell you Brock, as an old merchandiser you'll never sell them this way. I admire you . . . I mean I must say that you've taken a big attitude here on this whole question. I have a suggestion



though, you could put a big ad in, "Brock's Brassieres — half off."

**SOME HON. MEMBERS:** Hear, hear!

**MR. STEUART:** — We should like a little report on this if we may get it because I should like to know where you got them or where they came from, or who fits in them, or . . . anyway, we would like to meet the ah . . .

**SOME HON. MEMBERS:** Hear, hear!

**MR. BROCKELBANK:** — They were left over from the previous administration.

**MR. STEUART:** — Well we did things in a big way. I'll tell you that, but I don't think we did them that big.

Mr. Speaker, yesterday I talked about the feed grain situation and I should like to make it very clear that when the Federal Government and Otto Lang asked people in Western Canada, governments and farm leaders, to give him the advantage of their experience in developing a long-term feed grain policy, that we on this side of the House will do that and we will fight to have certain basic requirements in that floor price, equalized freight rates between eastern and western Canada in regard to both feed grains, cattle and finished beef. We will also ask the Federal Government to fulfil their commitment about increased cash advances and the beginning of payments to farmers for farm stored feed grains and other grain. Again I would ask the Premier and the Minister of Agriculture (Mr. Messer) to quit playing politics, both with the rapeseed vote and with the feed grain policy and put forward some concrete proposals to try and solve both these very vexing problems.

I ask them to think of the farmers first for a change and the NDP second.

Mr. Speaker, a look at the Throne Speech would indicate that we should know such a request is really hopeless. A look at the Throne Speech indicates that there is nothing really new for the farmers. Oh, there is some welcome news that FarmStart will be continued and that more money will be put into that program. But again, I ask the Minister of Agriculture to take an honest look at the regulations of FarmStart. I've got them here in my hand and they are unbelievable. Any farmer who could fill that out or could read these regulations, he'd have to be three kinds of Philadelphia lawyer before he'd know whether he qualified or he didn't qualify.

I want to give you just one little paragraph in here and ask if Mr. Messer himself would explain this. On page 384, The Saskatchewan Gazette, that lays out the regulations, under Section 7 pursuant to clause (1) of Section 10, This is the Purpose of Loans, under A (i). I just want to read this to give you some idea of the red tape!

The funds so obtained are used by the Association, partnership or corporation, for purposes consistent with the purposes for which the loans may be made under Section 10 of the Act or under clause (a) and (b) of

Section 24 of these regulations or (b) the funds so obtained are used to purchase equity for a retiring member of the association, partnership or corporation, provided the amount of the equity so purchased does not exceed  $EL/T$  where E equals the total equity of the retiring members, L equals the value of productive farm assets controlled by the association, partnership or corporation of a kind, the purchase of which would in accordance with the purposes set forward in Section 10 of the Act or of clause (a) or (b) of Section 24 of the regulations and T equals to the total value of productive farm assets controlled by the association, partnership, corporation, . . .

Now I'm going to tell you look at these regulations and I'm telling you most farmers would reckon that they would have an easier time getting a loan from a gimlet-eyed banker in a small town on the prairies in the mid-thirties. But, they ask for the attitude of the farmer, the attitude of the family, the attitude of his wife, they've got lists of things in here that the average farmer would have difficulty understanding and would have far more difficulty filling out.

I think FarmStart is a good program, but the limit is too low and the red tape is too unbelievable. You boasted in the Throne Speech they'd already made over 200 applications. I thought it was a year. I said at that rate it would take them 200 years to get around to everybody. They said it was in one month, I'm sorry, it will only take you 33 years to get around to everybody at the rate you're going.

**MR. MESSER:** — How many did you give?

**AN HON. MEMBER:** — Thousands. Look at the Guaranteed Livestock . . .

**MR. STEUART:** — Yes, the Guaranteed Livestock Loan we gave it to thousands of farmers, they didn't have to fill out this nonsense and the limits weren't on it. I'm asking you quite sincerely to take a look at that, you didn't invent that red tape, your bureaucrats did. Take an honest look at it, it doesn't need to be that complicated. I think it's a good program but it can be a better program.

I would ask you also, while you're doing that to take a look at the Land Bank. Again, I want to say and want to go on record that what you've got is not a Land Bank, it's a Land Grab Act. You haven't sold any land, you don't intend to sell any land, the option you put in the Act is actually a phoney one. You know that and everyone else that thinks or could read that Act knows that it's phoney. You have no intention of selling any land. I say you're taking agriculture that has been successful in this province and taking it down the wrong road. Give our farmers a chance to buy that land, let them lease it for a year or two years and then if they prove efficient, give them a reasonable chance with long-term credit and low interest to buy the land.

I ask the Government, the Premier, the Minister of Agriculture, just take a look around the world. Our farmers here in Saskatchewan and Western Canada are the best farmers in the world and they are the freest farmers in the world and that

tenure system you got is not a new tenure system. It goes back to feudal times. You will find it behind the Iron Curtain and we find that our free Saskatchewan farmers, most of them, farming the land that they own are in fact feeding the tenants of state farming in Russia and China. Why is that? Because it has not proven successful over there and will not prove successful here.

Sure the Land Bank may look popular right now. Any kind of land that anybody can buy or lease might look popular with today's prices for grain and cattle, but I say you're leading them into a trap. With land prices today there are many farmers, too many farmers who are going to be leasing that land, land you pay too much money for and making commitments that in the years ahead, when agriculture gets tough they won't be able to meet their commitments.

Mr. Speaker, the same thing is true of the Hog Commission. The Hog Commission, because it was forced on our farmers, has already proven a failure. It has, without a doubt, been one of the causes for the drop in hog production in this province of 20-25 per cent, a more serious drop than in any other province in Canada. You're driving our farmers out of the hog business at a time when you should be encouraging them to stay in it.

Mr. Speaker, those things are bad, but they are not the worst thing the NDP has done both here and in Ottawa to the farmers of Saskatchewan. I say that I think the point is proven beyond any doubt that the worst thing the NDP has ever done to the farmers of Western Canada was when it sabotaged the Grain Income Stabilization Plan put forward by Otto Lang in 1971. Make no mistake the NDP, including Mr. Messer and the Attorney General, were leaders in this. I go back to the Leader-Post in October, 1971,

#### NDP Said Back of Court Action

The New Democratic Party instigated the court action against Federal Finance Minister E.J. Benson, said one of the farmers who signed the application for writ of mandamus.

They actually sabotaged that plan and let's see what would have happened had it been put in.

Without any doubt the most hypocritical statement in the Throne Speech and the one that has been repeated many times by the NDP is a call to the Federal Government to put in a Farm Income Stabilization Program. I think we should never let the farmers forget that it was the NDP who scuttled and sabotaged the Federal Government's Grain Income Stabilization Plan in 1971. Had this plan been put into operation in '71, in view of the tremendous income from grain received by farmers during the last three years there would have been close to \$300 million in a fund ready to be paid out to western farmers the first year their income dropped. Two-thirds of this money, Mr. Speaker, would have been a gift from the Canadian taxpayers, since the Federal Government had agreed to put in \$2 into the fund for every \$1 put up by the western farmers.

Let's review the figures and see exactly how much the NDP sabotage has cost the farmers of Saskatchewan already. To

establish the amount of money that would have been in the fund at the end of this crop year we have to go back five years. Beginning in 1969-70 we find that gross income from grain sales was about \$770 million; 70-71 — \$780 million; 71-72 — \$1.2 billion; 72-73 — \$1.5 billion and the estimate for this crop year will be \$3.7 billion of income. This gives us a five year average of \$1.57 billion gross income from grain for prairie farmers. The first year that farmers could have a serious drop in income would be next year, the 74-75 crop year. If income in that year from grain sales dropped to the 68-69 level, which was \$774 million and by no means was that the worst year in the last ten, farmers would be paid over \$350 million from the fund. Since Saskatchewan has about 80,000 farmers which represents 60 per cent of all prairie farmers, they would be entitled to over \$200 million, or an average of something better than \$2,500 for every farmer.

Mr. Speaker, if we went back to a very poor year like 61-62 we'd be talking about \$3,000 a farmer.

With the excellent farm income we have received since 1971 the five year average will stay high for at least the next five years. It simply means that our farmers could have depended on a substantial yearly cash payment from the Stabilization fund from now until at least 1979 even if they faced a series of bad years. The fact is, Mr. Speaker, with the world demand for Canadian grain predicted to stay at a high level for the next few years and with the assurance of reasonably high prices I think we could honestly say that the Stabilization Plan that was killed by the NDP would give our farmers income security for the next ten years and well beyond. Mr. Speaker, this plan might not have been perfect, it could have and would have been improved, but it was a giant step forward in bringing stabilization and security for the first time in history to the Saskatchewan farmers. Led by people like Premier Blakeney, Jack Messer, the Attorney General and some farm leaders who followed them, the Saskatchewan farmer was betrayed as never before.

Saskatchewan's press has since 1971 called on the Federal Government various times to bring in another Grain Income Stabilization Program. I believe they should be reminding the people of exactly what the actions of NDP politicians and others have actually cost our farm industry.

