

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session — Seventeenth Legislature
11th Day

Thursday December 13, 1973

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

On the Orders of the Day.

QUESTIONS

BILL 42, SECTION 28

MR. J.C. McISAAC: (Wilkie) — Mr. Speaker, I should like to direct a question to the Premier. In view of the concern and the alarm that has been growing and mounting over the last several days by all classes of people in the province, Mr. Speaker, and a lot of classes of people outside of this province, over Bill 42 and in particular the confiscation section, Section 28. Is the Premier prepared to review and reconsider this Government's apparent decision to ram through this Bill 42 before we adjourn for Christmas. In other words is he prepared to leave it as he announced originally, the Government did, that the purpose of this Fall Session was to put this kind of legislation before us and leave it sit for a period of time.

HON. A.E. BLAKENEY: (Premier) — Mr. Speaker, as I will indicate in the debate on the Bill, my estimate of the loss to the province in not having this Bill on the statute books exceeds \$1 million a month and I think that under those circumstances it would certainly be inappropriate for us to delay this. We hope that there will be in the usual course every opportunity for debate, but a long layover I think would be inappropriate.

SOME HON. MEMBERS: Hear, hear!

MR. McISAAC: — Is the Premier telling this House that \$1 million a month is enough to have to pay for people losing their rights, their rights to property, a principle and the seventh commandment. The seventh commandment says 'Thou shalt not steal' and it seems to me that the Premier is saying that is a pretty cheap rate to pay for breaking that commandment. Is he telling us that he is putting money before principles in this regard, Mr. Speaker?

MR. SPEAKER: — I think a question is in order but I think to debate the merits of what is in the Bill should be done when the Bill is before us. I am not too sure that even questions relating to the Bill when the Bill is on the floor for discussion is really relevant but I am prepared to tolerate some but I don't think we should get into discussions of the pros and cons of it when the debate is before us.

MR. McISAAC: — But I am talking about the strategy of the Government and I think that is very, very key to this Bill at this time.

MR. BLAKENEY: — Mr. Speaker, I hope to deal with some of the points raised by the Hon. Member in remarks in this debate which I hope will be later this day. I am sure other Hon. Members will wish to address themselves on this point of whether or not the Bill should be proceeded with at this time. Accordingly I don't think it is appropriate for me to attempt to answer the Hon. Member's question.

STATEMENT BY NDP COLLEAGUE

MR. T. MALONE: (Regina Lakeview) — Mr. Speaker, before the Orders of the Day I also have a question to the Premier. Does he agree with the statement of his colleague in the NDP, Mr. Saltsman, as reported in the Leader-Post? According to the report Mr. Saltsman urged Ottawa to take a tough line with the provinces on energy resources and also he indicated that unless provincial governments take the needs of the country into account, the Federal Government should step in.

MR. BLAKENEY: — Mr. Speaker, I haven't seen the report but generally speaking, I would certainly agree with a statement by any Member of the House of Commons that provinces, when they are dealing with resources, should take the concerns of the whole nation into account. We certainly hope we are doing that.

SEDCO LOAN TO PRINCE ALBERT PULP COMPANY

MR. D.G. STEUART: (Leader of the Opposition) — Before the Orders of the Day I should like to direct a question to the Minister of Industry (Mr. Thorson). Is he aware SEDCO is making a loan to the Prince Albert Pulp Company to consolidate the purchase and to make some expansion to a chemical plant that was owned in Saskatchewan but is now owned by the Pulp Mill which is 70 per cent owned by Mr. Karl Landegger, a rich American capitalist who according to some of the people opposite have been ripping this province off. Is he aware that SEDCO has lent them over \$1.5 million again?

HON. K. THORSON: (Minister of Industry and Commerce) — Mr. Speaker, I thought Mr. Landegger was a friend of the Leader of the Opposition. I didn't think a friend of the Leader of the Opposition would go around Saskatchewan ripping anybody off. I'm surprised to hear the Member from Prince Albert (Mr. Steuart) even suggest that that is the kind of man that Mr. Landegger is or that that is the kind of activity he would take part in. I don't know why the Member from Prince Albert would suggest such a thing in this Assembly or even outside this Assembly to anybody. I thought he really was a friend of Mr. Landegger as well as Mr. Landegger being a friend of his.

MR. STEUART: — Did you lend him the money, that's the question.

MR. THORSON: — Oh, that's the question. Oh I see! Well, Mr. Speaker, for many months the chemical plant in Saskatoon that was owned formerly by Interprovincial Co-operatives, had only one market

for its product and that was the Prince Albert Pulp Mill. According to the contract that had been entered into between the seller and the purchaser of the product, the chemical plant constantly lost money. It constantly lost money because the only market it had in terms of the contract it had with the pulp company which made it impossible to meet all of its costs. The conditions from the time the contract was entered into, and the Member from Prince Albert West will undoubtedly be familiar with those conditions because he was there when that contract was entered into, the conditions had changed and the terms of the contract were such that it was impossible for the plant to make money. As a result the parties concerned, that is the pulp company, Federated Co-operatives Limited and SEDCO last spring negotiated an arrangement whereby the pulp company would take over the chemical plant. Federated Co-operatives would have to swallow some of its loss, step out and SEDCO would lend more money to facilitate the refurbishing of the plant. New terms of the contract would be entered into. The pulp company would assume the responsibility for the management of the chemical plant and SEDCO would take as security not only the charge it had against the chemical plant but additional security by way of a charge against the pulp plant.

MR. STEUART: — Mr. Speaker, just a supplementary question. I should like to correct a couple of things he said. The only customer for the chemical plant was not the pulp mill. The chemical plant sold chemicals to Regina., they sold them to the potash industry, they were their major customers.

MR. THORSON: — Mr. Speaker, I beg your pardon, With all due respect . . .

MR. STEUART: — I just want to put it on the record and I want to follow it up that he is aware . . .

MR. THORSON: — Mr. Speaker, I thought I was to answer the question.

MR. STEUART: — After ten minutes you got around to answering after you spewed out a little information to the House. I just wanted to keep it clear to the Members opposite. . .

MR. THORSON: — Mr. Speaker, I did not spew out . . .

MR. STEUART: — . . . That Government led by Mr. Landegger is taking something that belongs . . .

MR. SPEAKER: — Order, order! Order! I think when questions are raised this way that take long, lengthy answers, should be raised in Crown corporations when that committee is meeting and not raised before this House. And I will have to rule that in the future that it be directed to the proper committee concerned.

MR. STEUART: — Mr. Speaker, I hope you're not saying that we can't ask a question that relates to a Crown corporation. The question

was very simple — was he aware that SEDCO had lent money. He could have given the answer very shortly.

MR. SPEAKER: — Order! The question could have been very short and so could the answer but neither were.

MOTION

WITHDRAWAL OF BILL NO. 40

HON. A.E. BLAKENEY: (Premier) — Mr. Speaker, earlier this day you drew to my attention the fact that the Resolution on the Order Paper dealing with the Constituency Boundaries Commission and Bill No. 40 on the Order Paper caused a procedural problem. You explained that it might be necessary, under the rules of the House, to declare the Resolution out of order, but that the provisions of the Constituency Boundaries Commission Act, 1972, required that the Resolution be dealt with. Under these circumstances your suggestion was that Bill No. 40 be withdrawn for the time being and be introduced at a later date. I discussed this with the Leader of the Opposition (Mr. Steuart) and with leave I will move seconded by the Hon. Mr. Messer (Minister of Agriculture that:

The Order for Second Reading of Bill No. 40 — An Act respecting Representation in the Legislative Assembly be discharged and the Bill withdrawn.

Motion agreed to.

ANNOUNCEMENT

JOINT TEACHER-TRUSTEE GOVERNMENT COMMITTEE

HON. G. MacMURCHY: (Minister of Education) — Mr. Speaker, before the Orders of the Day I should like to inform the House that the Department of Education has taken the initiative in forming a joint Teacher-Trustee Government Committee to review teacher tenure, grievance and dismissal procedures. It is a concern of both trustees and teachers and was identified by parents at our recent fall educational conferences. The Committee will consider appropriate changes in these areas and the various means of bringing them about, whether they come about by legislation or by negotiation or by both. It will be a top level group including my new deputy, Mr. Ian Wilson. We have an agreement in principle from Dr. McDowell of the STF, Mr. Thorson of SSTA and we are hopeful the group can begin its work next week and bring back the proposals very shortly.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Thorson that Bill No. 42 — *An Act respecting the Conservation, Stabilization and Development of Oil and Gas in Saskatchewan* be now read a second time.

MR. T.M. WEATHERALD: (Cannington) — Mr. Speaker, last evening

I was making some preliminary remarks regarding Bill 42, the Government's energy Bill, and I was indicating to the Government that much of their past record is an issue which I think must be of concern to many people in the Province of Saskatchewan today. Certainly it is an issue because of their performance of government ownership in the past two and one half years that they have been the Government of the Province of Saskatchewan. Indeed, Mr. Speaker, it was encouraging today to pick up the newspaper and find that a spokesman of the calibre of Mr. Saltsman a Member of Provincial Parliament in Ontario for the NDP, indicated that he is most concerned from a national viewpoint as to what the NDP's intentions are here in the Province of Saskatchewan. We, of course, support his position in this regard and it is encouraging to see that at least some of the NDP in Canada are thinking on a much more national scale than are the NDP in the Province of Saskatchewan.

Bill 42 dealing with energy is a Bill which, in effect, is a government takeover of the oil industry in Saskatchewan and it is a Bill which all the people in the Province of Saskatchewan must view with alarm. I should like, Mr. Speaker, to review our policy position, the position of the Opposition in this Legislature with regard to the current energy situation.

1. It is obvious that most of the current energy problems in our country of Canada can and will be solved and the shortages that currently exist will be overcome in a short space of time. Mr. Speaker, in this regard the Federal Government is to be complimented for dealing with the energy situation in a quick and rapid manner.

MR. WEATHERALD: — Mr. Speaker, in respect to our current energy problem, world energy problems have helped to focus public attention on our resources, our petroleum resources and other electrical resources which we must learn both to conserve and to use with care. We in the Opposition support strong and strict conservation measures so that energy resources will be available for future generations.

2. Mr. Speaker, we the Liberal Opposition of Saskatchewan support the use of the export tax which was announced some time ago by the Federal Liberal Government. This export tax is effectively skimming off the extraordinary windfall revenues that could have come to the international oil companies due to the extraordinary world energy situation.

3. Mr. Speaker, our policy as Members of this Legislature is that these windfall revenues collected by the Federal Government at Ottawa should be distributed in a manner as follows: Part of those revenues should be returned to the producing provinces, namely Saskatchewan and Alberta. The Federal Government has already in this regard announced that Saskatchewan will get 50 per cent of these export taxes rebated to them. Secondly, Mr. Speaker, part of this revenue should be returned to all the provinces of Canada so that petroleum prices can be held at reasonable levels for all Canadians. Thirdly, some of the additional revenue collected by the Government at Ottawa should be used to develop pipe lines, develop the Athabasca Tar Sands, develop coal and new oil reserves . . .

SOME HON. MEMBERS: Hear, hear!

MR. WEATHERALD: — . . . so that all Canada, so that all Canadians will be assured of an adequate energy supply for now and for the future. In essence, Mr. Speaker, we support a national energy policy for all Canada, with special financial recognition for the producing provinces such as Alberta and Saskatchewan as owners of the resource.

Mr. Speaker, the announced legislation of the energy policy of the NDP Government is an extreme disappointment to all here in the Opposition. It is disappointing because it is a policy of an extremely narrow provincial view, that is characterized by the age-old saying, 'I'm all right, Jack.' This Government of Saskatchewan wants to charge all Canada the same price that the Arab countries have forced eastern Canadians to pay.

Let's take a look momentarily at this narrow, provincial political view. First, such a policy of charging the same price to all Canadians at the full world price will have a highly inflationary effect on all Canada. Secondly, these increased costs of oil will be quickly passed on to consumers particularly in the form of higher farm costs for manufactured farm machinery mostly produced in eastern Canada. Consumers of all manufactured goods will simply be forced to pay much, much higher prices because of the higher energy costs in manufacturing.

Farmers in our province and consumers in general right here in Saskatchewan will end up paying higher prices due to the higher petroleum costs charged by eastern manufacturers. The cost of products from farm machinery to clothing will be bound to rise substantially.

Mr. Speaker, I wish to emphasize that petroleum is more than heat for a house and gas for a car. It is also sweaters, records, carpets and streets and they will all cost more and be much more expensive as a result of the policy of the NDP here in our province.

SOME HON. MEMBERS: Hear, hear!