Now in fairness, no one predicted the unbelievable increases in farm income we have witnessed these last years. However, this does not excuse those who by their actions or inactions allowed this plan to be defeated. I would hope that the independent press of Saskatchewan would check my figures and if they find what I say to be factual, and I say it is, they would call on all politicians and all farm organizations to take an honest realistic look at what we threw away in the stabilization plan of 1971 and ask the Federal Government to immediately implement this program. I think, Mr. Speaker, we may have trouble selling it to Members of Parliament from other parts of Canada now that they realize how much it would have cost the Federal Treasury, but a united front on our part might overcome this. I say to you, Mr. Speaker, that the farmers in this province are lucky that they have got someone like Otto Lang.

**SOME HON. MEMBERS:** Hear, hear!

**MR. STEUART:** — I tell you that there is no such luck for the business community.

The Department of Industry, in the Throne Speech last year, was quite optimistic, very optimistic. The Department of Industry asked for more men and more money and they made great promises, that was the Throne Speech a year ago. What happened in this speech this year? Practically nothing! The only similarity is that again somebody is going to Japan, "We are looking to the Far East for new markets." The only similarity. This year the Throne Speech is almost silent on the subject of industrial development. I wonder why? I think that the problem is that the Minister, Mr. Thorson, is tired. I think he must be tired from chasing the Roumanians all over this country and in Roumania.

Well, Mr. Speaker, this is some story. I should like to bring the House up to date on it, as I have done each year. I think it is my duty to bring the House up to date, every year on the famous or infamous story of the Roumanian Tractor Factory. I think that the title should be, "Kim Thorson, the young socialist Minister of No Industry in his vigorous pursuit of the Roumanian Tractor Factory". It is kind of a socialist love story, but I am afraid it has an unhappy ending. The question is: will the Minister get the Roumanian tractors in the end? Well I think he got them somewhere, but he didn't get them in Saskatchewan.

Mr. Speaker, let's deal with it. It all began way back in December of 1971. You remember that, December 8, 1971 it started. Headline in the Leader-Post: "They're Coming, They're Coming." That was the Roumanians who were coming. Then on December 15, 1971 the Roumanians stated that the final decision will be based on hard economic factors and the labor and facilities available. You will notice that all the way through this that everyone is interested in hard economic factors. Then the propaganda thickened. The Star-Phoenix, December, 1971, we read: "Tractor Plant May Open in City (that's Saskatoon) in a Year's Time." Well things were kind of quiet from December, 1971 until February 1972 when the Moose Jaw City Council got into the act. They moved on stage and they took off for Roumania in March. This was followed by another outburst in headlines: "Moose Jaw Extends Roumanian Tour", Leader-Post March 18, 1972. "Plant Statement Today", "Saskatoon Complains to Government", April 6, 1972. "Moose Jaw Favoured". This was a statement by Kim Thorson, Minister of Industry, that the Government of Saskatchewan preferred Moose Jaw, but the final decision would again be based on hard economic facts. Then we had another headline, "Government Said at Fault if Tractor Plant Lost". Alberta and Manitoba were now being rumoured as alternate sites.

Then Saskatoon really got into the act and they sent a delegation to Roumania themselves. The Leader-Post and Star-Phoenix of April 13 and 14, and the 15th had headlines reading: "Factory Location Unknown"; "Where oh Where," and another one, "Nobody Really Knows". Then on April 17th, the Premier got into the act and we read, "Blakeney Raps Tractor Dispute". Mr. Blakeney said:

The feasibility study currently being conducted regarding the proposed Roumanian Tractor Plant in

Saskatchewan has shown up some little problems in regard to marketing. "Negotiations are continuing," Premier Blakeney said Wednesday.

Well, I think by June 1972 things were looking up. Another headline, Leader-Post, "Roumanians Expected by June 15th." That was the Leader-Post of June 6th, but by June 26th the Leader-Post headline was, "Roumanians Expected Next Month." Well in July they didn't get there, there was a flurry of speculation regarding the illusive Roumanian delegation. Here was another headline, "Roumanians Are Still Coming. The Question is Still When." That was in the Moose Jaw Times Herald. Then another headline, Leader-Post, July 11th, "Two Roumanians Arrive, Others Expected Later." Then on July 14, 1972 in the Leader-Post, we have another headline, "No Sign of Roumanians Yet." But on July 19th, the Roumanians had finally arrived. The headlines read, "Roumanians Land but Tractor Factory Still up in the Air." But at last on July 25, 1972, after eight long months of negotiation it was announced that the Tractor Assembly Plant was to be built in Saskatoon.

In the meantime, of course, the Saskatchewan Government had sent a delegation to Roumania. You have to begin to wonder if this was really a kind of tourist promotion by the Roumanian Government. Then things were kind of quiet. Then we had another headline on August 5, 1972. "Thorson Confirms Saskatchewan to Own 49 Per Cent of the Plant." Oh yes, 2,500 tractors were to be made a year and 135 men to be employed. Then on August 9th, four days later, John Richards (that's when John was a good guy on their side of the House), John got into the act, he said:

"Not enough bargaining." The NDP Government has announced the Roumanians will have 51 per cent control of the plant while the province will only have 49 per cent. Mr. Richards said in an interview it should be government policy that Saskatchewan controls the plant.

I want to tell you if John Richards doesn't trust those communists, he ought to know, they should have listened to him. In fact, you wonder whom you can trust if you are a socialist. You can't trust those dirty Yankees, you can't trust the people in the East, and now according to John (Mr. Richards) you can't trust the Roumanians. Anyway, John wanted harder bargaining than 51 per cent.

Well the Government took that into consideration I guess, but on November 13, 1972, the Roumanians themselves got into the act. They said, "Tractor Verdict in Six Weeks," that was November 13th. Now you read it and they say they are still going to make 2,500 tractors, still going to make them in Saskatoon, but they are going to employ 100 men. I don't know what happened to the 35 men between August and November but they went somewhere.

Well we get to December 23, 1972, another headline, "Saskatchewan Factory Dream Hits Snag," it was in the Globe and Mail by Ned Bowers who used to live in Saskatoon. Now we are up to 150 men, the factory is in a little trouble, the factory has gone down but the men have gone up. Now we have 150 to 200 men but the tractor factory is just a little dicey.

Now we get to March 1973. There is quite a gap in

December 4, 1973

there, a lot of negotiations, what's the headline? Kim is back on track again, he says, "Cabinet will soon get tractor agreement," and they sent the mission to Roumania. I don't know whether they call it 'mission impossible or mission improbable' but they're still at 49 per cent and the number of employees was running at 135.

Then back in August of this year:

Roumanian Agreement Said Near. The long delayed agreement for the Roumanian Tractor Assembly Plant may be completed this month.

The workers were staying steady this time, 150 to 200, the plan could cost \$4 million and there was no doubt it was going to be in Saskatoon. Well Kim got a little lonesome, so on September 13, he had another meeting with the tractor factory people. He said that things were looking well and he expected to make a final announcement any time.

October 11, 1973, here is the headline, "SEDCO Would Own 51 per cent of the Plant." Now we have 51 per cent of the plant, mind you the plant is nothing, but 51 per cent of nothing according to the NDP is better than 49 per cent. That was on October 11th.

Then we get to November 9th, 1973, 'black Friday' and there was a black headline here put out by our good friend Kim Thorson, he says:

"Roumania is not prepared to proceed with the tractor assembly project in Saskatoon as negotiated by the Provincial Government's delegation in Roumania in March 1973," the Minister of Industry and Commerce announced today.

You know, Mr. Speaker, if it wasn't so pitiful it would be funny, but the spectacle of that Government, their one great industrial development project since they became the Government, their one and only, chasing the Roumanians all over this country encouraging the city council of Moose Jaw to wander all over Roumania at great expense, then a bunch of businessmen from Saskatoon, then a delegation from the Government. They wouldn't go near Massey Ferguson, no, they don't trust them; they wouldn't go near John Deere, no, they don't trust them; they wouldn't even go near Co-op Implements, I guess they don't trust them either. Of course we said from the beginning that it probably wouldn't materialize and it didn't. That's why I guess they didn't have the nerve this year in the Throne Speech really to talk about industrial development.

In the last year what has happened? They lost Burns. Let's see what else has happened. I have here a booklet put out by Statistics Canada covering the first six months of 1973, this year. If you look in it, you find that New Brunswick got 17 new manufacturing plants; Nova Scotia 21; little Newfoundland got 20; you find Alberta got 61; you find Saskatchewan got 16. When you look at these, most of them are one or two or three or four employees, they would hardly rate to be called manufacturing plants. Well at first you think it must be the socialists, the NDP, but no. Manitoba got 35, two and half times almost as much as we got and British Columbia — the last thing I heard out there, they still had a socialist government — I wish you fellows

when you are here would have a little talk with Kim Thorson and tell him how you do it — good old NDP British Columbia got 132 plants in the first six months of this year. Whether it is their fault or it is just the momentum that Mr. Bennett left before he retired gracefully out of office, I don't know. That's what Mr. Bennett told me that he retired gracefully, now there may be another story.

Let's face it, in all of Canada in the first six months this year, where did we rank? We ranked only in front little Prince Edward island, every other province in Canada got more manufacturing plants into their provinces than we got herein the Province of Saskatchewan.

**MR. FEDUNIAK:** — That's more than you did in seven years!

**MR. STEUART:** — In seven years we were right up there, we were ahead of Manitoba, we were ahead of New Brunswick, we were ahead of Nova Scotia and we were sure ahead of Newfoundland, that's where we got in seven years, if you would wake up and look at the facts!

**SOME HON. MEMBERS:** Hear, hear!

**MR. STEUART:** — The fact is, that in spite of the agricultural boom, thanks to you fellows, you can't even produce enough jobs here to keep our population at home.

But there is one bright spot in the Throne Speech, and that is the Saskatchewan Development Fund, I think this might be a good idea. The only thing is, I would advise the Premier to get some businessmen to run this. I should like to remind him of IPSCO and Intercon and by all means don't talk to Mr. Thorson, don't let Mr. Messer, don't let Mr. Bowerman or the Attorney General anywhere near this fund. Let's take a look at what happened. In March last year the Government went out to the capitalistic stock market down in Toronto and they bought \$288,800 worth of shares of IPSCO and they paid \$15.75. You know what it is worth today, \$12.50, they lost almost 11 million in that deal alone.

The second big deal they had, Intercontinental. We tried to stop them, we tried to save them. We told them that they had Intercontinental's balance sheet on record in SEDCO, it was there; here's a copy, I gave it to Mr. Thorson, I asked him is that a genuine statement? He didn't deny it, of course it was. What does it say? It says that the total equity of the shares that Mr. Mendel owns were worth about \$7 million, 100 per cent of what Mr. Mendel owns worth \$7 million. What did those geniuses over there do, and they boasted they did it in a week, they paid \$10.2 million for less than 45 per cent of something that was only worth \$7 million. What's their loss there? The loss in IPSCO's share, Mr. Premier I just checked for your information, IPSCO shares you paid \$15.75 last March, they are down to \$12.50 today, that little touch cost the people of Saskatchewan \$1 million and you lost \$7 million on the Intercon deal, I don't know what the stock is worth today it is not on the market. I know if it is not doing less business certainly it has less employees than it had about one year



ago when you bought the shares.

Mr. Speaker, I hope that that investment plan works. I hope they do invite the people to invest, but I again urge the Premier not to let any of his Cabinet Ministers have anything to do with the board of directors or however they set it up, go out and ask some common sense experienced businessmen to advise you and maybe, just maybe, it will be a success.

**MR. MacDONALD:** (Moose Jaw) — How about Mike Feduniak?

**MR. STEUART:** — There's an idea. Mike's an idea, it's a bad idea, but an idea.

**MR. FEDUNIAK:** — Tell them about the German Mark.

**MR. STEUART:** — The German Mark, if they had brains enough to use the clause I put in there to sell them six months later, you would have saved all that money. They were too stupid . . .

**SOME HON. MEMBERS:** Hear, hear!

**MR. STEUART:** — I was hoping you would ask about that, Mike!

Mr. Speaker, there was no place in the Throne Speech that surprised and shocked the people of Saskatchewan more than the paragraph in there about the Department of Northern Saskatchewan. In the Press and in the investigation that we carried out, we proved that the Department of Northern Saskatchewan is in a mess, the money is being mishandled, funds are being misallocated, are being wasted. Instead of saying yes, "we'll look into that" as any sensible man would do, what did the Premier say? "We'll give them more money, we'll send more good money after bad, we'll give them more power."

Yesterday when I talked about the DNS, they said that's you Liberals, you dirty Liberals are going up there and stirring all the trouble up. Everybody that goes up there and talks has an axe to grind. Oh, they are terrible enemies. Let's take a look at this, they like to toss around the names of the people in the Métis Society. I've got the paper the "New Breed", that's the one that has the picture of Mr. Bowerman on the back 'Wanted'. They have got the centre page, in fact more than the centre page, I won't read it all, but I suggest that the Premier read it if he hasn't. It is called a "Trail of Broken Promises." There are listed, I would say, about 75 or 80 complaints, serious genuine complaints, complaints about the mismanagement of funds, complaints about schools being closed, complaints about health hazards, complaints about the way the money is spent up there being handed over to friends of the Government. They are here, this isn't a Liberal paper, they are not our friends, they sure are not your friends either. If they are friends of anybody, they are friends of the native people who live in northern Saskatchewan.

**SOME HON. MEMBERS:** Hear, hear!

**MR. STEUART:** — What they are saying here very clearly, they are

saying this is rotten, this is wrong, the money is not being used to help us and they are asking you, Mr. Premier, to face your responsibility and do something about it. I say today we must have an investigation. These people have asked for an investigation. The Minister himself took the Press up there for a big tour, he was going to show off. It was about as disastrous as that Cabinet circus you had before the by-election. Maybe it was even worse. What happened when he got the Press up there. Unfortunately he had forgotten to muzzle the people. So the people showed up and they took him limb from trunk almost. Even the people that worked for him had the courage to complain. We saw in the House they were reprimanded very seriously and some of them aren't working for the Government any more. Reprimanded very seriously. We asked for the information, maybe we shouldn't have got it. If the Speaker, or you Mr. Blakeney say it is wrong, if they weren't reprimanded, then ask Mr. Bowerman to take back the list. He gave a list publicly of employees of the DNS who had been reprimanded for talking to the Press. He didn't have to reprimand anybody for talking to us, he had put the fear of the Lord into them by the time we got up there. I tell you this, there shouldn't be one more cent of public funds spent in northern Saskatchewan until an investigation is carried out, an independent investigation.

**SOME HON. MEMBERS:** Hear, hear!

**MR. STEUART:** — We will ask this House to reduce the DNS estimates when they come before the House to \$1 if the Premier hasn't faced his responsibility and sent someone up there to look at what is going on.

Mr. Speaker, I talked for a minute or two yesterday about the energy situation. The Provincial Government has talked about the lack of policy of the Federal Government, the lack of an oil policy, the lack of an energy policy. I just want to point out, and I am not defending the Federal Government whether their policy is adequate or inadequate or what it is, that is their problem, that is their responsibility. I want to just point out some historical facts. Back in 1961 this country was divided at the Ottawa valley. I think it is interesting for Saskatchewan people to remember that when that happened the people in Ontario who could have purchased oil from South America and the Middle East cheaper were forced by that decision of the Federal Government to buy their oil from Saskatchewan and Alberta at higher prices. Now, they weren't much higher prices. Certainly if the same deal had been forced as was suggested by the Member who moved the Speech from the Throne Debate that the same deal should have been forced on the people of the Maritimes and Quebec, those people down there would have had to pay a much higher price for oil than they have paid for the last 12 years. I wonder how the workers down there would have felt, if the Government had said, because we want you to use Alberta and Saskatchewan oil you are being denied the chance to be competitive in world markets with your factories, your shipbuilding yards and so on. I think the policy that was put in by the Federal Government at that time was very fair. I think it was reasonable and it helped the people of western Canada.

Obviously no one foresaw what would happen with the Arabs, no one foresaw what would happen to the supply of oil in the world as it affects the United States and as it effects, to some extent, eastern Canada.

What has this Government done? Let's take a look. I find it rather amusing when the NDP talk about the oil industry and the oil resources of this province being in the hands of the big American or multinational corporations. And it is in the hands of Imperial Oil, Gulf Oil and many other American owned oil companies. I would ask you, Mr. Speaker, who put it there? It wasn't the Liberal Party that put it there, it was the old CCF and some of them are still sitting there.

**SOME HON. MEMBERS:** Hear, hear!

**MR. STEUART:** — The Premier, if he wasn't a Member back in the '50s, he was one of their chief advisors. There are many Members including the Member from The Battlefords (Mr. Kramer) who sat on the Government side of the house during the '50s when the oil resources of this province were not just handed over to the American oil companies, they pleaded with them, they boasted about it. I am not criticizing them, but I find it rather hypocritical for the same people to stand up now, and decry the use of our resources, they are all in the hands of those dirty big Americans. Well they should look at their own hands because their hands are dirty if that is the case, because you handed it over to them.

What have you done since you became the Government two and one-half years ago? Crude oil production has gone down. The proven reserves have gone down, they are now under 600 million barrels. They have gone down again this year. Production has gone down this year. Part of the reason production has gone down this year is because the National Energy Board under the Federal Government has slowed down the export of oil from this province and from this country to the United States. But notwithstanding that, the production of oil went down. What has happened to the price of oil? The price of oil has risen. The price of heating oil, the price of diesel oil and the price of gasoline at the pump. A year ago the NDP said the same thing. Blakeney, through the Speech from the Throne, said we are going to do something about oil. We are going to do something about this great resource, we are going to do something to secure it better than we have in the past for the people of the province. He created or said he would create something called Saskoil. Well the only thing we have ever seen of Saskoil, you can usually tell a Waffler because he has got a Saskoil sticker on the back of his Volkswagen. That is about all we have ever seen of it. The only other time we have ever heard of it is when the Premier got up and apologized at the NDP convention that he hadn't been able to do anything with Saskoil because he hadn't found anybody evidently with brains enough to know how to put it into operation. Well, in that part I admire him. Because I guess after Intercon and IPSCO he didn't want to take a chance with any of the people he had.

**SOME HON. MEMBERS:** Hear, hear!

**MR. STEUART:** — What happened when we were the Government? Let me give you the record. In 1965 the oil reserves in this province were, 661 million barrels. In 1966 they went up to 596 million barrels. In 1967 they went up to 725 million barrels. From then they started to go down from 720 to 680 million, they have kept going down since. The reason they went up during those first few years of our government is that we sat down with the oil

industry and we put in an incentive program. An incentive program that the people over there criticized and ridiculed. Maybe we gave away too much. I don't think we did because we found some oil. Oil that has paid off since then.