MR. WEATHERALD: — On a national level, Mr. Speaker, the competitiveness of much of our Canadian industry will be lessened in the export market resulting in less jobs for Canadians and higher unemployment. I want to emphasize this, Mr. Speaker. I want to emphasize that as of now there is no oil or energy crisis in our province. We can buy all the gasoline, all the diesel fuel and heating oil we want at a reasonable price. But as a result, Mr. Speaker, of Mr. Blakeney's action there could well be a crisis in the very near future.

Let's look at, for example, if Alberta takes similar action to that taken by the Blakeney Government. Let's look at the situation if Alberta were to take the parochial view of keeping all their oil for their own people, then Saskatchewan would be in very serious trouble.

Then, Mr. Speaker, in a short period of time we would be out of gasoline and heating oil. Almost immediately, because

as of now 96 per cent of the requirements for the Province of Saskatchewan are refined and come from Alberta.

Much of the oil produced in Saskatchewan today requires special refining processes that are not available in our province. Much of our oil is not available in our province. Much of our oil is not suitable in the production of gasoline. The cost of producing and putting into effect some of these refining processes would be astronomical in a province such as ours.

Mr. Speaker, the plain hard facts are, that if the Province of Alberta chooses to take such a narrow, parochial view as the Blakeney Government has in our province, our cars, trucks and tractors could well be stopped and be out of petroleum within a short period of time.

SOME HON. MEMBERS: Hear, hear!

MR. WEATHERALD: — It is obvious that this energy Bill put forward by Premier Blakeney cannot control either prices or supplies for Saskatchewan people in the future. These are matters that are of such importance that we must be tackling them at a national level for all Canadians.

Mr. Speaker, what must be of greatest concern, however, is the NDP's intention of a complete takeover of our oil industry. This is not a program of regulation of the oil industry and conservation of petroleum resources, which we in the Opposition would support. And I want to emphasize, Mr. Speaker, that we in the Opposition definitely support the regulation and the conservation of the petroleum industry.

SOME HON. MEMBERS: Hear, hear!

MR. WEATHERALD: — This, Mr. Speaker, is an NDP program of confiscation. It is a program of Government ownership. Given the Government's past record of the past two and a half years, in investing \$30 million in land, building a plywood factory and rejecting Simpson Timber's offer to do so, investing \$10.2 million in Intercontinental Packers, putting another \$15.2 million in IPSCO and then breaking all the contracts with the forest industry, their current action must be of extreme concern to all of Saskatchewan people.

SOME HON. MEMBERS: Hear, hear!

MR. WEATHERALD: — It is obvious that this Government has been determined for some time to take over the province's petroleum industry. This concept, Mr. Speaker, of government ownership and control throughout history, ownership and control has always been the backbone of the socialist philosophy.

I want now, to look momentarily at a story that appeared in last night's Leader-Post, carried by Canadian Press. it says in part:

Even more worrying has been Industry Minister Kim Thorson's statement that the NDP Provincial Government is considering taking over ownership of all underground potash and

setting up a government agency to sell it. In a later interview Mr. Thorson said, that does not mean the government will insist on partial ownership of new capacity, but such a course is a possibility. Discussing another possibility, Mr. Thorson said the province could take over ownership of the potash itself.

It is obvious, Mr. Speaker, that the government's intention for the future is to take over more and more government ownership of our provincial economy.

While we support the regulation and control of private industry, we in the Opposition, Mr. Speaker, will continue to oppose massive government ownership as a solution to our province's problems.

SOME HON. MEMBERS: Hear, hear!

MR. WEATHERALD: — It is for this reason that we in the Opposition will not be supporting this Bill.

SOME HON. MEMBERS: Hear, hear!

MR. L. LARSON: (Pelly) — This Bill comes at a time when it is expedient to explode and dispel many of the mysteries and myths that have surrounded the oil industry for too many years.

Most of these myths are of course sponsored by the oil industry itself. You have all heard how important it is for oil companies to have profits and incentives to keep the oil machine going.

The giant international oil corporations all say that these incentives and enormous profits are necessary to keep them alive and to keep them healthy. These same corporations go to great lengths to try to convince the public that they are doing us a very great favor by taking oil out of the ground.

They continually talk about the risks they are taking. Let's look at some facts. Who really puts up the money? What do oil companies do with their fat profits? It is my contention that as consumers and taxpayers, it is we, the ordinary citizens who foot the bill. The owners of Imperial Oil for example, provide each year about 30 per cent of the total funds needed for their exploration, expansion and development. In the year 1972 out of a total sale of some \$201 million only \$7 million was spent on exploration and development. The consumer and the public put up the balance or more than half the money.

A whopping \$128 million in 1972, in the form of earnings, depreciation, amortization and deferred income taxes. The rest comes from a variety of sources. In 1972, there was \$60 million that came from corporate debentures and \$11 million from the sale of assets. When it comes to being 'corporate bums' the oil companies are among the most guilty.

SOME HON. MEMBERS: Hear, hear!

MR. LARSON: — The wealth from tax breaks which they enjoy have been denied to ordinary citizens. They enjoy exploration and

development deductions. They enjoy accelerated depreciation, write-offs, depletion allowances and deferred taxes.

In the last ten years while Imperial Oil has chalked up profits of over a billion dollars, Canadian people were donating \$170 million in taxes that the company was allowed to put off paying. This is in effect an interest free loan. Imperial Oil is not the only offender. A check on the financial status of other large oil companies will reveal a similar situation.

Probably the most disturbing aspect of all this is the fact that 70 per cent of the annual average of \$72 million paid in dividends that Imperial earns from Canadians, finds its way across the border into the United States.

In spite of this, Exxon, Imperial parent company has provided only about 1 per cent of the funds required each year for exploration, expansion and development.

These kinds of figures, Mr. Speaker, make it hard to believe that oil companies are the great gamblers or risk takers they would like to have us believe.

Price increases at the well-head this year have brought some \$10 million of profits to these same producers. These profits have accrued not because of reduced costs or efficiency on behalf of the companies or other related factors. These profits are a direct result of an international market that is willing and in fact is asking an additional \$1 per barrel for their crude. With an estimated ten billion barrels in the ground of known reserve it is easy to see that this represents a \$10 billion profit, and there is no assurance that they will stop there.

Just in case anyone runs away with the idea that there is no threat of total corporate control of oil, gas, coal and other related energy sources, let's look at who owns and controls oil and energy in the United States.

According to a special Senate Sub-Committee investigating allegations of diminishing competition among the oil giants and their control over other energy sources, the following was found.

The 20 largest oil companies in the United States control almost 95 per cent of the country's known oil reserves and dominate in ownership of shares of all known alternate fuels.

The Associated Press reports that the large oil companies also own:

- More than 70 per cent of the United States natural gas supply.
- More than 60 per cent of the uranium supply in nuclear power generation.
- Virtually all of the oil shale lands currently under private ownership.

Information available through government documents and industry reports show that among the top 20 oil companies as ranked by 1972 sales, all had oil, gas and energy holdings. Eighteen of the 20 had interests in oil shale lands. Fourteen had uranium holdings and at least 11 had coal holdings. Even by United States standards this consolidation of holdings is

considered to be monopolistic. At least nine out of the 20 had fuel resource interests in all five fuel categories, gas, oil, uranium, coal and oil shale.

These companies were Exxon, the largest oil company in the United States first; Texaco ranked third; Gulf, fourth; Shell Oil, fifth; Continental, eighth; Atlantic Richfield, ninth and Standard Oil of Ohio, seventeenth. Only one of the top 20 had interests in fewer than three fuel categories.

The situation in Canada is comparative or worse. In the United States many of the largest corporations are owned by American shareholders and investors. In Canada this is not the case at all. Eighty-three per cent of Canadian oil and gas wells and 98 per cent of Canadian refineries are foreign owned and controlled. This means that we are not only exporting our oil products but we are exporting the large profits gained from them as well. In the fiscal year 1971, these profits stood at \$105 million. With current crude oil prices this amount will be substantially higher.

Dealing strictly with the whole of Canada, it becomes very plain that the need for a national energy policy and regulations is vital to our very survival. It is equally obvious that an energy policy that is to assure all Canadians that our energy supplies are available to us, must be one that is worked out to the satisfaction of all provinces, both those who consume oil as well as those who produce it.

To this end I welcome the Federal Government's announcement that we are now to have a national energy corporation with the necessary powers to control, develop and distribute our energy.

With 83 per cent of our oil and gas wells controlled outside of Canada, it's difficult to believe that decisions made in the boardrooms of foreign nations will be satisfactory and in the best interests of Canada. It is also very difficult to believe that these same boards of directors will be very concerned as to what happens to the energy of Canada. Their chief and obvious concern is to their shareholders and investors. The larger the profits, the better they like it. This is not good enough for Canada as a nation.

Canada's known conventional oil reserves at the present rate of consumption will be depleted in some 15 odd years, and the supply of natural gas in some 25 odd years. After that we will have to rely on other sources which will undoubtedly be more expensive. This clearly outlines the insanity of selling our cheap supplies of oil and gas to the United States, when we know that in a few years we will be compelled to use more expensive fuels.

To those in the oil industry who say that governments and politicians should keep 'hands off', I want to say that there is too much at stake to allow our future energy needs to be decided on the basis of profit and loss. I want to say to them that you have had it your own way long enough, and you have not been able to avoid crisis and disruption, and in many cases almost total chaos. I say to them it is not good enough for Canada to have our energy future decided in the corporate board rooms of foreign nations.

I turn now, Mr. Speaker, for a few moments to the reaction and the stand of the Leader of the Opposition and the Liberal Party. It will be very enlightening to this House if someone would write a new speech for them. I have listened to the Leader of the Opposition's frantic efforts to scare and distort all relevant facts related to any legislation that this Government has brought forward. In trying to further the political fortunes of the Party, they are prepared to again sell out everything that rightfully belongs to the people of Saskatchewan.

This was their program when in government. Sell out to the richest and most powerful corporations, all outside of Canada. Now, when the present government is forced to recover the most vital of these resources, they yell and scream and drag out the old time worn red herring of controls and take-over.

As always, what the Liberal Party does best is to destructively criticize and condemn. Raise all kinds of false issues and speculation. If there ever was a shred of constructive evidence in their speeches the people in the province could think they had at least some credibility.

The impossible position they find themselves in, is to try to condemn the action of the Provincial Government, when their counterpart in Ottawa has passed a Bill with equal or greater powers and they support this. But when the Government of Saskatchewan tries to protect the most vital resource we have it's terrible, it's horrible. Let me say to you fellows, you can't have it both ways.

SOME HON. MEMBERS: Hear, hear!

MR. LARSON: — Let me again repeat what the Minister said yesterday when he introduced this Bill. It will give the province powers to conserve oil and gas already discovered and in the ground. It will permit phasing in of controlled production. It will allow the government to acquire freehold oil and gas rights from about 24 large companies and compensate for their oil as it comes out of the ground at the 1973 well-head price in Saskatchewan or at a fixed price of about \$3.38 a barrel. This can hardly be classed as confiscation. This Bill provides that all individual and privately held oil rights, up to 1,280 acres, or .two full sections of land, is entirely exempt. This means farmers owning mineral rights will not be affected at all. A royalty or tax surcharge will be levied on all oil producers so that windfall or unreasonable profits above a set well-head price will go to the province instead of to the oil companies.

The Government will have the power to control wholesale prices of petroleum products. Oil and gas exploration will be increased and the province will participate through a series of incentives and through taxes on undeveloped land held by large companies.

Legislation already permits the establishment of a marketing board or commission. If necessary, such commission will be established to market crude oil and gas from Crown held mineral rights. All these aspects are necessary if the province is to assert its right to control the price and distribution of its own oil.

The strengthening of the provincial conservation regulations are designed to allow oil to be conserved for the use of Saskatchewan people into the 1980s and 1990s. But it is just possible that a conservation board may not be enough. We now face court action over potash contending that Saskatchewan potash pro-rationing and price support regulations are beyond the provincial constitutional powers. It is for this reason that the Saskatchewan Government must become owners of the oil reserves.

The Government is therefore acquiring the legal titles to oil reserves held by some 24 large companies. At present, the province owns about 64 per cent of the known reserves of gas and oil. By acquiring the freehold rights to the large tracts of land owned by a number of companies the Provincial Government will become the legal owner of about 90 per cent of our gas and oil reserves.

In conclusion, let me say that Saskatchewan in no way is adopting a selfish non-Canadian attitude by this Bill. The proposals that have been implemented by the Federal Government have been welcomed and will be respected.

I remind you all that the NDP Members at Ottawa can take all the credit for the new National Energy Policy just announced.

SOME HON. MEMBERS: Hear, hear!