What else did we do: We went into northern Saskatchewan and we put in an incentive program and got people in the mining industry to come in. And as a result another great source of energy was discovered in the Province of Saskatchewan, not for the first time but certainly for the first time in many years. And that resulted in the Cluff Lake mineral development, a uranium development and the Rabbit Lake development, Gulf Minerals. Both of those came about as a result of the mineral incentive program that was put in by the Liberal Government after we came to power in 1964.

**SOME HON. MEMBERS:** Hear, hear!

**MR. STEUART:** — It is strange that in the two and one-half years since the NDP came to power they may be progressing. I saw a television review by the CBC regarding the Cluff Lake Development, and it appears to be coming along very well. What is happening to Gulf Minerals, I don't know. I hope it is still coming along very well. But there doesn't seem to be that much progress, I hope there has been.

Those two developments came about no thanks to anything the NDP did, but thanks to policies put in by the Liberal Government.

Coal production in the Estevan area went up similarly under our Government. Similarly because we talked to people in the industry and they came in and took a new look at that great energy source. What has been the answer of this Government? No new uranium, less oil, no new activity in the coal fields, no new resources of natural gas proven.

Now, they say Ottawa needs some kind of an energy policy. Well, they announced one last night that sounds pretty tough and pretty stiff to me and I hope it works. However, if there is anybody in this country — and it was interesting to note that at the symposium yesterday or the day before that someone who is supposed to be an expert and I presume is, said that no province in Canada has a greater variety of energy resources than Saskatchewan, gas, oil, coal, uranium and water power. The Government has been in power now for almost three years and I ask the Premier when he stands to tell us why he has done nothing except threaten the oil industry, whine to Ottawa, and promise somewhere down the road, they are going to control those big oil companies for the benefit of Saskatchewan taxpayers and Saskatchewan citizens. I tell him he had better make up his mind if he is going to develop his own oil resources with his own government finances and his own government experts, let him get on with the job. He has had two and one-half years. If he is going to get the oil industry to do it then tell him to quit harassing them, tell him to quit moving in on them, tell him to sit down with them and deal with them as one human being to another.

Mr. Speaker, I want to just talk, as I finish my address, about the opening remarks in the Throne Speech that was delivered to this House last week, which dealt with the NDP's attitude

towards the Federal Government, specifically the Western Economic Opportunities Conference held in Calgary in the summer of this year. The Throne Speech complained that they went to that conference with high hopes but the hopes were soon dashed. And in the five months that have followed that little or nothing has been done and hope is fading in Saskatchewan for any action by the Federal Government and people are becoming more and more disillusioned with the present government and with confederation I presume. Okay, let's look at the record.

The Western Economic Opportunities Conference represented a fundamental recognition by the Government of Canada that changes had to be made to improve the role of western Canada in confederation. It is important to emphasize, Mr. Speaker, the impetus, the initiative was entirely Federal. It came from the Prime Minister of Canada and it came from Otto Lang. It was the Prime Minister who asked the provincial premiers to participate. It was the Prime Minister who suggested that the discussions deal specifically with causes of immediate concern together with the more basic questions underlying those immediate concerns. This sort of development had never happened before in our history. It is truly historic. For the first time in our history the Government of Canada called together the elected spokesmen, federal and provincial, of a major region of the country and devised plans for the solution of the economic difficulties that have plagued that region for decades and made the people of that region feel alienated from other parts of Canada. The Government of Canada had put a tremendous amount of effort into its role coming into the Western Economic Opportunities Conference. In particular, the crucial Departments of Regional Economic Expansion, Transport, Agriculture, Supply and Services, Energy, Mines and Resources, Finance, Industry and Trade and Commerce, the Treasury Board and the Grains Group, devoted literally hundreds of man-hours working towards that Conference. The truth is that most of this effort on the part of the Government of Canada is continuing at the same vigorous pace since the Conference as before.

For decades the West has complained about inequities and injustices. Mr. Speaker, a great many, if not most, of these complaints were justified. Mr. Speaker, a parade of federal governments, some Liberal and some Conservative down through the years have paid lip service to these problems but we in the West have become steeled to talk of new initiatives and new policies and new answers for western Canada but little action. But the present Federal Government, the Government of Trudeau and of Otto Lang has started to do something positive and practical about the long standing difficulties. The Western Economic Conference was just the first step, a good first step and they are keeping up their efforts. We in the West have received a fundamental commitment from the Government of Canada to seek and root out the frustrating problems with which we have struggled for so long. In the face of that kind of commitment what have the NDP done, what do they continue to do? They snipe and they gripe and they complain and they take pot shots. Before their chairs at the Calgary Conference had a chance to cool off, Premier Blakeney and his apologists were crying and whining. Mr. Speaker, this bunch of snivelling pessimists wouldn't know an opportunity if it came up and hit them in the face.

**SOME HON. MEMBERS:** Hear, hear!

**MR. STEUART:** — And that is a tragedy for Saskatchewan. The Government of Canada has created a golden opportunity for Saskatchewan in a positive and constructive way to begin to rebuild confederation. To devise a new national policy for Canada, in which the hopes and the aspiration of westerners will be given full expression. The opportunity is there but with the petty political short-sightedness of the NDP, Saskatchewan is missing the boat. This Government, Mr. Speaker, is simply incapable of making the best use of the opportunity before us. The NDP can't even see that an opportunity exists except an opportunity to play cheap politics, and the people of Saskatchewan stand to be the losers. What is the real point? The point is that after decades of problems, frustrations, unfairness and inequity, the Federal Government has finally given us a commitment. We can't expect to wipe away the trouble of a hundred years at a single conference. Everything can't be fixed up overnight or in four months. But we now have a commitment, the Federal Government is working and I say they are working hard on short and long-term problems.

Let's look at some concrete examples. DREE, the Department of Regional Economic Expansion has undergone some fundamental changes in its administrative approach, as well as a distinct change in the role it played in the creation and development of new projects. The head office in Ottawa for example was where all the final decisions were made. In the past it was the policy that the decision making process be entirely located in Ottawa. As a result of the in-depth studies the commitments brought to a head by the Western Economic Opportunities Conference last summer, the Department of Regional Economic Expansion was instructed to take a new approach. This was one of the first direct results of the Government of Canada's commitment to develop a new national policy. Under the new directive DREE has ceased as a centralized decision making body, it has begun to adapt itself to a more regional approach. The charge in the past that it was a centralized control, the decision makers were so far removed, so unfamiliar with existing situations in regions that projects were not being given proper consideration. The new regional headquarters for the prairies is now being located in Saskatoon. The office will be in full operation within weeks. This comes only a few short months after the original commitment was made. Not only have the administrative techniques of DREE been reformed but an entirely new role has been established for it in a concentrated effort towards economic development in Western Canada. The challenge is now for DREE to recognize the needs and aspirations of prospective projects at the local level and do their utmost to assist in the establishment of new enterprises.

As far as transportation is concerned the important and really fundamental thing to keep in mind when we are talking about a transportation policy for western Canada is again the commitment given by the Prime Minister at the Calgary conference. Prime Minister Trudeau said, I am quoting from the record:

With respect to transportation policy what we can assure you and what we are assuring you is that the discriminatory practices against you will be removed.

**SOME HON. MEMBERS:** Hear, hear!

**MR. STEUART:** — It was no idle promise. Work is going on right now towards keeping it.

Immediately, Mr. Speaker, upon conclusion of the WEOC conference and upon the recommendation of the Federal Minister of Transportation, the Hon. Jean Marchand, a committee of Federal and Provincial officials set to work to tackle the problems of western transportation. The objectives of the Federal-Provincial committee on western transportation is within the context of a more regionally balanced national economy, to contribute to the economic development of the four western provinces. This committee has been hard working ever since its first meeting was held in August, only twelve days after the conference concluded. Since then, I am told the committee has met on four more occasions, September 6, September 21, October 23 and November 22.

The Committee is studying and collecting basic information over the problems of cost disclosure, railroad building, prairie highway standardization, freight rates and the need for rate subsidization, port improvement on the West Coast and so on. Clearly, its work is of critical importance and it is to revise the transportation system to more acceptably meet western needs.

In addition to this Committee of federal and provincial officials, action in the area of transportation policy has been going on on other levels. Later this month in Winnipeg the Federal Transportation Minister, Mr. Marchand will chair a meeting of Ministers responsible for transportation in the West to assess the progress that is being made on western problems.

With respect to the issue of cost disclosure, the Federal-Provincial committee of officials has been collecting information from both the Federal Government and the Provincial Government on rail and truck transport. The information is being given to the Canadian Transport Commission for study and the CAC is expected to make a report later this month.

In this area the main onus is now on the provinces to make a specific submission about what they feel are the facts and what they feel should be done.

With respect to the problem of discriminatory freight rates, 163 specific problems have been identified and forwarded to the CTC for examination. A progress report on this problem will be made available to the ministers, and I hope they will make it available to the public, at their meeting in Winnipeg later this month and there will be a more complete report prepared on this topic later in December.