MR. LARSON: — Let me remind you that the power-hungry Conservatives were willing to force the country into a winter election, rather than work out a belated and satisfactory energy policy for Canada. Let me remind you further that the Conservative policy on energy is worse than that of the Liberals. As a matter of fact Alvin Hamilton said yesterday that they are now working out an energy policy. Yes, Mr. Speaker, this Government recognizes that Saskatchewan cannot adopt an energy policy in isolation from the rest of Canada. We are prepared to co-operate to see to it that our resource is used for all Canadians. But in doing so, we are equally determined to see to it that no international corporation, over which we have no control, extracts windfall profits out of what rightfully belongs to all of us.

The day is past when governments can sit idly by and allow ourselves and our way of life to be sold for profits and exploitation. To those who would like to suggest that this kind of thing can be allowed to continue they should be reminded that we are dealing with non-renewable resources. These resources were put here by a divine and almighty Power and for the use of all mankind.

To support a system of waste, rape and destruction for the exclusive use of a few privileged corporations or individuals is a cardinal sin.

SOME HON. MEMBERS: Hear, hear!

MR. LARSON: — When the actions and the record of this Government are looked at by future generations they will recognize the value and the farsightedness of what we are doing. History will record this Bill as being another progressive Saskatchewan first. Obviously I will be supporting the Bill and want to commend

the Minister for bringing it in as well as his able presentation of it.

SOME HON. MEMBERS: Hear, hear!

MR. C.P. MacDONALD: (Milestone) — Mr. Speaker, anyone who has listened to the presentation of the Member for Cannington (Mr. Weatherald) and then listened to the presentation of the Member from Pelly (Mr. Larson) can certainly distinguish the difference between the Liberal Opposition and the NDP. The hate, the bitterness, disgust and the contempt for business, profit, initiative, and free enterprise was never more aptly expressed than from the Member for Pelly who just expressed it on behalf of the NDP.

Mr. Speaker, I should like to say that we should call this Bill, the Big Swindle. The NDP Premier, Allan Blakeney has introduced a Bill, a Bill to confiscate, to seize without negotiation, without consultation, the private property of one of Saskatchewan's major industries. He has used the current world prices in the oil industry and the energy crisis in the world to camouflage, to hide and to distort the real purpose of the NDP.

Mr. Speaker, he offers two reasons as to the necessity of taking over the oil industry. 1. To conserve the resources for future generations of Saskatchewan citizens. 2. To prevent huge windfall profits to the oil companies.

We applaud these two objectives, but, Mr. Speaker, we oppose the despicable methods by which the NDP is trying to achieve those goals.

SOME HON. MEMBERS: Hear, hear!

MR. MacDONALD: — The real intent of this legislation is to use the current situation to fulfil the major objective of the NDP, and that is to control and to own every aspect of the people's lives in the Province of Saskatchewan.

One of the most interesting arguments, Mr. Speaker, is the one that the Member for Pelly and the Minister of Mineral Resources brought out about the fact that the Government of Canada was challenging the potash pro-rationing. I would like to say, let no one believe that nonsense. I was a Member of the Cabinet when the original pro-rationing regulations were put into effect in the Province of Saskatchewan. At that time potash was being sold at \$12.50 and it was costing \$18 to produce. We said we were not going to give a Saskatchewan resource away. We put in a pro-rationing board which did, we knew, threaten the constitutionality of the Federal Government in their control over exports and fixing prices on the international market. We negotiated with Ottawa and attempted to come up with the best possible compromise.

At the present time it is not Ottawa, and the Minister of Mineral Resources (Mr. Thorson) knows, that it is Central Canada Potash Company which is challenging the constitutionality and applied for an order of the court to have their allocation of potash increased a year and a half ago. They lost that case. They took a second avenue and sued the Province of Saskatchewan and challenged the constitutionality of the Act. They also

notified the Federal Government. This case was not initiated by the Province of Saskatchewan or the Government of Canada.

And in every constitutional issue, the Minister of Mineral Resources as a lawyer knows, it is not only imperative but the constitutional duty of the Federal Government to become involved. This does not in any way have an impact upon the conservation of Saskatchewan oil, nor does it have an impact on stopping windfall revenues. The Premier knows it and the Minister of Mineral Resources knows it.

SOME HON. MEMBERS: Hear, hear!

MR. MacDONALD: — No one in his right mind would suggest that this is the way to steal the private property of Saskatchewan citizens.

Mr. Speaker, let me for one moment talk about the aspect of conservation. The Government of Saskatchewan now controls the number of barrels of oil that come from every oil well in the Province of Saskatchewan under The Oil and Conservation Act of this province. The conservation regulations or clauses in this new Act are taken directly from The Oil and Conservation Act of the Province of Saskatchewan and expanded to give the Minister a little more power and control.

The Minister knows, the Premier knows, that all he has to do is to amend The Oil and Conservation Act of the Province of Saskatchewan, without confiscation, without seizure and he could conserve all the oil that he wants for the people of Saskatchewan in the future.

SOME HON. MEMBERS: Hear, hear!

MR. MacDONALD: — No one in his right mind would say that this swindle is being brought about in order to conserve the energy or the oil for the Province of Saskatchewan.

The second reason, Mr. Speaker, for this big swindle according to the Premier is to prevent windfall profits of the oil industry. No one in Saskatchewan objects to the Government stepping in to prevent oil companies from reaping benefits out of the Arab pressure and the Middle East situation. But why do you need to confiscate private property, let me ask? Never has a provincial government in Canada, to my knowledge, ever been challenged on its right to tax natural resources. In the Province of Saskatchewan we tax lumber or timber through stumpage fees. We have a mineral tax on minerals coming out of the ground. We have royalty rates, in fact the Premier of the Province and the Cabinet just increased the royalty rates a few months ago.

Examples — we have all kinds of them. The Province of Saskatchewan has the right and the responsibility to charge and tax the natural resources of the province at whatever level they want. The Minister of Mineral Resources told us yesterday that the way that this new Act was going to operate is that they were going to take the international level at Chicago of the price of a barrel of oil as a base; they were going to provide a return to the oil company at a stipulated rate, and anything over and above that would be 100 per cent direct tax, and that is not unconstitutional. It is the right of the

Provincial Government. It does not require the seizure of private property or the rights of any citizen or any company in the Province of Saskatchewan.

If they want to fix a price, they could use the Alberta method. The Alberta Bill would make Alberta the oil price fixer.

They are great at setting up marketing commissions with the hog industry, or the poor little farmers of Saskatchewan to dictate to them how much they are going to receive for their hogs. If they want they can certainly do it in the Province of Saskatchewan with the oil industry. All I am saying, Mr. Speaker, they can prevent windfall profits, they can use direct taxation to stop and reap all the benefits of the expanded oil industry and the expanded oil prices for the Province of Saskatchewan without any need, or necessity of seizing and controlling and owning the oil rights and the private property in the Province of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. MacDONALD: — Mr. Speaker, what is the real reason? The real reason is the reason the Minister of Mineral Resources indicated in his speech yesterday. He said that the most important thing, by far, is the political philosophy. They believe that oil should be the property of the Government of Saskatchewan. They believe that the NDP can run and own and manage every asset in the Province of Saskatchewan, and only they. Mr. Speaker, I think that this action of the NDP is going to have three very serious results in the Province of Saskatchewan.

1. It will destroy the trust and confidence and good faith of everyone who has business with the people and the Province of Saskatchewan, not only today, but for now and for years in the future. What really disturbed me most, Mr. Speaker, about this Bill is that the Premier stood up and said that he was proud to break every existing contract with the timber industry in the Province of Saskatchewan. He deliberately got up and made the speech here a few days ago in the House and to the native people who came down from the North.

Mr. Speaker, who is next? That is the question. Is it the farmers of Saskatchewan? Is the NDP Government going to say to the Land Titles Office in this province, that you will transfer the title of a farmer's land to the Province of Saskatchewan without even consultation or negotiation as they have done to the oil industry? Is the potash industry next? Who, Mr. Speaker, is next?

If I were doing business in the Province of Saskatchewan I would have some real fears. One of the things that is interesting is the different attitude of the former NDP Premier of Saskatchewan.

Let me quote what Tommy Douglas said about keeping oil agreements in the Province of Saskatchewan.

Premier Douglas will resign as CCF leader if a convention of his Party ever asks his Government to repudiate promises made to oil companies, he told the Legislature Wednesday night.

This statement was made to emphasize an assertion that the CCF Government was playing square with oil companies, now spending millions of dollars in research. Mr. Speaker, what a different attitude between El Allan, the Arab, the new Sheik of Saskatchewan and his former Premier Tommy Douglas.

Mr. Speaker, what bothers me even more is the tendency to balkanize the resources of Canada. There is developing a mood in Canada of BC gas for British Columbia, Alberta gas for Albertans, Saskatchewan oil for Saskatchewan. There is no logic, no rhyme or reason to this kind of a policy. Energy is not only a national problem it is an international problem.

What a difference in attitude of Allan Blakeney and a man like Ted Kennedy, saying let's go to the United Nations, let's recognize our responsibilities to the world as a whole.

Mr. Speaker, Mr. Blakeney, of course, has taken the exact opposite. He said that the people of Canada and eastern Canada are going to pay the same price for oil as the Arabs are trying to gouge out of the rest of the world. Mr. Speaker, if there is anything that has disgusted people around the world it has been the attitude of the Arab nations in using oil as a political weapon, taxing and charging whatever the traffic will bear for oil to all countries in the world. The hardship, the privation that is going on in Europe, in eastern Canada, in the United States and all over the world, and is the responsibility of the Arabs and their decision to charge that kind of price, and then to hear the Premier of Saskatchewan stand on his feet and say that he is going to charge exactly the same as the Arabs, then Mr. Speaker, he is El Allan, the Arab, the new Sheik of Saskatchewan.

I wonder if he knows just exactly what he is talking about. Whom is he charging these prices to? Is he charging them to eastern Canada? Yes, it is a fact that 20 per cent of the oil used in the Province of Ontario comes from the Province of Saskatchewan, but does he also know that 40 per cent of the oil used in the Province of Manitoba comes from Saskatchewan? Does he know that almost 50 per cent of all the fuel oil, of all the heating oil, of all the gas for farmers in western Canada comes from the Province of Saskatchewan? I wonder, Mr. Speaker, is he going to do that to our neighbor, the Province of Manitoba, the way he has threatened to do it to my friends in Prince Edward Island, in Nova Scotia, New Brunswick, in Quebec and in Ontario.

I say, Mr. Speaker, this policy is small, it is narrow it is regional, and most important of all, it is anti-Canadian and surely we, as Canadians today, can expect that the Premiers of the provinces in this nation will provide the leadership in inspiring Canadians to recognize the Canadian identity and the Canadian responsibility. I say that the people of Saskatchewan have a right to expect more leadership and more imagination and more inspiration for Canada out of our Premier than he has demonstrated in the last two days.

Mr. Speaker, the third impact of this big swindle is to drive the oil industry out of the Province of Saskatchewan. It will leave the future oil exploration in the Province of Saskatchewan in the hands of Saskoil and that is what the NDP want, high risk at the taxpayers' expense. What is this risk?

I wonder how many of the people of Saskatchewan really recognize what the risk of Saskoil taking over the oil exploration in the Province of Saskatchewan.

I should like to repeat some figures I used the other day. Over one billion, one hundred million dollars in the Dominion of Canada was spent in oil exploration and development last year by the oil companies. At the end of that year at the expenditure of that \$1 billion we were short 320 million barrels of oil reserves. What about the Province of Saskatchewan?

The last ten years over \$700 million was spent in oil exploration and development in the Province of Saskatchewan without a major discovery of any significance whatsoever. \$700 million! Mr. Speaker, at the end of last year, in one year our reserves were down 36 million barrels. Not only that, four years ago in 1968, it cost \$3.34 to replace a barrel of oil in the Dominion of Canada. In other words the \$700 million spent on oil exploration in the Province of Saskatchewan and development might well be \$2 billion today, at today's costs and today's prices to replace those barrels of oil. Unfortunately, the problems in Saskatchewan in discovering oil are rather critical. We have no guarantee that we could spend another \$2 billion of the taxpayers' money to find one more barrel of oil. Yes, we could dig around in some of the proven fields and come up with the odd new well. But there is no guarantee that the Province of Saskatchewan or Saskoil will ever find another major discovery. Are we to use the taxpayers' money in that kind of a high risk development, when we can have the private industry come in. The job of the Government of Saskatchewan should be to control, to regulate and determine the profits of the oil industry by direct taxation for which they have the power and for which this Bill gives them the power without resort to seizure, control or confiscation.

Mr. Speaker, I want to add that Saskatchewan has some rather severe oil problems. It has been brought out in this debate, I brought it out the other night. Saskatchewan doesn't use Saskatchewan oil, we use Alberta oil. The reason is that have mostly medium and heavy crude. But not only that we have some real production problems. For example, in Lloydminster when they take the oil out of the ground there is a sand problem. We know that we have many infill problems whereby we have to pump water down for good conservation and return, we know that most of the good land in the Province of Saskatchewan has already been explored.