Mr. Speaker, I mentioned to the House yesterday that there were some specific examples where the Federal Government had already acted to eliminate discriminatory freight rates, which have in the past operated against the interests of Western Canada. I referred to the decision of the Canadian Transport Commission which forced the railway to charge western rapeseed crushers the same freight rate east from Thunder Bay for rapeseed meal as they charge for raw rapeseed. We all knew that western crushers before that ruling were being discriminated against and there was a danger that artificial freight difference would discourage the western industry.

I said that the saving amounted to about \$400,000 a year and I have checked those facts. The people in the business tell me that those figures are true. The Federal Government, the Minister responsible for the Wheat Board, Otto Lang, announced that the western Canadian flour millers would no longer have to pay higher freight stop off charges than eastern Canadian millers were paying, and that in itself will cost the Federal Treasury at least a half a million dollars in the full year. Before this policy change, westerners had to pay a higher charge. Again, these are just two examples of federal action to eliminate freight rate discrimination.

Finally, of course, we have from Otto Lang and the Federal Government, the commitment that by August 1st, 1974 there will be a balance in the freight rates on the shipment of feed grains, meat and livestock across the country West to East. We have a commitment. I will repeat it again — from Otto Lang that the Federal Government by August 1, 1974, that there will be a balance in the freight rates on shipments on feed grains, meat and livestock across the country West and East. To the people of Canada, to the people of western Canada, to the people of this Province of Saskatchewan, that's what was said publicly and it will be done.

This move is coupled with the phasing out of feed freight assistance to most of eastern Canada. And if you haven't heard that commitment I am very pleased to announce it today. Maybe you should have your Minister . . .

**SOME HON. MEMBERS:** Hear, hear!

**MR. STEUART:** — . . . in charge of freight rates — if it is the Attorney General (Mr. Romanow) — show up at some of the meetings attend them all. I understand that that commitment has been given. I tell you that's a commitment that has been made.

**MR. MESSER:** — . . . it's on the record?

**MR. STEUART:** — Yes, it is on the record, it sure is. By August 1, 1974 a discrimination between the rates to move feed grain, finished cattle and meat will be removed.

Let me give you a few more commitments which were made, commitments for which we fought for many years. There was a commitment to construct the Ashcroft Clinton bypass to facilitate movement of prairie grain to market and to rationalize shipping by rail in southern British Columbia. A commitment by the Minister of Justice to intervene in public interest in CTC freight rate hearings.

**MR. BLAKENEY** — When?

**MR. STEUART:** — You ask him! You haven't even asked him yet.

**MR. BLAKENEY:** — . . . 68 and he never. . .

**MR. STEUART:** — I am telling you that in July at Calgary he made the offer to you and you haven't made one . . . And I asked the chairman of the CTC if you made any one



commitment and he said, no, you haven't. So don't tell me you haven't this information.

**MR. BLAKENEY:** — Rubbish!

**MR. STEUART:** — Establishment of a joint federal western provinces committee on transportation; imposition of an 18-month freeze on unprotected branch lines; offered to Alberta, Saskatchewan and Manitoba to share 50/50 the cost of upgrading their primary highway network to the same capacity as that now pertains in British Columbia; proposed agreement for mineral development for northwestern British Columbia and northern Saskatchewan; agreement to work with each province on programs for social and economic development of the western northland; commitment to establish a new crop development fund to stimulate development and adaptation of new crops, new varieties and new protein sources; commitment to increase advance payments available for western grains; commitment to establish a research centre for western Canadian protein and oil crops in Saskatoon already underway.

Mr. Speaker, let me just say this in conclusion. There has never been a time when this Government, the Government of Saskatchewan, not particularly NDP, just the Government of Saskatchewan or the people of Saskatchewan, have been treated better or with more consideration by a Federal Government than is now the case. There is hardly a department of that Government that doesn't receive money directly and indirectly from the Federal Treasury. The Federal Government gave outright grants, equalization grants, that amount to over \$100 million this year. They give money for secondary education; they give money for post-secondary education; they give money for agriculture; they give money for highways; they give money for the development of the North; they give money for medicare; they give money for hospitalization; welfare. I don't think there is hardly a department of this Government that either hasn't got a signed cost-sharing agreement with the Federal Government or is in the process of making one.

In fact, Mr. Speaker, over \$4 of every \$10 that this Government spends comes directly or indirectly from the Federal Government. It never had so many millions paid to our farmers for the two-price system. Boxcars purchased for the first time in our history.

You can say that we have this coming. Sure we have had a lot of this coming. But I say to the people of this province that we have made great breakthroughs, we have made tremendous breakthroughs. We have been given a golden opportunity in Calgary to change some of the long-standing grievances and inequities that we, all the people, not NDP people, nor Liberal people or Conservative people, have put up with ever since Confederation.

The point is simple. Before the Western Economic Opportunities Conference and since then the Government of Canada has been hard at work trying to grapple with the problems which have in the past contributed to western alienation. The Government of Canada is committed to find solutions, both in the short-term and in the long-term. They are serious about building a new national policy. The construction of that policy is well underway. The only problem is that the political

backstabbing from the NDP in Saskatchewan. . .

**SOME HON. MEMBERS:** Hear, hear!

**MR. STEUART:** — . . . is not contributing to that effort.

Mr. Speaker, this Throne Speech indicated it very clearly. Sure we expect the Government opposite to play politics. Sure we don't expect them to fall over and praise the Liberal administration in Ottawa. But I think the people of Saskatchewan, if they knew the whole truth and knew the half-truths, the smears, the outright misrepresentations that are made day in and day out by that Government that has anything to do with the Federal Government, with any program of the Federal Government, with the efforts of the Federal Government to be fair and reasonable, then when the Federal Government is wrong by all means let's attack regardless of the political stripe. But when the Federal Government has at long last said to the people of Saskatchewan, we are prepared to sit down and talk to you and start changing some of the rules of the game, the unfair rules of the game we have been putting up with sometimes for as long as 60 and 70 years, then I think they deserve something better than they are getting from that Government led by Premier Blakeney.

**SOME HON. MEMBERS:** Hear, hear!

**MR. STEUART:** — Cheap politics, day in and day out, that is the order of the day, cheap politics across everything. Sure, where you disagree with the Feeds Grain Policy, disagree with it. If you think it should be under the Wheat Board that is your right and responsibility to do everything you can to change it, and I don't blame you.

When the Federal Government is actually trying to do something and you misrepresent it to the public all over the province, in meetings, in this House and in the Press, then I say you are doing a serious disservice to your own cause and a serious disservice to the people you represent and that is to all the people of this province.

Mr. Speaker, I will not support the Throne Speech. It has nothing new for agriculture; it does nothing really to develop the great resources of this province. Not only did it not mention the serious problem of inflation, but it will probably worsen inflation as much as this Government is able to in this province.

Again, the Throne Speech indicates that the NDP will continue to increase their grab for power over the lives of our people and for these reasons I cannot and will not support the Throne Speech and I propose the following amendment:

I move, seconded by Mr. Grant that the following words be added to the motion:

But this Assembly regrets that the Government of Saskatchewan has completely ignored the provisions of new programs to stabilize the farm economy, that it has ignored the persistently expanding inflation and has, in fact, merely contributed to that inflation, that no

proposals have been put forward to free the industrial and resource development, and that, through its present programs, is continuing to erode the individual rights of all Saskatchewan people.

**SOME HON. MEMBERS:** Hear, hear!

The debate continued on the motion and on the amendment concurrently.

**HON. A.E. BLAKENEY: (Premier):** — Mr. Speaker, I am sure all of us have been puzzling to know what has happened lately. We are trying to explain the performance of the Leader of the Opposition (Mr. Steuart). We are trying to explain to ourselves and to others just what caused this particular effort on the part of the Leader of the Opposition to explain Federal Government policies. Then we remember that we have talked to MPs, and I am sure that they have talked to MPs. They have read the papers, and they know there is a crucial vote coming up in the House of Commons. They know that the life of the Liberal Government is on the line. They know that it is likely that the Liberal Government is going to have to face the electors.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — How else do you explain this deathbed repentance, the evidence of which we have seen today.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — What do you say about the executive assistant for the Minister of Justice, the Member for Prince Albert West, when he comes in here and tells us that Otto Lang is giving us a commitment that he is going to intervene. The National Transportation Act has been on the books since 1968 — five years. Five years, the Government of Canada has had an opportunity to intervene on behalf of western Canadians in freight rate issues. For five years it has been part of the law of Canada that if the Minister of Justice felt that the freight rates were unjust he could intervene. And for five years the Minister of justice under the Trudeau Government has intervened not once.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — Month after month, year after year, Otto Lang sat as Minister of Justice and his predecessors sat as Ministers of Justice, while both the Liberal Party opposite, when they were -the Government, and our Government complained about freight rate injustices. And month after month, and year after year, the Trudeau Liberals have not intervened once on behalf of the public. And the Member for Prince Albert West (Mr. Steuart) now comes and says, Mr. Lang has given us a commitment. For five years they have done nothing and, now, faced with a vote seven days hence, we are told that there is a commitment.

**MR. ROMANOW:** — Trust me one more time!

**MR. BLAKENEY:** — Trust me one more time!

**MR. BLAKENEY:** — We are told about the fact that the Prime Minister called the Western Economic Opportunities Conference. And indeed he did. One year ago he suffered severely at the hands of the electorate and in his first Throne Speech he looked at the problem of western Canada and said, “We have to say something; we are certainly not going to do anything.” So, faced with the need to say something when he was not going to do anything, he called a conference. And he did! He called a conference and he indicated that so far as he was concerned he wanted that conference to be a general discussion of the economic problems of western Canada.

I invite the Member for Prince Albert West and the Members opposite to get a copy of the agenda proposed by the Federal Government to the four western provinces, the agenda of what this conference was supposed to talk about. I invite them to look at that. It came to the four western Premiers and we considered it in Winnipeg, in March, and said ‘no dice’. We want to talk about specific things. We want to talk about rail freight rates, specific rates. We want to talk about opportunities for secondary industries, specific opportunities. We don’t want to talk about whether it would be a good idea to have secondary industry in western Canada; we want to talk about whether we can have our livestock industry, whether we could have a petrochemical industry, whether we can have a lumber industry. These were actually discussed and it was the Premiers who insisted that that conference get down to brass tacks. It was the Premiers who insisted that we discuss rail transportation — not in broad generalities but in specifics.

And when we did try to get down to specifics, the Federal Government refused to change the National Transportation Act. They refused to agree to make any changes. They said, “Let’s talk about it. Let’s have some more committees.” And we have had some more committees and I concede to the Member for Prince Albert West that there has been a lot of committee activity and we are still hopeful that something might come out of it. We are still hopeful that the Federal Government will go so far as to tell their agency, the Canadian Transportation Commission, that they must insist on cost disclosure. But we haven’t got it yet!

The Member for Prince Albert West is giving us announcements from the Federal Government. I tell you that we haven’t received them. The Minister in charge of Transportation has not received what you said he is going to hear from Mr. Marchand on December 13th. You may know it, but we don’t. The Federal Government has not given us the courtesy of any sort of communication as to what they are going to say. If they have told you, good. Apparently they are using as their vehicle for communication in this province, the Member for Prince Albert West (**MR. STEUART**). And, if they are, they mustn’t be surprised if the information gets a little distorted in the transmission.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — We have, we are told, a commitment from the Prime Minister that discriminatory practices against the West will be removed. We are told that there is a commitment; nothing stops them from moving now. Nothing stops them from

putting that commitment into action. We are not saying that they must act only on our agreement. We are perfectly happy for them to lower freight rates in western Canada to make them equal to eastern Canada. They don't need any more consent to remove that discrimination and I think what the people of western Canada want is not another commitment from the Trudeau Government but some action from the Trudeau Government.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — Mr. Speaker, yesterday, we heard the Leader of the Opposition speak for well over two hours. No, I guess it just seemed like two hours; it was an hour yesterday and an hour today. He spent an hour yesterday telling us of the virtues of Otto Lang and his policies. I can understand why he took so long because it is not easy to make a convincing case for Otto Lang. It's not the sort of thing you can do in 15 minutes. It's not the sort of thing you can do in a half hour. The Leader of the Opposition showed us, in fact, that it is not the sort of thing you can do in an hour. You can't convince any fair-minded person that the rapeseed vote is not loaded in favor of James Richardson and the Winnipeg Commodity Market. You can't convince the National Farmers' Union, you can't convince the Saskatchewan Wheat Pool.

You can't convince any fair-minded person that the feed grains policy is not loaded against western livestock producers. You can't convince the National Farmers' Union and you can't convince the Saskatchewan Wheat Pool. Indeed, they believe that the whole wheat board marketing system may be in danger. Anyone who thinks that the Federal Liberals are friends of the Wheat Board doesn't know much about western agriculture.

**MR. McISAAC:** — Who put it in?

**MR. BLAKENEY:** — The Wheat Board, as a matter of fact, was put in by the Conservative Government between 1930 and 1935 as a partially compulsory board. I will say a little more about this tomorrow but just in case you don't know, when the Liberals got in in 1935, they made it a voluntary board.

**AN HON. MEMBER:** — Oh, the old Winnipeg Grain Exchange.

**MR. BLAKENEY:** — Now, Mr. Speaker, why did the Leader of the Opposition feel it necessary to give us this stirring defence of Otto Lang and the Federal Liberals, a defence which even his own Members opposite couldn't work up much enthusiasm for? Can it be that the provincial Liberals are looking for Federal Liberal support? Well, surely not. The Opposition is in a parlous state but surely they are not dependent on Federal Liberal support in this province.

**AN HON. MEMBER:** — Oh, they are tied in there now.

**MR. BLAKENEY:** — As a matter of fact, short months ago — some of us have memories that go back a few months — short months ago the Saskatchewan Liberals made a profession, a literal profession,

of baiting the Federal Liberals at Ottawa and particularly Otto Lang.

**AN HON. MEMBER:** — Those were the good old days, Dave.

**MR. BLAKENEY:** — I think we could all remember this; we could all remember the sharp, sharp cleavage, indeed dispute, between the Saskatchewan Liberals when they sat on this side of the House and the Federal Liberals and Otto Lang. I wouldn't call it a change; I would call it a conversion, a conversion that would make Saul's conversion on the road to Damascus pale by comparison. What could possibly be the explanation? Well certainly it can't be because the Federal Liberals have changed because we know they haven't. It certainly can't be because the provincial Liberals are looking for federal Liberal support because they don't have any support to give. Could it be that the Leader of the Opposition (Mr. Steuart) wants to join Mr. Sparrow and Mr. Argue in the Senate . . .

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — . . . and occupy a seat which it was very widely rumoured was going to go to the late Member for Lakeview, Mr. Don McPherson.

**AN HON. MEMBER:** — Say it isn't so, Dave.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — Surely that is the most likely explanation. But all I want to say to the Member for Prince Albert West and the Member for Regina Albert Park (Mr. MacLeod) and all those others who may be looking for a senatorship or a judgeship that December 10th is coming. The hour is late, and all I can say to them is, "ask not for whom the bell tolls". It tolls for them.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — Mr. Speaker, I want to turn this afternoon to a consideration of a couple of major provisions in the Speech from the Throne. Before I do so I want to say what I think of the job done by the mover (Mr. Kaeding) and the seconder (Mr. Cody), the Member for Saltcoats and the Member for Watrous. I have sat in this House for a good number of years and I have heard movers and seconders move the traditional Address-in-Reply to the Speech from the Throne, and I think that looking back over the years I have rarely heard two better jobs. I want to commend and commend most heartily the Member for Saltcoats and the Member for Watrous.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — Without in any way detracting from their efforts I do say that they had a relatively easy task because it was a good speech and a meaty speech, a speech which outlined programs which are visionary programs which offer real opportunities and real benefits for the people of Saskatchewan.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — There is a lengthy section on energy. The Leader of the Opposition spent some of his time telling us about energy. What he didn't tell us at all was the policy of the Liberal Party on energy, the policy of the Liberal Party, federal or provincial. And that is understandable because if anybody knows what the policy of the Liberal Party is on energy it is a carefully guarded secret. Provincially it doesn't matter much because the Liberal Party is not in power and in this province there is no danger of them getting into power.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — But federally the matter is more serious. The Liberal Party is in office, at least for the time being, and Canada desperately needs a new national energy policy. The Saskatchewan Government has called for a new national energy policy. The New Democratic Party both inside and outside Parliament has called for a new national energy policy. But the Liberal and Conservative parties inside parliament and out have ignored this call. Now it is not strictly true to say that Canada doesn't have a national energy policy. We do have a skeleton national energy policy, introduced by the Tory Government in the early 1960s. It was a policy that had three basic principles: First, oil from western Canada should be developed by private international oil corporations and largely exported to the United States; secondly, Canada, east of the Ottawa Valley, should remain dependent on foreign oil for its supply, no pipeline was needed to take western oil to Montreal; thirdly, no national electric power grid was needed or desirable. This policy was even then unacceptable to the New Democrats. New Democrats called for the public development of oil for the benefit of all Canadians. New Democrats called ten years ago for the building of an oil pipeline to Montreal.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — New Democrats called ten years ago for a national power grid.

The Tory energy policy was supported by the Liberals, federal and provincial, until a few weeks ago. And those policies have brought us to a position unique I think in the whole world. We are a large producer of oil; we are a large exporter of oil and yet we have major oil shortages in heavily populated areas of this country. No other nation in the world is a large producer of oil, a large exporter of oil and a nation with large shortages of oil in its populated areas. The people of Saskatchewan, the people of Canada, find themselves in this position because of 15 years of Tory and Liberal neglect. The people of Canada are now suffering from major oil shortages and sharply rising prices, not because we have no oil but because we have no oil policy, no sensible government policy to see that Canadian oil is used to benefit Canada. You may ask, how could this have happened? How could successive Tory and Liberal governments have been so inept? The answer is simple. We have had policies in Canada, we have had energy policies, but not government energy policies. We have had energy policies made by the international oil corporations.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — Now these corporations wished to have the rich market of eastern Canada served by crude from Arab states and from Venezuela because they knew that the day might come when these foreign sources of supply might be cut off. The oil companies wanted to get out that foreign crude from the Arabian states and Venezuela while the getting was good and that makes good sense from their point of view. but what doesn't make good sense or any sense, is that any government Canada would allow eastern Canada to be almost wholly dependent on supplies from the Arab states and Venezuela at a time when a cut-off of these supplies because of wars and threats of wars, because of the possibility of war at sea, was some distant remote possibility but was, in fact, the a, front and centre, in the minds of the international oil corporations. It was because of the risk that supplies of oil would be cut off or would be overpriced that the oil companies wanted eastern Canada to be supplied from the Arab States and Venezuela. And in spite of this identified risk, the Tory governments and the Liberal government at Ottawa took no precautions no pipeline to Montreal. They didn't even insist that the oil companies provide that in time of stress and scarcity they not divert to the oil markets with higher prices. It is possible, of course, that it was a wise idea to have eastern Canada supplied from off shore supplies, but what isn't wise at all is to have allowed ourselves to be wholly dependent on that, to have no guarantees from the oil corporations, to have no back-up pipeline. That is where successive Tory and Liberal governments failed.