If the Government wants to participate in the oil industry, then, I would suggest to them that they do it by assisting and working in partnership with the oil companies to try and develop the shales of the North where we have some great potential, to experiment in the coal fields, because oil and gas can be arrived at from coal, if we could get it down to an economic level. I would suggest that they recognize that 20 years from now we may have no oil in the Province of Saskatchewan and then we may go begging hat in hand to the Province of Alberta or the North West Territories or somewhere else and I call upon the Province of Saskatchewan and the Government of Saskatchewan to recognize their Canadian responsibilities and to recognize that the energy crisis is a national policy, a national issue, a national crisis and not a small narrow regional approach as the Premier of this Province has taken.

Mr. Speaker, as you can see, I will have nothing to do with supporting this particular Bill.

SOME HON. MEMBERS: Hear, hear!

HON. A.E. BLAKENEY: (Premier) — Mr. Speaker, may I first deal with some of the remarks for the Member for Milestone (Mr. MacDonald). The remarks were interesting, interesting I think firstly because of the number of factual errors in a relatively short time.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — And secondly, because of the concessions made to the portions of this Bill which other Members have attacked vehemently.

Let me start one by one. First, he says that it is common knowledge and common practice that the Government of Canada intervenes in constitutional cases. I say to him that it is the highest degree, uncommon for the Government of Canada to be joined as a plaintiff on behalf of any company which is attacking the constitutionality of a provincial law or a provincial regulation. I say that if he or his lawyer friends over there can name one other case where this has happened, I'd like to know about it because our lawyers haven't been able to find it.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — The second point I want to raise is with respect to the windfall profits. The Member for Milestone apparently agrees that the Government of Saskatchewan should be taxing the windfall profits. He apparently agrees that we should be increasing the royalties. Now I want that to be remembered. Because the Member for Prince Albert West, the Leader of the Opposition has been saying a great number of things which are contrary to that.

AN HON. MEMBER: — Name one!

MR. BLAKENEY: — I will come to that in a moment. But basically what he has been saying is that we have been breaking leases. I will come to that, but unless you say that the raising of royalties is a breaking of leases, then I challenge you, the Member for Milestone or you, the Member for Prince Albert West or any other Member to show one contract or one lease which is broken or varied in any way by this Bill, just one! Because it is false to say that this Bill breaks leases. It is false to say that this Bill breaks contracts. There is no substance whatever in any one of those allegations. There is one small basis for that allegation if you say that to raise the royalty is to break a lease. I gather that the Members Opposite are urging us to raise the royalties. I gather they are in agreement with that. So surely they are not complaining about that. And I say to you that other than that, there is no single basis for any allegation as the Member for Prince Albert West has consistently made, that any leases are broken, any contract is broken.

MR. STEUART: — Tell us about the timber industry!

MR. BLAKENEY: — I know the Member for Prince Albert West who says, “tell us about the timber industry,” would like to talk about anything but this Bill.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — Right now, Mr. Speaker, what is before this House is this Bill and I certainly propose to talk about it. I propose to talk about what the Member for Milestone said about the way that the Government of Alberta proposes to control its oil. Because it proposes to control its oil only by controlling oil that comes from Crown lands. And it was because we wished to be able to use that method, if the Federal Government was successful in striking down our Conservation Board, because we wanted to use the Alberta method, that we have decided to take title to the large holdings of freehold oil and gas rights in this province.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — It is because the Alberta method commends itself to the Member for Milestone, that it commends itself to us. And in order to be able to put ourselves in the same position as the Government of Alberta we have taken title or we propose to take title to the large blocks of oil and gas rights in this province.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — Let me before I turn to my formal remarks deal with some of the other allegations which have been made about this Bill, some of the pretty blatant distortions which have been circulated about this Bill and our policy. I have heard, as I said, the Leader of the Opposition say that leases are broken. And I say that unless you say that raising royalties is breaking leases, then I challenge him to name to this House one lease that is broken, one contract that is broken. I say he can't do it.

It is perfectly clear, Mr. Speaker, that nothing in this Bill gives anybody any power to break any lease or any contract. And if Members opposite can show where it is, I know they will contribute it to this debate. But they certainly haven't done so up 'til now.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — I have heard people say and I have heard the Member for Prince Albert West say yesterday, that the mineral rights, the oil and gas rights of private individuals will be taken over, he used the word individual. That is false! The Bill makes it very clear that it is false. No mineral rights owned by any individual will be acquired, only mineral rights owned by large companies, our estimate is 25 large companies will be affected. I challenge the Leader of the Opposition or anybody else on the Opposition side of the House to give us the name of one individual whose mineral rights or whose oil and gas rights will be in any way affected by this Bill, one individual.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — Mr. Speaker, I have heard Members opposite say that the oil and gas rights which will be acquired by the Crown under this Bill were given out by a previous CCF government and now will be taken back. That is false!

Mr. Speaker, we heard today and some of us who have long memories may be a little nauseated by hearing it, the Member for Milestone saying nice things about T.C. Douglas. I remember 10 years ago there was nothing bad enough that the Member for Milestone could say about T.C. Douglas in the Medicare fight.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — There was nothing bad enough that he could say. He said at that time that Mr. Douglas was a communist and he was taking it over and it was a big swindle. All of that, he said about Mr. Douglas. All of that he says today about this Government. And if it was true about this Government it was true about Mr. Douglas. It wasn't true then and it isn't true now.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — I want to say this, it is correct to say, I believe, that not one acre of the mineral rights which are being acquired by this Bill were ever owned by the Government of Saskatchewan. They are mostly large holdings given to the CPR, the CNR, the Hudson's Bay Company before the Provincial Government ever had any control over our mineral rights. So much for the argument that somehow these rights were given out and are now being taken back.

I have heard people say that we get our oil from Alberta. And if Alberta oil goes up then we will have to pay more for it and all our royalties will go to Alberta. But the facts are that we export nearly four times as much oil as we import. The Leader of the Opposition knows that, Members opposite know that. If we get an extra dollar in royalties on the oil we sell and if we use that money to pay an extra dollar in royalties on the oil we buy, we will have \$3 out of every \$4 we collect in royalties.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — So much for the story that all our royalty money would go to Alberta.

If we don't raise royalties I wonder if the Leader of the Opposition or anyone else can give us assurance that the price of Alberta oil will not go up. Their policy is to wait until the price of Alberta oil goes up and then decide what to do. Their policy would leave us with the worst of both worlds. We would have to pay more for our Alberta oil and we would have no extra royalty money from which to pay it.

I heard Members opposite say that there is lots of time, there is no need to hurry with this legislation. That is false! The Federal Government says this, Mr. Speaker, the Federal Government says that it will give us 50 per cent of the export

tax but we have no confirmation of that. So far as I am aware we haven't got one line on paper saying they will give us 50 per cent or anything. We have the Prime Minister's speech. That speech made one thing clear, that we were not going to get from the Federal Government 100 per cent of the export tax as we had demanded but at best only 50 per cent. Even if we do get that 50 per cent, we are still losing very large sums of money on Saskatchewan oil, even on the oil that goes to the United States.

Let's forget the Canadian oil for a moment. Suppose about 30 million barrels of Saskatchewan oil goes to the United States. (It was more last year and likely it will be more this year.) Suppose the average export tax is \$2 a barrel, and I suggest it will be higher than that. That's \$60 million a year in export tax. If the Federal Government gives us half of it, that is \$30 million. If we can get it all — under this Bill we think we can — that is an extra \$30 million or \$2.5 million a month.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — If we delay this Bill, the Federal Government will get the \$2.5 million a month, and the people of Saskatchewan will not get the \$2.5 million a month. If we raise our royalty from the present very low rates and I think they will be conceded by all to be very low rates on oil going elsewhere in Canada, we will have more money at stake. If we act now we will have substantial sums of money in the hands of Saskatchewan taxpayers. If we delay, as Members opposite are urging us to delay, that money will go to the Federal Government.

Members opposite are suggesting we should have called the House into Session earlier. I say we had every right to believe that the Federal Government would give us the 100 per cent of the export tax until now.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — Only now, only last Thursday, when the Prime Minister made his definitive speech did we discover what the policy of the Federal Government is. The Leader of the Opposition is even more inconsistent than usual in this case. He says that he doesn't believe that international oil companies should set the oil prices. He says that the Government of Saskatchewan should have acted sooner. That is what he is saying now. I ask him to tell the people of Saskatchewan how the Government of Saskatchewan should have acted sooner. Should we have called this House together and put on the royalties? If the answer to that is yes, then we should have broken all the leases which he was complaining about us breaking yesterday, . . .

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — . . . because the raising of the royalties is the only possible argument for saying this Bill breaks any lease in Saskatchewan. And he is now urging, not only that we should break all these leases, in his terms, but that we should have done it months ago.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — The Leader of the Opposition knows that there is no other way that the Government of Saskatchewan could affect or control the price at which Saskatchewan oil is sold outside this province except by the royalties or tax methods which are in this Bill. And he is now urging that we should have done this months ago. I gather from the comments opposite that the only part of this Bill that objection is taken to is the acquisition of oil and gas rights. If that is so, I wish they would stand up and say it because the Member for Milestone is saying, “yes, you should have put the royalties on; yes, you should have put the taxes on.” But all of a sudden it is now being said that we should not break the leases. I think that this sort of inconsistent comment from Members opposite tells the people of Saskatchewan that they have no policy on this, they are just stone-walling for the oil companies.

SOME HON. MEMBERS: — I have heard it said that Saskatchewan oil is moving to the Atlantic Provinces. I heard the Member for Milestone again tell us about how our people, how people in Nova Scotia and people in Prince Edward Island were somehow affected by this Bill. I tell you this; that is false. If Members opposite know of a single barrel of Saskatchewan oil going to the Atlantic Provinces, I wish they would tell us because we don’t know about it.

MR. STEUART: — They shipped all kinds by the Great Lakes!

MR. BLAKENEY: — Yes, sure! I think we know that some Saskatchewan oil is moving to Montreal but I am not aware of any moving to the Atlantic Provinces. If he’s aware of it, he’s aware of something that I am not.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — He says we shouldn’t put an extra burden on the people of the Atlantic Provinces. Well, the people of the Atlantic Provinces are facing a burden. They are facing a burden because we don’t have a national energy policy. They are facing an extra burden because the Federal Government policies are policies of cheap oil for Ontario and high cost oil for the Atlantic Provinces which comes from Venezuela. There indeed is a burden on the people of the Atlantic Provinces, but it is a burden not imposed by the Government of Saskatchewan, but by the Government of Canada.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — I’ve heard it said that we are trying to get royalties based upon what the Arabs are charging for their oil. And that is false.

The proposals for royalties contained in the Bill are based on American prices. The United States produces vast amounts of oil. Now what do US oil companies charge to American consumers for American oil. That is the basis of our proposed royalties. That has nothing to do with the Arabs.

MR. BLAKENEY: — Our royalties deal only with what the international oil companies, the same ones we have here, feel is a fair price for the US oil sold to American customers. Now that is the basis for our royalties. And if, in fact, the US oil companies are charging people in the United States too much for US oil, it's a little difficult to see what that has got to do with the Arabs.

United States prices govern prices for lumber, and we pay them. For decades what the people in the United States were prepared to pay for lumber governed what we pay for lumber. And that's true for beef, and it's true for pork and it's true for fruits and true for vegetables. Indeed we in Saskatchewan pay higher than US prices for our cars and our tires and our refrigerators and our televisions. We have to pay these higher prices. Eastern Canadians have for years bought coal from the United States because it was cheaper than Saskatchewan coal. The price they paid was what United States buyers would pay to US sellers, to US producers of coal. There was, and is no suggestion that we should have a national coal policy, and western mines have closed down in the past. We have lived with those price decisions made by eastern Canadians.

What then is so inappropriate about a Canadian province basing royalties, not on the price of Arab oil, but on the going price of United States oil sold by American companies to American consumers, the price which those consumers are willing to pay to us.

Mr. Speaker, those are but a few of the misconceptions about the Bill with which I have been attempting to deal. There are good number of others, but before dealing with them, I should like to sketch in a little bit of the background of the Bill.

The Minister gave a comprehensive statement outlining the issues under debate, issues which must be resolved by this Legislature. He has outlined with care the provisions of the Bill and the background of those provisions. Accordingly, I don't think it is necessary for me to outline them in full.

Let me, however, state once again our basic objectives.

1. We believe that the control of our oil resource must be firmly vested in the people of Saskatchewan. We say this not only because control must be vested there in order to ensure that our consumers will have fair prices for oil in the years ahead, but also because we must make sure that our farmers have oil in the years ahead. Whether Members opposite oppose it or not, we on this side of the House believe it's absolutely essential that we make sure that we have gas and oil in good supply in the decades ahead.

2. We believe that the Government of Saskatchewan must be in a position to control, if necessary, sharp increases in the price of oil and gasoline in Saskatchewan.

3. We believe that unearned increases in crude oil prices, arising from international oil policies, should and must go, not to the international oil companies but to the people of Saskatchewan.

4. We believe that there must be more, rather than less, exploration for oil and natural gas in Saskatchewan.

Now, those are our objectives. I believe they are sound objectives. I believe they are attainable objectives, and I believe that the people of Saskatchewan will support us in going after those objectives.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — Mr. Speaker, I want to elaborate on how we propose to go after those objectives, but before I do, I want to raise another issue which has come to the fore.

The question has been asked as to whether the Government of Canada should collect its oil export tax and, more particularly, whether the Government of Saskatchewan should collect the full royalty on oil going to Ontario or a lesser royalty.

Mr. Speaker, Saskatchewan is a have-not province, always has been a have-not province. The provinces of British Columbia, Alberta and Ontario have consistently had more wealth than we have had. We have striven under all governments to increase our wealth, to take our full place in the Canadian Confederation. We have consistently tried to get the full return from our resources, partly to finance our own programs, partly to reduce our need for equalization payments from the Federal Government.

We feel and feel strongly that we still have that obligation. We hear now that if Saskatchewan collected full royalties on its oil going to eastern Canada, that Ontario would suffer a great hardship. Well, let's look at a few figures.

Suppose Saskatchewan increased its royalties on crude oil going to Ontario by, say, \$1.40 a barrel. Under those circumstances the price would still be well below world prices. Now we supply perhaps 20 per cent, perhaps 25 per cent of Ontario crude. If other suppliers did not increase their prices then retail prices in Ontario would go up about one cent a gallon. Now if Ontario consumers require protection against a price increase of one cent a gallon, I say that a fair question arises as to whether this protection should be provided at the expense of the Federal Government, the Government of Ontario or the taxpayers of Saskatchewan. It's a question that can be argued, I admit, but it's certainly not clear to me that the Saskatchewan taxpayer should bear the full cost.

Those who consistently call upon the Government of Saskatchewan to do everything it can to increase its revenues — and I can name people across Canada who have done that — so that we won't need equalization payments from the Federal Government, cannot reasonably complain when we increase our resource royalties to put ourselves into that position.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — Now, the argument for a lesser royalty is that the people of Canada should be sheltered from the full impact of world prices for oil by a national policy.

The Government of Saskatchewan agrees with that argument. We agree that we should have a national energy policy and part

of that policy should be lower than world prices for oil for all Canadians. We think that this should apply to all Canadians, whether they live in Vancouver or Regina or Toronto or Halifax. Just as we think this should be a national policy, we think the cost of the policy should be borne by all Canadians. Saskatchewan is very willing to pay its fair and equitable share. That share might be paid by Saskatchewan accepting a lower royalty on oil going to Canada than oil going to the United States.

But there may be other ways to accomplish the same result. Clearly this is something which should be discussed at the national energy conference, and we are willing and anxious to discuss the matter.

If Saskatchewan is to accept a lower royalty rate on oil going to Canada than oil going to the United States, we would expect, and I think rightly expect, some reciprocal action in those areas where other national policies discriminate against Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — Our national transportation policy is certainly one, but all that can be negotiated. It's far too early to talk in melodramatic terms about blackmail and retaliation and the like. I think nothing is gained by engaging in this sort of language and I don't propose to do so. I want this Legislature to pass this Bill and by passing it to instruct the Government of Saskatchewan to go to the national energy conference in January to argue and fight for a national energy policy: a national energy policy for all Canadians from coast to coast; a national energy policy for the benefit of all Canadians and paid for by all Canadians . . .

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — . . . national energy policy which calls upon the people of Saskatchewan, yes, to pay their full and fair share; a national energy policy which hopefully is a start on a new national development policy which once and for all obligates the Federal Government and all Canadians to develop this great land so that all Canadians enjoy a fair and equitable share of the wealth produced not only by our raw resources, like oil, but also by our fisheries, by our farms and by our factories wherever they may be.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — Mr. Speaker, in that endeavor, our government and all the people of Saskatchewan will be more than willing to join. Now, Mr. Speaker, I outlined our objectives a moment ago. Let me deal first with some steps to give the people of Saskatchewan control over our own resources, the steps needed to make sure that we will have oil in Saskatchewan 20 years from now.

What do we propose to do? First, we intend to strengthen and broaden the powers of the Oil and Gas Conservation Board. We want to give the Board the power to limit the production of our oil, and I believe we all know the reasons for this. We

have total reserves of about 800 million barrels. We are producing at the rate of about 85 million barrels a year. Since 1960 we have been producing and selling each year more oil than we have been finding. Therefore, our reserves have been going down. Unless we act, Saskatchewan could be in real trouble in less than 15 years.

You may ask, don't we get the oil we use from Alberta? Why can't we keep getting that oil?

It is true of course, that the oil we now use in Saskatchewan largely comes from Alberta. But who can say whether that oil will be available in the future? And, if it's available, who can say what the price will be? The oil in Alberta is controlled by the International Oil Corporations. Can we be sure that it will always be available at reasonable prices? We think not.

If Canada had a national oil policy, well worked out and well understood, we might rely on Alberta supplies. But that we do not have. Rather, we have what someone has called, the come-by-chance oil policy of the Federal Liberal Government. Under these circumstances it would be a foolish man indeed who puts his total reliance on future supplies of Alberta crude.

You may ask, can Saskatchewan refineries use our Saskatchewan crude? The answer is indeed they can for some of our crude, the crude that comes from Steelman and Alida. For some of the other types, our medium crudes, refineries would need new equipment, but certainly that could be installed if a serious need arose.

So we say it's wise for us in Saskatchewan to limit our production of crude to be sure that in the years ahead we do have gasoline and oil for our consumers, particularly our farmers.

Liberals oppose this. I suspect they are going to oppose this Bill which will give this power. But let them answer for that opposition to the future generations of young people in Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — Let me deal now with a misconception which has apparently arisen. The Government of Saskatchewan does not propose to limit production of our oil now moving to Ontario or the United States at this critical time. I made clear again and again that we do not propose to add to the current problems of supply of crude oil being experienced by eastern Canada or the United States. I want to make that clear again today.

It has been suggested that the Government of Saskatchewan would attempt to limit supplies of crude oil going to eastern Canada at this time unless certain conditions were met. There is not now and never has been any foundation for that suggestion. I hope there will be no misunderstanding on that point. I gained the impression from a quick look at a television shot of the Hon. Donald Macdonald that he misunderstood our position. He was saying that we were saying that oil would not go from Saskatchewan to Ontario, unless certain conditions were met.

I hope my statement today will remove all further misunderstanding.

Now, over the years we do intend to limit production. And to do that we will, by this Bill, strengthen the Conservation Board.

But unfortunately that may not be enough to give to the people of Saskatchewan control over our own resource. I said before and I say again that at this very moment the Federal Government is before the courts contending that we in Saskatchewan have no right to control our potash production through a potash conservation board, and that we must leave all decisions on how much potash is produced and exported to the private companies. We are fearful and we think we have every grounds to be fearful that the Federal Government in the same way will go to court to say that we in Saskatchewan have no right to control our own oil production through an oil conservation board.

If this legal move by the Federal Government was successful it could mean that the oil companies alone would decide how much of our oil would be produced and exported and how much, if any, would be left for the future generations in Saskatchewan.

Now, this Federal Government attack on the powers of a province to control its own resources is, I believe, unprecedented in the history of this province.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — And if Members opposite can give us other instances of this I hope they contribute that to the debate.

It is perhaps noteworthy that so far as I am aware not one Saskatchewan Liberal has raised his voice in opposition to this move by the Federal Government; not one Saskatchewan Liberal has had one word to say in defence of the regulations which their own government passed. So long as Otto Lang does it, it's fine with the Saskatchewan Liberals, no matter how much it hurts Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — But, Mr. Speaker, we have spoken out and we will speak out.

Our government would be doing less than its duty to the people of Saskatchewan if we did not resist this Federal attack with all the weapons open to us. Now, we believe that the position of the province in warding off this attack will be strengthened if the province gets legal title to large blocks of freehold oil and gas rights in the province. As I understand it, that is the position of the Government of Alberta. The Government of Alberta believes — you can read the statements of the Hon. Mr. Lougheed and the Hon. Mr. Dickie and other Cabinet Ministers in the Government of Alberta, and they say that they believe — that they can resist encroachment by the Federal Government on their powers because they have legal title to most of the oil in Alberta. Most of it come: from Crown lands and they are saying that they're not even attempting

to control the oil that comes from private lands because they doubt their power to do so. Now, it is because of this, and you can read their statements as well as I, that we believe that our position would be greatly strengthened if we acquired title to the oil and gas rights of about 25 large companies. The oil and gas rights of the vast majority of mineral owners in Saskatchewan are in no way, and I repeat in no way affected by this legislation.

The great bulk of the oil and gas rights which are being acquired are being acquired from four or five companies, the CPR, CNR, Hudson's Bay Company, to name three. Now, these three companies got their mineral rights long years ago and at no cost. They, and all the other companies, will be well compensated. Members opposite talk about confiscation. I should like them to look at those compensation provisions and tell us whether they think they are too skimpy. They'll get the same royalty as they would if they still had legal title at today's high and profitable prices. If Members opposite don't think that today's prices are high and profitable, let them say so. All that is being taken from these people is the right to get further windfall profits over and above the current high prices of oil at \$3.38 a barrel. All that's being taken is the right to get further prices over \$3.38 a barrel. They are entitled to get the full cost of the oil on every barrel up to \$3.38 and all this coming from rights which were largely obtained for nothing. Now anyone who says that's ungenerous compensation has got a particularly soft feeling in his heart for the international oil companies.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — Now with the oil and gas rights legally owned by the Government of Saskatchewan, we believe that we will be able, acting as owners, to prevent the oil companies from shipping all our remaining oil to eastern Canada and the United States in the next few years. We think we will be able to conserve some of our oil, even if the Federal Government is successful in its legal attack on provincial resource conservation boards, and even if our strengthened oil and gas conservation board is hobbled by the courts. We believe that these measures will give us effective control over the future development of our oil and gas resources.

I turn now, Mr. Speaker, to price controls. Events in the world of international oil politics could very easily give rise to sharp increases in prices of oil and gas in Saskatchewan. We would be foolish indeed to take the view of the Opposition, the view that there is no crisis yet, the view which advises that we should do nothing. We say it can happen here. We say that there could be threats of sharp increases in prices in Saskatchewan, and if it is threatened that there would be sharp increases in price, then those increases should be controlled.

I know some will call this the heavy hand of government, and I can perhaps quote what Members opposite will say, but we say that there are some situations which call for price control and that sharp increases in oil prices would be one of them. We say that the Government must have the power, if necessary, to control prices, and this Bill before us gives us that power.

Now you will note from reading Section 43 that these provisions are not meant to come into effect unless they are

needed. We don't know whether there will be an increase in price. We don't know whether there will be any need for controls, but who can say what the price of oil will be six months from now?

The Government is not proposing to control prices at the retail level, but only at the wholesale level. We think that the sense of responsibility of retailers and the fact that there is relatively vigorous competition at the retail level, will act to control prices if wholesale prices are controlled.

Now Members opposite may oppose this control of prices, but we say there are times when prices should be controlled and, should that time arise, we will be ready and these provisions will be used.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — I come, Mr. Speaker, now to the question of unearned profits and who should get them. The cost of producing our oil in Saskatchewan is perhaps \$1.75 a barrel. To be exceptionally generous, one could say \$2.00 a barrel. The current selling price averages \$3.38 a barrel. Everyone admits that the oil companies are making a handsome profit at that level, but this may be only a start. Prices of \$5 a barrel, even \$6 or \$7 a barrel are possible. There may be huge unearned windfall profits. Further extra windfall profits from Saskatchewan could be \$150 million more than they are now, \$200 million a year. The short question is: who should get those windfall profits? The Liberals say the oil companies should get the windfall profits; we say the people of Saskatchewan should get those windfall profits.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — Members opposite will have their full opportunity to tell us what they think about this and who should get the profits, and I tell you this, we won't be persuaded by what they say; we'll be persuaded by what they do. If they vote against this Bill, if they vote against the right of this Bill to get those windfall profits for the people of Saskatchewan, we'll know on whose side they stand.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — Let me give a little more background.