New Democrats have spoken out against the folly of these policies. We spoke out in 1961; over and over again we have called for a national energy policy. Nobody can now deny the need for that policy, but it is still not clear that we have such a policy. `The people of Canada are waiting to know what oil policy of Canada is. They have listened to the Minister of Energy, Mines and Resources and they are still waiting. They have listened to the Prime Minister and they are still waiting. Are we to have a National Oil Corporation? We are waiting for an answer. Are we to have a pipeline to Montreal and if so, when? We are waiting for an answer. Are steps to be taken to have a national energy power grid? We are waiting for an answer. The Government of Saskatchewan believes Canada needs a national energy policy. We believe that oil resources are not the property of the international oil corporations to be exploited only for profit. We believe this resource should be developed for the benefit of all Canadians and we believe that that is how the Government of Canada should act.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — Now, Mr. Speaker, I want to emphasize that we think that we should have a national oil policy. I want to emphasize it because I don't want any actions by the Government of Saskatchewan in the weeks and months ahead to be misconstrued. We do not seek to exploit the present misfortunes of fellow Canadians in other parts of Canada. We do seek to have policies which will protect Canadians both in Saskatchewan and elsewhere from the folly of our current national oil policies, policies not made by the Government of Canada but by the international oil industry. The time has long since come for some public oil



policy in Canada, a policy not made by the oil companies to enrich their shareholders but by government to protect the public interest. The Government of Canada has not acted. Therefore, the Government of Saskatchewan must act, and act we will.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — Now let me turn, Mr. Speaker, to the specific steps which appear to be necessary or desirable. In the Speech from the Throne, Mr. Speaker, government policy is set out in six principles. Let me deal with the first two of those principles:

1. Control of the oil resource as with other basic resources must be firmly vested in the people of Saskatchewan;
2. Future supplies of petroleum for Saskatchewan farmers and other Saskatchewan users must be assured.

Let me turn first to the control and continuity of supplies. We first ask, does the Government of Canada have any policy to guarantee to Canadians a firm supply of oil in the decades ahead at reasonable prices? The answer is, unfortunately, No. Therefore, Saskatchewan must act to ensure a firm supply of oil for Saskatchewan people in the decades ahead at reasonable prices. The need for this action is clear and evident. Few people in Canada are as dependent on reliable supplies of gas and oil at fair prices as is the Saskatchewan farmer. It is absolutely imperative that the Government of Saskatchewan do everything in its power to guarantee supplies of gas and oil for farmers in the decades ahead. Policies of preserving rural life in Saskatchewan, policies of the Land Bank and the other things, however good, will fail if farmers can be held to ransom by the oil companies for their needed oil and gas. That I think must be clear to all.

And I think it must be equally clear to all that prices for that gas and oil cannot depend upon what some foreign government or foreign oil company thinks it can extort from us in a time of world crisis. Our farmers till the soil of this rich farm land; our oil is beneath the soil of this rich farm land, and that oil must be used to make that farm land pour forth its riches for the benefit not only of the people of Saskatchewan but also of hungry people all over the world.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — That oil must be there to make that farm land fruitful not only in this decade but also for generations yet to come. How can we see that this happens?

Well let's look at the present situation. Our reserves of crude are about 800 million barrels and here I am quoting the Department of Mineral Resources figures. The Leader of the Opposition quoted the Canadian Petroleum Association figures which are always somewhat lower than the Mineral Resources figures since the CPA does not include highly probable reserves and the Department of Mineral Resources does and always has. Using those figures, our supply of crude is about 800 million barrels. In Saskatchewan we use each year about 22 million

barrels. So if we refined and used our own crude oil we have supplies for 35 or 40 years. But, in fact, we import into this province Alberta crude of about 20 or 22 million barrels a year, just about all we use in Saskatchewan. So, if we didn't export any and if we continued to import Alberta crude, we would have oil for many, many decades.

But we do export oil. We export from Saskatchewan a great deal of oil. In fact, we export about 85 million barrels a year. So you can see, that at that rate of export, we have only enough oil to last for 10 years. Using these rough calculations only, the wells could run dry in 10 years. Now that's not going to happen. We will not keep sending oil out of Saskatchewan until every well is dry in 10 years and we will find more oil and hopefully quite a bit more oil in the meantime. I'll say some more about that in a few minutes, but the warning is clear. We must act now. We must act to reduce the amount of oil leaving this province and we must act to step up, if possible, the amount of oil found in this province.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — You might well ask, if it will ever be necessary for Saskatchewan people to use Saskatchewan oil. Why can't we continue to keep getting our oil from Alberta? The answer to that is that Saskatchewan people could only be sure of the supply and price of Alberta oil if Canada had a clear National Energy Policy. But Canada has no such policy. Saskatchewan people cannot know whether they will be able to get Alberta oil five years from now and at what price. Therefore, Saskatchewan must act to protect its own people, we have no alternative.

Now this is going to have some results which at first hearing, at least, sound bad. Oil production in Saskatchewan will decline, but remember, that's good. That means that more of our oil is being saved for the 1980s and 1990s. And we believe that it's better to have more of our oil saved for use in Saskatchewan in the 1980s and 1990s than to have it shipped off to Chicago and Minneapolis to be used in the 1970s.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — Just what do we propose? We propose legislation to strengthen our oil and gas conservation board so that it can act to regulate the rate of production of our crude oil. There are excellent conservation reasons to regulate production and we propose to do just that. I do not anticipate that there will be an immediate and dramatic cutback of oil production. Indeed, there has been a substantial cutback of oil production already because of the application of the federal policy. Currently there are shortages of oil in eastern Canada and the United States. We hope they are temporary, and we have no wish to aggravate their problems by any sudden curtailment of production. We do, however, anticipate that over a period of time a significant curtailment of production is likely to take place. This could cause some short-term difficulties, but unless there are major oil discoveries, production cuts are necessary if Saskatchewan farmers and Saskatchewan consumers are to be assured oil in the 1980s and 1990s.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — We are aware that other steps in addition to strengthening the conservation board will probably be necessary. For a number of reasons, one of which is the apparent attitude of the Federal Government to conservation boards, a strengthened board may not be enough to give Saskatchewan people fully effective control over their own oil resources. And we have increasing evidence that the Federal Government proposes to challenge the rights of provincial governments to control their resources through conservation boards. If this is the case, then other steps may well be necessary to give Saskatchewan people this necessary control.

Let me turn now to the next two principles in the Speech from the Throne:

3. Increases in Saskatchewan wholesale prices for petroleum products which do not reflect increases in the cost of operations must be limited;

4. Future unearned increments in crude oil prices, over and above the level of prices which have prevailed during the immediate past period, must be retained for the people of Saskatchewan.

We all know that the world market is in a state of total confusion. Because of the Middle East oil crisis, because of actions in the producing countries such as the Arab States and Venezuela, prices charged on the world market are skyrocketing. I picked up the Globe and Mail here of November 29th and I see a little story which indicates that the Nigerian oil price doubled on one sale to \$16.40 a barrel. Now if we are in that sort of a world market, who can say what is going to happen to world prices in Canada or elsewhere.

About a year ago the price of oil was perhaps \$2.50 a barrel. Now we hear people talk about prices regularly being \$5 and \$6 a barrel. These developments pose serious questions for Saskatchewan people. Among them are these:

Should Saskatchewan people suffer huge increases in the price they pay for gas and oil, increases which do not represent increases in cost of production, but, represent only events in the world of international oil politics?

Another, question — should huge windfall profits go to the international oil companies from the sale of our oil in Saskatchewan for the sale of that oil outside Saskatchewan:

Let me review a few facts.

In September, 1972, the average well-head price for crude oil in Saskatchewan was about \$2.40 a barrel. In September of '73 it had increased to \$3.30 a barrel. Now that's an increase of 93 cents a barrel in one year. There may have been some small increases in costs, but possibly 90 cents of that increase represents increased profits. On the production of 85 million barrels, that represents over \$75 million in increased profits in one year. Some of that, under 20 per cent, will have gone to the Crown and private mineral owners in

in royalties, but certainly well over \$60 million went to the oil companies in windfall profit last year. That's not all. there is now a real possibility that \$3.37 will not be the price, but rather it will be \$5, perhaps \$6. It is distinctly possible that there may be an addition to those windfall profits of at least \$2 a barrel. And that would mean a further additional extra profit of \$150 million in one year.

Now some people try to tell us that we should be happy about this increase in oil prices. They tell us that it represents extra wealth for Saskatchewan. Well it should mean extra wealth for Saskatchewan, but under present arrangements it doesn't mean that. And here's why.