The price of oil at Chicago is now \$5.80 a barrel; indeed, it's more. \$5.80 a barrel would make Saskatchewan oil going to Chicago worth about \$5.30 a barrel at the well-head. Right now the Federal Government is taking about \$1.90. That leaves the oil company \$3.40. We understand the Federal Government proposes to return to us the 50 per cent of the oil export tax. You know we claim the full amount of the export tax. We've repeatedly advised the Federal Government of that. Notwithstanding the fact that we have repeatedly advised the Federal Government that in our judgment all of that tax belongs to us, notwithstanding the fact that it is coming from a provincial resource and heretofore in Confederation it has always been acknowledged that the return from resources is a provincial

revenue, notwithstanding that, they are saying they are going to keep half our tax and we are saying the tax belongs to us. They have finally declared that they are not going to give us 100 per cent of the tax, and accordingly we are now acting to make that excess profit come to the people of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — On that issue we will want to know where the Opposition stands. Do they say that the money represented by the export tax belongs to the people of Saskatchewan, or do they not? We'll know when they vote on this Bill, because if they vote for the Bill, we'll know they say that money belongs to the people of Saskatchewan and if they vote against the Bill, we'll know they say that money belongs to the Government of Canada.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — Now turning to the matter of exploration, I couldn't add much to what the Minister outlined in detail yesterday. But from what he said, he very clearly outlined our proposals and I think everyone who studies those proposals will know that the result will be more exploration in Saskatchewan rather than less. What this Bill will do will be to stop tens of millions of dollars flowing out of this province to finance exploration elsewhere in the world and to keep some of the billions home to explore here in Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. BLAKENEY: — The oil companies circulate the myth that high profits mean high spending on exploration. The facts contradict that myth. The profits have been high. The exploration spending in Saskatchewan has been low, and it has been low for seven years. This Bill will keep some of our money for exploration right here at home in Saskatchewan.

Now there is another important aspect of the energy picture. We need more research on how to develop our tar sands, our heavy crude deposits. We see some of the profits going into this type of research; indeed, we think of an energy institute which may be set up in conjunction with the industry where this sort of research could be done. It could be done, not only for the benefit of the oil companies, not only for the people of Saskatchewan, but also for the benefit of all of Canada. We look forward to pursuing this idea with the industry and with the Federal Government.

Now, Mr. Speaker, I have outlined at some length our proposals for this Bill. I have attempted to deal with some of the more glaring misconceptions which people apparently hold with respect to this Bill. I have attempted to deal with some of the deliberate distortions of what is contained in this Bill, and I think that no one who believes that the people of Saskatchewan should have control over their own resources, who believes that windfall profits should belong to the people of Saskatchewan, and who believes that we should have more exploration in this province, can fairly vote against it.

Mr. Speaker, this Bill acts to give control of our oil resources to the people of Saskatchewan. It acts to defend against the Federal Government's attack on our right to control our own resources. It acts to provide money for more exploration and more research. It acts to conserve for the people of Saskatchewan the large windfall profits which would otherwise go to the international oil companies or to the Federal Government. Most important of all, it acts to allow us to conserve, for future generations in Saskatchewan, our previous and depleting oil resource.

The issues presented by this Bill are simple. Should the oil resources of this province be controlled by the people of Saskatchewan, or by the international oil companies? Should the destiny of our oil resources, and perhaps with it of our agricultural industry, be dictated by the people of Saskatchewan or by the international oil companies? Now that's a simple issue and on that issue, Mr. Speaker, I am willing to stand and be counted. I ask all Members of this House to stand and be counted on this issue which is vital to the future of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. J. WIEBE: (Morse) — Mr. Speaker, if anyone is going to make a comment or to try and put the Premier's remarks into a nutshell, I think what they could do is probably put it into one sentence. What the Premier has told us this afternoon, is that he is going to guarantee everyone in this province a steak, but before the individual gets that steak he is going to make sure that he pulls their teeth out first before they can enjoy it.

SOME HON. MEMBERS: Hear, hear!

MR. WIEBE: — You know, Mr. Speaker, there has been a strange aura effect around the Legislative Buildings since this morning. Members sitting on that side of the House are not walking around the halls as they used to, they're hiding in their rooms, they are listening to the hot line programs, they are busy listening to the radios trying to find out what the people of this province are saying. When the Premier came in this afternoon, I must admit I have never seen the Premier as weak as he was this afternoon, with the exception of his debate on the Foreign Ownership of Land Bill. I expected the Premier to come out this afternoon fighting like a tiger. Not so much to defend this Bill but to raise the spirits of the 44 Members whom he has got sitting behind him.

SOME HON. MEMBERS: Hear, hear!

MR. WIEBE: — Mr. Speaker, he failed to do this. The Members on 'that side of the House sat just as glum and concerned and as worried as they were before he came into this House and they look exactly that same way now.

The Premier mentioned that no Liberal on this side of the House has raised his voice against the Federal Liberal energy policy. And I say, Mr. Speaker, that I endorse that policy 100 per cent.

SOME HON. MEMBERS: Hear, hear!

MR. WIEBE: — I might say as well to the Premier of this province, when has he raised his voice against the Federal national energy policy? When he spoke to the people of this province last Tuesday night, he said he agreed with every aspect of the national energy policy, with the exception of one clause; that was the part where they were only getting 50 per cent of the windfall profits, instead of a full 100 per cent. But heaven knows, Mr. Speaker, he needs the money, he needs that full 100 per cent. The spending spree that this province has been on in the past three years has just been unbelievable. Even while spending all this money, Mr. Speaker, they have not brought one new industry into this province; they have not been able to stop the fantastic drain of our young people from this province; they have not been able to stop the decline of the rural people in the rural areas of this province, nor have they been able to stop the decline and the decay of many of our rural communities.

A number of months ago, Mr. Speaker, it became evident that Saskatchewan would be having a fall Session. The news was well received by the people of Saskatchewan and I think especially by all the MLAs sitting in this Legislature. It appeared that we would have an opportunity to hear the Speech from Throne and have proposed legislation placed before us. After two or three weeks, the Session would adjourn until January or February. The main purpose of this exercise was to lay before the public the proposed legislation. The MLAs, Mr. Speaker, reacted favorably to this proposal. It would allow us an opportunity to study the proposed legislation; it would allow us an opportunity to contact and discuss the legislation with our constituents; it would have given each MLA an opportunity to assess fully the reactions of the people of Saskatchewan, which in turn he could then use as a guideline in debating the various issues in this Legislature. As well, it would have allowed each MLA the time to research fully and to study each and every piece of legislation. This hope and true demonstration of democracy, Mr. Deputy Speaker, was shattered by the Premier of this province last Tuesday night. He arrogantly declared that Bill 42 would be passed and become law in Saskatchewan even if the House had to sit until Christmas. Premier Blakeney's determination, Mr. Deputy Speaker, to ram this Bill through the House has made a mockery of the fall Session.

SOME HON. MEMBERS: Hear, hear!

MR. WIEBE: — He has demonstrated once again, as he has in the past, that 'big brother' knows what's best for the people of Saskatchewan and they are going to get it whether they want it or not. He is determined to make the Bill law as quickly as possible, even though as he admitted on the Harasen hotline show that it would take more than two weeks for the people of Saskatchewan to fully understand and comprehend the far-reaching effects of Bill 42. Why is he so determined to rush this Bill through? Why does he not want the people of Saskatchewan to have the opportunity to understand this Bill? I wish I knew that answer, Mr. Deputy Speaker. There is no energy crisis in Saskatchewan. There is no oil crisis in Saskatchewan. There is no threat to the people of Saskatchewan that the cost of their heating fuel, car gasoline, or farm fuel will rise. There is no threat that the windfall on oil profits will go to the larger oil companies. Mr. Deputy Speaker, while the Premier

and his Cabinet were sitting on their fannies interviewing more research assistants and playing politics with Saskatchewan medicare, the Federal Government moved quickly to protect those windfall profits and made sure that these profits would be used to the benefit of all Canadians, and especially those Canadians who lived in the province that produced that oil. The Federal Government quickly stepped in and froze the price of gasoline and heating fuel to ensure that Canadians would not have an increase in cost for these products. The Federal Government made sure that Canada would remain self-sufficient in oil and we would conserve our oil for future generations. The Federal Government acted and showed concern for the people of Canada, while Premier Blakeney and his cohorts tried to devise a scheme that could use this energy crisis to further their own political ambitions.

SOME HON. MEMBERS: Hear, hear!

MR. WIEBE: — The Premier, Mr. Blakeney, Mr. Deputy Speaker, did nothing while the prompt action of the Federal Liberal Government saved the taxpayers of this province millions of dollars.

As I said a bit earlier, on his radio and television broadcast to the people of this province, Premier Blakeney stated he agreed with the national energy policy of the Federal Government. Again I say his only complaint was the division of the windfall profits — the division being that half of those profits would only come to Saskatchewan the other half could be used for further oil exploration to the future benefit of all people of Saskatchewan.

Why is this money grab so vitally important to the Premier of this province? Is it to pay for the so-called free hospitalization and medicare or their Cabinet globe-trotting trips or to buy more meat packing plants? Does he need the money to buy more land for the Land Bank scheme or to buy into more Saskatchewan industries. Mr. Speaker, this Bill is not designed to benefit the people of Saskatchewan nor the people of Canada. This Bill is designed to further the political ambitions of Premier Blakeney and the NDP Government. It is a Bill designed to give the NDP Government almost total control over every aspect of the oil industry in Saskatchewan from the oil well to the service station. This Bill is designed to use the oil crisis in eastern Canada and other parts of the world as an excuse for the Blakeney Government to move in and nationalize this vital industry.

This Bill as has been mentioned earlier is designed to blackmail other Canadians, to balkanize this country, to set back our fight for equity with the end result that it will pull this country apart and not unify it.

Mr. Speaker, it is because of these reasons that I can now understand why Mr. Blakeney and his Government does not want the people of this province to understand this Bill before it becomes law. I say, Mr. Speaker, that this is wrong. Let us not throw away the high goals which we had set for this fall Session. I ask the Premier and his Government to allow this Bill to stay in Second Reading until the spring Session. I ask the Premier and his Government to allow the people of this province an opportunity to fully understand the far-reaching effects of this Bill. If Bill 42 is going to be rammed through

this fall Session without giving the people of Saskatchewan an opportunity to understand fully its far-reaching effects, I cannot nor will I support this Bill or the arrogant attitude of this Blakeney Government.

SOME HON. MEMBERS: Hear, hear!

MR. R. GROSS: (Gravelbourg) — The basis for the Bill we are debating here today can be clearly stated that; (1) Do we want to see the future of oil supplies and the prices of those supplies left in the hands of selfish profit motivated oil companies or (2) Do we want to see these resources vested in the people of Saskatchewan so they can control their own destiny in the energy crisis? Let no one try to disguise it in any other form, that is simply what Bill 42 will accomplish.

Mr. Speaker, the people of this province are concerned about the energy crisis. They look forward to this Bill and the real truth about what the energy crisis is all about. Mr. Speaker, I will explain a few facts on the oil situation in Saskatchewan and why it is so necessary the people of Saskatchewan control the resource which duly and rightfully belongs to them.

The situation in Saskatchewan simply is: there are about 800 million barrels of known reserves, we presently produce approximately 85 million barrels annually. As John Richards (Saskatoon University) pointed out yesterday some simple Grade 4 arithmetic tells us we have a 10-year reserve supply. However, at present trends of exploration and production we possibly may have a 15-year supply. In order to ensure supplies in the 1980s and the 1990s we will soon have to start conserving our reserves by controlling our production. Bill 42 can and will look after this concern when and only when the control of our resources are vested in the interests of the people of Saskatchewan.

Mr. Speaker, in the area of pricing I ask you: Have the oil companies been fair to the general public, have they been fair with the consumers in eastern Canada or in the United States? I think not, Mr. Speaker. Our Government has shown real concern in Bill 42 by incorporating a principle of controlling wholesale pricing to stop unnecessary gouging of our consumers. There is absolutely no reason why our consumers should be ripped off, because of an international crisis, when we in Saskatchewan are significant producers in terms of our Canadian boundaries.

What effect has this international crisis on our Saskatchewan oil? Well in the last nine months we have seen the price of Saskatchewan crude rise some 95 cents per barrel, while the cost to produce the same barrel of oil, nine months ago has not risen in any proportionate level. Oil companies in Saskatchewan have already been able to enjoy windfall profits. Mr. Speaker, this is only the beginning of those types of windfalls. We say and Bill 42 says those types of windfalls belong to the people of Saskatchewan. It is my understanding, Mr. Speaker, that a gallon of gasoline in other parts of Canada and in the United States is as high as 75 cents per gallon. Some people say it will be shortly up to \$1.00 a gallon. That is the type of profit-gouging the oil companies are looking forward to. Thank God the people of Saskatchewan have got a government with only

one master, that being the people of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. GROSS: — This Bill will protect and ensure that our farmers and our public are not treated in the same way as people in eastern Canada and the United States. Not only will Bill 42 ensure conservation, stabilization, production and exploration, and provide wholesale pricing it will return some of the windfall profits to the public purse.

How much money will that be? Our Minister yesterday used several examples. Returns should vary anywhere from \$100 million to \$150 million plus. For the first time the people in Saskatchewan will be able to see some real returns for a resource which rightfully belongs to them.

It is difficult to understand the position of Liberals opposite and what position they will have to take. The 15 weaklings are quite aware of the position the Federal Government has taken in regard to the national corporation. Yet on the other hand they are torn by the possibilities of being winned and dined by the oil corporations at home. Mr. Speaker, the boys opposite I suggest will take the wining and the dining.

There is every possibility the Liberals opposite may want to make this a battle, if so, our party and the people of Saskatchewan will have two opponents. I suggest the first will be the oil companies who will pour millions of dollars into a campaign to protest a bill which returns windfall profits they expected to get. That battle might be compared to the weight put into the medicare crisis when the doctors laid threats of doom and gloom. Our second opponent, Mr. Speaker, hardly a formidable one will be the provincial Liberal Party. Let me warn the Leader of the opposition it will be with pleasure the people of this province will grind you and your arguments into the dirt.

Mr. Speaker, another fact the people of the province should know is, what really has the oil industry put into this province in return ;what have they extracted from us? Up to 1973, including a period of some two and a half decades the oil companies have poured in some \$2.3 billion and have extracted some \$3.1 billion to give them a break even plus a cumulative total profit of some \$800 million. The oil industry cannot argue they have not received a fair return on their investment. The people of this province have more than adequately subsidized the oil industry with our resources.

Where the action of our government is welcomed, Mr. Speaker, it would not have broken my heart if we had cut ourselves into a much larger share of the action and returned even more revenue to the province where it rightfully belongs. However, I am convinced that this Bill will accomplish a great deal and it is logical and sensible.

Mr. Speaker, in years ahead I look forward to the days when our party joined with the people of this province will be able to launch successfully a program to develop and return any benefits in terms of hard and soft mineral resources. Mr. Speaker, Saskatchewan is richly endowed with natural mineral wealth and it is high time we got at it.

In conclusion, Mr. Speaker, Bill 42 will ensure: (1) Control of oil resources 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; (3) Increases in Saskatchewan wholesale prices for petroleum products which do not reflect increases in the cost of operation 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 and (5) The returns from producing lands owned by farmers and other small holders of freehold acreages should not be disturbed. Oil exploration in Saskatchewan should be stepped up over the low exploration levels of the past several years. Those principles of Bill 42 will be of total benefit to the people of Saskatchewan.

Mr. Speaker, before I take my seat, let me warn the people of Saskatchewan and in particular Members opposite; a nay vote on this Bill will mean Liberal support for (1) windfall profits of the corporation, (2) they don't want to conserve oil for future years for our people of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. W.A. ROBBINS: (Saskatoon Nutana Centre) — Mr. Speaker, I am pleased to participate in the debate on Bill 42 related to energy.

Saskatchewan has known reserves of fossil fuels approximating 800 million barrels. Annual production is in the range of 85 million barrels and therefore we have approximately 10 years supply at the present rate of production related to proven reserves. Saskatchewan's annual crude oil production is exported almost in total, in turn we import approximately one quarter of our annual production or some 22 million barrels from the neighboring Province of Alberta. Part of the reason for this situation is the pipeline structure in the province. The Hon. Leader of the Opposition (Mr. Steuart) would have us believe that Saskatchewan crude, heavy, medium and light is either not light enough in gravity or too sour to be handled in present Saskatchewan refining facilities. That is only partially true. Part of the reason for the situation is as I previously mentioned the pipeline structure across the province which automatically takes eastward the flow to Canadian and south-eastward to mid-west American markets.

Mr. Speaker, we are constantly reminded that the oil industry is a high risk industry. Oil exploration companies obviously involve themselves in some risk. Usually, Mr. Speaker, the risk has been insured to a considerable degree by public authority, through deferred tax concessions and other special concessions such as accelerated depreciation. Risk, I think, Mr. Speaker, is entitled to some reward but this contention can be carried much too far. I believe it was George Bernard Shaw who once said, "If we are to use the risk factor as the criterion for reward then the highwayman should logically be assured of the highest risk rate of all."

The largest expenditures on oil and gas exploration in Saskatchewan occurred in the years 1957 and 1967. In the first instance, Mr. Speaker, we had a CCF Government in this province which Liberals claimed could not attract exploration capital

and in the latter year we had a Liberal Government in power. The expenditures in those two years are approximately similar in amount, although it should be noted, Mr. Speaker that the dollars expended in 1967 probably bought less drilling footage because of inflationary tendencies than that purchased in 1957 by the expenditures made in that year.

Mr. Speaker, in September 1973 the average, well-head price per barrel was \$3.38. In September the preceding year 1972 the average well-head price per barrel was \$2.43, the differential of 95 cents per barrel was a windfall in effect to the oil producers. The increase of 95 cents per barrel is not due to increased production costs, it is due to a sudden inflationary rise in the price of crude oil on the international market. Revenues to crude oil producers in Saskatchewan from 1945 to 1973 — and other speakers have made reference to this — were estimated to cost three billion one hundred million dollars. Their expenditures during that period were in round figures, two billion three hundred million dollars, leaving net returns of \$800 million.

If we look at more recent statistics we find in 1972 revenues totalled \$224 million and expenditures \$126 million with a net return of \$98 million. It is estimated 1973 revenues will total \$278 million and expenditures will be \$144 million with a return of some \$134 million. The Member for Milestone (Mr. MacDonald) referred to this Bill as a swindle, Mr. Speaker. Well when you have your profits increased from \$98 million to \$134 million a year, that can hardly be classified in the category of a swindle. If crude price per barrel on the international market rises higher in 1974, and that prospect is clearly probable, windfall profits above those already accrued would grow in almost geometric progression. If public authorities both at provincial and federal levels did not take action a consumer would have no protection against international price levels which did not merit such prices in the Canadian market in relation to production costs and inflationary trends.

If we are realistic we will accept the fact that when production costs rise some revision in price level is warranted and required. The Bill takes this into account. The Hon. Leader of the Opposition asserts that Bill 42 represents confiscation. It does not. It may well represent expropriation which all governments at all times in history have had the power to enact and enforce. It represents expropriation at a price which leaves the oil industry with a substantial profit over their exploration and production costs per barrel on all proven reserves. The Member for Saskatoon University (Mr. Richards) says the profit permitted is too high. He may be right. That is a matter of judgment. However, I for one believe there is merit in the provisions of the Bill in using the difference between the basic well-head price and the premium well-head price to ensure some \$24 to \$25 million for exploration in this province in 1974. Incidentally, Mr. Speaker, that is a good deal more than has been expended in recent years for exploration in this province. In 1971 the total was \$19.3 million, in 1972 \$20.7 million, the estimate for 1973 is \$18 million. Surely Opposition Members are not going to argue that the drilling rigs will not derive benefit and earnings from an assurance of availability of such a sum in an attempt to secure more proven reserves.

The second provision permitting rebate of up to 50 per cent for further drilling, exploration, research and other

facilities, expenditures should provide initial exploration activity. Opposition Members, Mr. Speaker, will likely ridicule this suggestion. They are the same people who swore up and down that there wouldn't be a single oil well drilled in Saskatchewan as long as there was a CCF Government in Saskatchewan. They were wrong then, Mr. Speaker, and they are wrong now. The Leader of the Opposition (Mr. Steuart) says exploration activity will cease and private investment will be withdrawn. Mr. A.L. LaBerge, General Manager of Imperial Oil Saskatchewan Operations, and President of the Provincial Division of the Canadian Petroleum Association, said if accurately quoted in the Leader-Post, "It will run the oil industry clear out of Saskatchewan". That is a rather queer comment from an individual whose corporate employer had long ago announced eventual closing down of the Regina refinery. In addition, Gulf and Husky plants in Moose Jaw and Saskatoon have already terminated operations. It is pretty difficult, Mr. Speaker, to run someone out who has already left or who has announced his intention to start towards the main exit long before any such legislation was contemplated.

The Leader-Post in a recent editorial remarked that overreaction is one of the chronic ailments of our times. There is a discernible trend around the world today for governments to take proprietary interest in the production and distribution of all kinds of energy.

Members opposite, Mr. Speaker, call Bill 42 a plot. A plot — a legislative takeover. Another dark and sinister socialist plot. But, Mr. Speaker, they're doing it all over the world; in Ottawa, where we have a minority, would you believe it, a Liberal Government; in Edmonton where the Government is Progressive Conservative — I don't know whether it is progressively more conservative or conservatively more progressive — but in any event it's not a socialist government; in Paris where they have a right wing administration; in Tokyo where they have a Liberal Government (so-called which is just as conservative as the so-called Liberals to your left, Mr. Speaker); in Washington where the Government could hardly be termed socialist; and even in Kuwait, where the Kuwaitis are ruled by the Sheik who rules his kingdom with an iron hand over an appointed council, appointed, Mr. Speaker, I presume in much the same way as the Hon. Leader of the Opposition appoints Liberal candidates for the next election a number of days in advance of the actual nominating convention, example Saltcoats.

Bill 42 expropriates and pays a substantial sum of money for proven oil reserves, an amount which represents substantial returns to the oil industry.

It provides some protection to the Saskatchewan consumer in relation to wholesale prices. It ensures that windfall profits on crude oil production will accrue to the people of the province.

It provides incentives to increase exploration in order to procure future reserves.

It provides for conservation measures which are necessary in a world energy crisis to ensure supplies for Saskatchewan consumers now and in the future.

It is a practical pragmatic approach to the problem which cannot await any longer swiftly moving events of the world

energy picture. On that basis, Mr. Speaker, and not on any dogmatic or doctrinaire philosophy, I will support Bill 42.

SOME HON. MEMBERS: Hear, hear!

MR. G.F. LOKEN: (Rosetown) — Mr. Speaker, there are several aspects of this Bill which concern me very much and I should like to take a few moments to outline what I think are some of the more serious mistakes which are in this legislation. It does nothing to ensure an adequate energy supply for Saskatchewan people.

The Premier has admitted that 96 per cent of all oil products consumed in Saskatchewan come from Alberta and yet this Bill refers only to the conservation of Saskatchewan oil resources. The oil which we have in Saskatchewan could be conserved for 100 years and it still would not help anyone in the province.

If the NDP is serious about making sure that we have enough oil to keep our economy going this legislation should be withdrawn and positive government action should be taken, either to modify the refining capacity of Saskatchewan so that we can refine our own oil or a firm written contract should be entered into with Alberta to make sure that we are not cut off from their oil.

Secondly, this Bill will drive out from Saskatchewan hundreds of millions of dollars of private investment. Not only those people who are involved in oil, but those involved in all mineral resource industries will be more than a little reluctant to invest their dollars here.

The potash industry is a good example. Once again, the market for our potash is expanding, the demand has risen sharply, now would be a natural time for one or two new mines to be initiated. But ask the Government opposite who they think will invest money in the potash industry when any contract or lease that may be made with the Crown is likely to be torn up or discarded in a few years' time.

A third reason why I oppose this legislation is because of the way this Government is seeking to have it passed. When we came into this Assembly two weeks ago, we were told that bills would be introduced, possibly discussed, but not passed, not until we sit again next year.

The Government has broken its agreement. It has now tried to bulldoze through this very serious legislation.

I should like to repeat the Leader of the Opposition's call for public hearings and an opportunity for both Members of this Legislative Assembly and private individuals to study the Bill and in this manner be more capable of commenting on it in a conservative way, a constructive way.

Fourth and finally, Mr. Speaker, I oppose this Bill because it is a violation of the rights of individuals who own property. The NDP has decided to expropriate oil rights from individual land owners and companies, even though present agreements with them have not yet expired. Not only that, they themselves set an arbitrary price on which they will compensate those who have had their oil rights expropriated. There will be no

appeal from the Minister's decision. This is not only unfair, I think it comes close to robbery.

There is no way, Mr. Speaker, that I will support Bill 42.

SOME HON. MEMBERS: Hear, hear!

MR. H.H. ROLFES: (Saskatoon Nutana South) — Mr. Speaker, before I go into the text of my address I want to deal, just a few minutes with comments made by the previous speaker.

This Opposition must be getting rather desperate because this is the second time that the Member from Rosetown has spoken this year or else they feel it is a really important issue and they have to get their big guns in on this Bill.

Mr. Speaker, the previous speaker said that we should withdraw the Bill and do some modifying of our refinery capacities in Saskatchewan. I can agree with the Member that possibly Saskatchewan should have a look at modifying our refining capacities and do something that will make certain and assure the people of Saskatchewan that if we cannot import oil from Alberta that we will be able to refine Saskatchewan crude in Saskatchewan.