Suppose we assume that all these royalties that I spoke of, either Crown or private, came back to Saskatchewan, and we know well that most of the private royalties don't. But even if we counted that money as money coming back to Saskatchewan, Saskatchewan would only get 15 cents of every dollar of increase. But we consume about 25 per cent as much as we produce; therefore, every time the price of oil goes up we have to pay 25 cents on the dollar of the increase and we get back in royalties only 15 cents. Under present arrangements the higher the price, the poorer we get. But someone will say, "Ah! but think of the extra money that the oil companies make and they will spend all that extra money in development in Saskatchewan." Well it's simply not true and I will show you that.

**AN HON. MEMBER:** — . . . royalties?

**MR. BLAKENEY:** — I am very sure that the Liberals don't believe that story. They have very good grounds for not believing it because when they were the government it didn't happen. When they were the government the major profits made by the international oil companies went out of this province in their tens and hundreds of millions of dollars and only a pittance was spent on development, only a pittance was spent on exploration. And all I can say is that we are not doing any better than they did with respect to exploration.

**MR. STEUART:** — Worse.

**MR. BLAKENEY:** — The oil companies have already made large windfall profits. Further increases in prices due to world oil politics could result in further windfall profits.

The Members opposite have had seven years to give us the benefit of their ideas. The Members opposite have illustrated to the people of Saskatchewan what they would do about all of these problems for seven years and for seven years I think we heard nothing from them except paeans of praise for the international oil companies. We are now saying that our policy, Mr. Speaker, is as follows:

We will act through a series of measures, one being increased royalties and increased taxes, to capture for Saskatchewan people the profits flowing from the unearned increments in crude oil prices.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — We will have a base line for the prices which have prevailed over the immediate past period, and over and above that base line we will act to recapture for the people of Saskatchewan the great bulk of those unearned profits.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — And we make no apology for securing for the public these windfall profits. They properly belong to the people of Saskatchewan and these profits are needed to allow us to control wholesale prices of gas and oil in Saskatchewan and allow us to spend more on oil exploration.

We will use part of the proceeds of these windfall profits to control wholesale prices of gas and oil in Saskatchewan. We will be very interested in knowing whether or not Members opposite agree that the wholesale prices of oil in this province should be controlled, because, Mr. Speaker, they are going to have an opportunity to vote on this issue and we are going to be very interested to see how they vote.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — The facts are, Mr. Speaker, that most of the oil and gas used in Saskatchewan comes from Alberta crude oil, and if prices of Alberta crude rise, our refineries would have to charge more because their feed stock would cost more. We, therefore, must act to freeze the cost of the feed stock going into the refineries. This we propose to do. Subject to minor adjustments to cover increased operating costs, wholesale prices of gas and oil would thus be effectively controlled.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — Mr. Speaker, we have no wish to see Saskatchewan people paying 75 cents a gallon for gasoline, 45 cents a gallon for heating oil, as may well be the case in other parts of Canada. We don't want to see people in this province scrambling for oil and gas. We don't want to see headlines like this applying to us — "Easterners Shop for Gas." We don't want that to be — "Saskatchewan People Shop for Gas." We don't want to see headlines like — "Fuel Prices Jump." This one says — "East of Ottawa Gasoline at 64 cents to 75 cents." We don't want that to happen in Saskatchewan.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — We don't want to see headlines like this in Saskatchewan — "Gasoline and Oil Prices Increase in the East." No doubt there may be modest increases but we don't want to see this 75 cent gasoline.

I say this, Mr. Speaker, with the oil under our feet, oil which we own, a price of 75 cents a gallon for gasoline is just too much.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — And we are going to be very, very interested to see how Members opposite, who are now applauding, vote on the measures: which will be necessary to make this happen.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — Further details of these policies will be outlined by the appropriate Ministers when the legislation is introduced.

Let me now turn to principles 5 and 6:

5. The returns from producing lands owned by farmers and other small holders of freehold acreage should not be disturbed;

6. Oil exploration in Saskatchewan should be stepped up over the low exploration levels of the past several years.

Let me deal first with exploration. Members opposite say that they have the magic formula for exploration and wondering why we aren't somehow getting all this exploration going. They must have learned the magic formula only recently since they didn't have it in 1970 and 1971. It is sometimes said that we must see that the oil industry makes big profits, otherwise they won't have any money for exploration. I don't know whether this makes sense on a world basis. It may be that someone could say that the international oil companies on a world basis have to make a profit or they won't explore. But I say this, it makes no sense in Saskatchewan terms; it makes no sense in Saskatchewan terms for us to pay high prices and make big profits for the international oil companies . . .

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — . . . all based on some distant hope that they may spend some of that money in Saskatchewan on exploration. Some may say that the oil companies have a right to a fair profit and we agree with that, but it depends on what you call fair, Mr. Speaker. Between 1970 and 1972 the profits of Imperial Oil went up from \$105 million to \$151 million. Up \$46 million — 44 per cent. Shell's profits didn't go up 44 per cent, they went up 55 per cent. Gulf's profits didn't go up 55 per cent, they went up 64 per cent. Texaco's profits didn't go up 64 per cent, they went up 75 per cent. In two years, in two years, Mr. Speaker, profits up 41 per cent, 55 per cent, 64 per cent, 75 per cent. Mr. Speaker, that's performance. And I want to tell you this, Mr. Speaker, these were comparisons between 1970 and 1972. We haven't yet seen the effects of the windfall profits of 1973 when the well-head price of oil went up nearly \$1.00 a barrel. Their 1973 figures will indeed be impressive. I think nobody, not even the Members opposite, need feel sorry for the profits of the oil companies and nobody need jump to the defence of their windfall profits.

As a matter of fact, Mr. Speaker, the oil industry in this province has invested up to now about \$2.3 billion and they have taken out of this province in revenues about \$3.1 billion. Now considering these figures only, the oil industry in this province has made a gross profit of \$800 million.

Now even if I overstate these figures a little bit, they have made a profit of at least \$500 million. Mr. Speaker, they reached payout — they broke even — in 1964, so since 1964 they have made over \$500 million in profits. What did they spend in exploration? In 1965 they spent about \$44 million; in 1966 about \$33 million; in 1967 about \$44 million; in 1968 about \$44 million. But what happened, Mr. Speaker, after 1968? What happened after 1968? Down! 1969 — \$32 million; 1970 \$21 million; 1971 \$19 million; 1972 up to \$21 million again; 1973 probably \$19 million or \$20 million. So, since 1967 under Liberal Governments and New Democratic Governments the oil industry has spent very little money on exploration in this province. If a profit of \$500 million in 1964 causes the oil industry to cut back its oil exploration by 50 per cent, what kind of a profit do they need to expand their oil exploration? I don't know what it is, but as the Member for Prince Albert West (Mr. Steuart) says, it boggles the mind. It will be billions of dollars and whatever it is it is too high, and we are not going to pay it.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — Very clearly, Mr. Speaker, the amount of profit that the companies make has little or nothing to do with how much exploration they do and that's understandable, because they take their profits and they explore where they think it is best. They explore in Alaska and they explore in the North Sea. That makes sense for them, but it doesn't make any sense for us. Can they guarantee that Alaska oil will be available for Saskatchewan farmers in 1990? They cannot! Can they guarantee that North Sea oil will be available for Saskatchewan farmers in 1990? They cannot! Therefore, some of that tens and hundreds of millions of dollars has got to be spent here in Saskatchewan so that we can guarantee that there will be oil for Saskatchewan farmers in 1990.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — We intend to see to it that some of these millions of windfall profits are spent to increase oil exploration in Saskatchewan, are spent to find oil for the people of Saskatchewan, for Saskatchewan farmers, for Saskatchewan consumers in the 1980s and the 1990s.

Finally, Mr. Speaker, I want to make it clear that we do not propose to disturb the position of farmers and other small holders of freehold acreage. Is it they who are making the tens of millions of dollars? It is the oil companies who are making these windfall profits.

We believe that an oil policy such as I have outlined will protect the people of Saskatchewan, will protect them from being out of oil ten or fifteen years from now, will protect from paying sky high prices next year and the year after that, will protect them from having their resources exploited for the benefit of the international oil corporations. We believe the people of Saskatchewan will support that policy and we are going to invite all Members of the House to support that policy, we are going to invite all Members of the House to support the legislation which enacts this policy.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — We will be very interested in seeing whether Members opposite examine the legislation to find some reason to vote against the legislation and to side with their long time friends and financiers, the international oil companies.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — We have not long to wait I am happy to say.

Mr. Speaker, before I leave this discussion on energy make one small, parenthetic comment. Ten years ago, New Democrats called for a publicly owned national oil pipeline going east to Montreal. No action was taken, today we have crisis. If we do not act on a national power grid it is possible that in five or ten years we are going to have a similar crisis with respect to electric power. I call on the Federal Government to act now to launch a national electric power grid extending all across Canada.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — Saskatchewan will co-operate fully in planning such a grid and will welcome proposals to use Canadian electric power for the benefit of all Canadians.

**SOME HON. MEMBERS:** Hear, hear!

**MR. BLAKENEY:** — Mr. Speaker, I have touched only on energy, there are a good number of other aspects of the Speech from the Throne which deserve comment and explanation and accordingly I beg leave to adjourn the debate.

**SOME HON. MEMBERS:** Hear, hear!

Debate adjourned.

The Assembly adjourned at 5:08 o'clock p.m.