The Member also said that this Bill will drive hundreds of millions of dollars of private investment out of Saskatchewan. Then he went on from that analysis to say that no one would expand further in the potash industry. Mr. Speaker, the last thing we need right now in Saskatchewan is another potash mine. First of all, let us see to it that the present potash companies are able to work at 100 per cent. And secondly, Mr. Speaker, let us make absolutely certain that the Saskatchewan Government will have the right to control the amounts of products of our natural resources and defend that right against the intrusion of Otto Lang.

The Hon. Member made two more points, or at least tried to make the points. One was that he objects to the way we are going to be passing this Bill. Mr. Speaker, this seems rather odd, because in 1971 we had a democratic election in this province; the people spoke. The people said we want 45 MLAs on this side of the House and we want 15 on that side of the House.

Many of us told these people in 1971 that we would do everything possible to bring back to the people of Saskatchewan the control of our natural resources.

People at that time said yes, and the people today say yes. Mr. Speaker, to say because we have 45 Members on this side or 44 on this side now, and they only have 14 on their side and therefore we are acting undemocratically, doesn't make any sense. All the Leader of the Opposition is trying to do is obtain a little bit of sympathy. But you know that psychology doesn't work. You've got to give the people credit first of all. They are not that stupid you know. The people know that if 25 people sit on this side of the House and only 24 on that side of the House, it is just as effective democratically as if you have 44 on this side of the House and only 14 on that side. One vote for each individual, that is the way it works, and it doesn't make any difference.

Next, Mr. Speaker, I want to comment on the Member saying that this is a violation of individual land owners' rights. The violation of rights of individual land owners. This Bill as the Premier has pointed out, does absolutely nothing to violate the rights of the individual land owners in the Province of Saskatchewan. Absolutely nothing:

Last night, Mr. Speaker, I watched the 11:00 o'clock news and I was rather amused to observe that on the same program they had the Hon. Leader of the Opposition and Dick Colver from Saskatoon. Mr. Colver was saying, look people don't panic in Saskatchewan we still have a democracy in Saskatchewan and that we should work by the Golden Rule. I would just like to ask Mr. Colver if he thinks that the Golden Rule permits him to purchase the Bessborough Hotel for less than the renovations cost the people of Saskatchewan.

AN HON. MEMBER: — At least he kept it in Saskatchewan!

MR. ROLFES: — The Member for Lumsden says at least he kept it in Saskatchewan. I should like to point out to the Member from Lumsden, Bill 42 brings back our natural resources, right back to the people of Saskatchewan. That's what Bill 42 does.

SOME HON. MEMBERS: Hear, hear!

MR. ROLFES: — I would expect that the Member for Lumsden will therefore support the Bill.

In an article on December 11th issue of the Star-Phoenix, Mr. Phil Wade who is not known to be an NDP supporter, characterizes very well the private enterprise parties, both the Liberals and the Conservatives when he says:

Does this indicate that if perchance his Party (referring; to the Tories) attained power in Saskatchewan that that Party would sell the Saskatchewan Power Corporation and the Saskatchewan Communications (that is, SaskTel) at fire sale prices to private business.

Mr. Wade goes on to say:

Does he (referring again to Mr. Colver) does he believe anything goes in this business and commercial world, does' he believe that anything which will permit an income tax write-off is justifiable and desirable?

Mr. Speaker, I think that this is the kind of philosophy that has taken hold of, not only the Members opposite, but certainly the Members of the Conservative Party both provincially and federally. That anything will go and you can certainly sell it at fire sale prices as long as it goes to their corporate friends in the United States or in eastern Canada.

Mr. Speaker, I want on this particular occasion to express my appreciation to the Hon. Minister, the Minister of Mineral Resources (Mr. Thorson) for the way he clearly presented yesterday, to this House, in a non-partisan manner, the principles of Bill 42.

SOME HON. MEMBERS: Hear, hear!

MR. ROLFES: — Certainly people on the other side of the House, if they had opened their ears and closed their mouths, like the Member from Lumsden should do sometimes, they now would know the principles of Bill 42. I should like also at this time, Mr. Speaker, to give credit to the Member from Saskatoon University (Mr. Richards). I listened very carefully yesterday to the Member from Saskatoon University. At least the Member from Saskatoon University clearly attacked certain things in the Act that he felt he could not support and for that, I want to give the Member credit.

Today again, I think many of us when we listened to the Premier certainly felt that the Premier outlined very clearly the position of the people on this side of the House, as to where we stand when it comes to our natural resources.

It is easy, Mr. Speaker, to criticize the Government for not having done something earlier. But there is no one in this Assembly on that side of the House, with the exception of the Member from Saskatoon University who has made any solid, concrete suggestions as to how the Government should deal with the energy crisis.

The suggested actions that should be taken by the Government, as proposed by the Member from Saskatoon University, that is, to nationalize the oil industry, is in my opinion, Mr. Speaker, not a realistic objective for a provincial government. Although I have some sympathy for such a suggestion, I don't think that it is feasible unless we first of all have a national energy policy and some nationalization of our multinational corporations at Ottawa.

This, Mr. Speaker, may not be too far in the future when one notes how quickly the Federal Government has moved recently in adopting many of Mr. Lewis' suggestions in dealing with the energy crisis. And let there be no doubt, Mr. Speaker, that the policies of the Federal Government today were responsive to the suggestions made by the national party of the NDP and Mr. Lewis.

I want, Mr. Speaker, to refer briefly to Saskatchewan's history with the oil companies. Saskatchewan's experience with oil companies should convince all of us that we cannot rely on the oil industry for the production, the conservation and the refining of our oil and gas resources. Even when incentives, Mr. Speaker, to the oil companies were very lucrative under the Thatcher Government, expenditures by oil companies for exploration went from a high of \$44.7 million in 1967 to a low of \$19.3 million in 1971. The oil companies even at that time had a very sympathetic government and a very sympathetic Premier who believed in the free enterprise system. Even then, Mr. Speaker, the oil companies preferred to move their equipment and their financial resources to look for oil in the Arctic and other places where they thought they would be able to get higher profits than they were receiving here in Saskatchewan.

Mr. Speaker, I want briefly to refer to the closures of refineries in Saskatchewan. Those of us who lived in Saskatoon felt the effects and I know the people in Moose Jaw felt the effects of the closures of the refineries. The closure of the

three oil refineries and the announcement of a fourth closure indicates that the oil companies have total lack of concern for the economic development of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. ROLFES: — The closures, Mr. Speaker, of the Gulf Refinery in Saskatoon threw many people out of jobs. The Gulf and Husky Refineries in Moose Jaw was debated in this House and we know the effects these closures had on the economy of that city. The announced closure of the Imperial Oil Refinery in Regina in 1974 in my opinion, Mr. Speaker, very clearly reflects the industry's attitude towards Saskatchewan, which is that of an extractive source only. These closures, Mr. Speaker, will cost Saskatchewan people over 400 jobs. If we consider the multiplier to range from 2 to 4, then we can assume that the total job loss because of the refinery shutdowns will be from 800 to 1,600.

Speaking, Mr. Speaker, on the closure of refineries, as I mentioned earlier in this House, I believe that governments should have the right to take over these refineries if a private company has suggested or has given indications that they will close down. The Government should have the right to expropriate these refineries and convert them for the use and benefit of the people of this province.

Mr. Speaker, let me ask this Assembly; were the oil companies concerned about what effect these closures had on the Saskatchewan community? Were they concerned about the disruption caused to many of the families who had to relocate or go on unemployment? Or were they more concerned with consolidating their refining plants for higher profits elsewhere?

Mr. Speaker, there is absolutely no doubt in anyone's mind that it is economical for Imperial Oil to continue with their refinery here in Saskatchewan. I said that it is economical, but that does not mean, Mr. Speaker, that it is not more profitable for them to consolidate and move to Edmonton. And that is exactly the yardstick they use. If it is more profitable, they will move somewhere else.

Surely, Mr. Speaker, the Members opposite are not asking the people of this province to rely on the oil industries for the development, the production and the refining of our resources. The track record of oil companies in Saskatchewan is not very good. Private oil companies are motivated more by profits than by the welfare of people or the development of our communities.

One would have thought that the oil companies would have been satisfied with profits of over \$500 million since 1964. One would have thought that they would have felt some moral responsibility to the people of this province. But no, Mr. Speaker, this was not the case. They continued to increase the price of oil until it reached an unprecedented level of \$3.38 per barrel and Mr. LaBerge asks for more.

Bill 42 will put an end to this and will guarantee that any windfall profits in the future will accrue to the people of Saskatchewan. Furthermore, Mr. Speaker, the legislation ensures us, despite what the Leader of the Opposition says, that exploration will take place in this province at least to the tune of

\$25 million. For I, Mr. Speaker, do not believe that the oil companies are prepared to give up the incentives provided in the Bill, nor are they prepared to give up the lucrative profits still to be made at a well-head price of \$3.38 a barrel.

It is also hoped, Mr. Speaker, that Saskoil will make an attempt to get into the exploration, the production, the distribution and refining of oil and gas in this province. We now have the funds and it is time that we acted.

Since Imperial has given notice that the refinery will be shut down, I believe the Government should begin planning a new refinery for this province which would be capable of refining the crude oil found in this province.

I said before, Mr. Speaker, and I say it again, we cannot depend on the oil industry and we must be prepared for the future.

Mr. Speaker, the principles enunciated in Bill 42 should be welcomed and supported by every reasonable Member of this House. Who would argue with the principle that control of the oil resource should be firmly vested in the people of Saskatchewan? Who would not support the principle that future supplies of petroleum for Saskatchewan farmers and other Saskatchewan users should be assured? Or who would argue that increases in Saskatchewan wholesale prices for petroleum products, which do not reflect increases in the cost of operations, must be limited? And I know we all agree that oil exploration in Saskatchewan should be stepped up over the low exploration levels of the past several years.

Most Members in this Assembly, with the possible exception of the Member from Saskatoon University (Mr. Richards), accept the principle that returns from producing lands owned by farmers and other small holders of freehold acreage should not be disturbed.

That, Mr. Speaker, leaves one principle upon which there seems to be a diversity of opinion, that principle being that 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.

Mr. Speaker, I think it is obvious from the speeches that have been made from the opposite side and speeches that have been made on this side, that the Members opposite want these profits to go to their big corporate friends and we want the profits to go to the people of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. ROLFES: — The Leader of the Opposition (Mr. Steuart) would have the people of Saskatchewan believe that the Government is being miserly in its dealings with the oil industry. He says we are driving out the oil companies. That there is not sufficient incentive for them to stay in Saskatchewan because we allow them net profits of only \$134 million for 1973, plus the \$25 million incentive available to the industry by reason of the differential between the basic well-head price and the premium well-head price, plus an additional 50 per cent of exploration costs incurred by the industry if approved by the Minister.

Mr. Speaker, the Members opposite say that this is not enough. In my opinion, this is a pretty lucrative offer. What more do such benevolent, such community-spirited and non-profit men like Mr. Steuart, the Camerons and the LaBerges want from the people of Saskatchewan? The people of Saskatchewan have been gouged enough. It is about time that some reason and justice are brought back to the bargaining table. In fact, Mr. Speaker, it is about time that we established a bargaining table. Bill 42, in my opinion, is that bargaining table. It is time that the people enjoy some of the benefits and that the oil industry recognizes its moral obligations to the owners of these resources, the people of this province.

As I said previously, the profits to the oil companies as outlined in Bill 42 are fairly generous. In fact, they are too generous. In my opinion the oil industry was not justified in raising the well-head price of a barrel of oil by 95 cents in less than one year. Profits of \$98 million in 1972 should have been sufficient.

Mr. Speaker, in this particular aspect, I agree with those people who criticize Bill 42 in being too lucrative. In my opinion \$3.38 is too much. My criticism of Bill 42 is that the well-head price should have been rolled back to \$2.43 and the additional revenues should have been used for further exploration, as outlined in the present Bill. I find it very difficult to justify the extra \$36 million that will accrue to the oil industry rather than to the people of Saskatchewan.

Mr. Speaker, Bill 42 does take some significant steps towards returning to the people of Saskatchewan the control of our oil and gas resources. It will, in my opinion, increase future explorations and it does guarantee that substantial profits from the sale of gas and oil will accrue to the people of this province.

Mr. Speaker, I think it is a significant first step and therefore, I will support Bill 42.

SOME HON. MEMBERS: Hear, hear!

MR. A. THIBAUT: (Melfort-Kinistino) — Mr. Speaker, as it is getting late and towards supper I thought I would get up and say a few words. I sat here and listened very quietly and patiently. We have heard the opposing views and we heard the people who were for it. Over the years I have found, by assessing what has taken place in the House, I have to concur with the 45 Members on this side with what they are trying to do.

AN HON. MEMBER: — Forty-four and a half!

MR. THIBAUT: — Well, forty-four and a half. One is like Jacob Bench and he is wandering back and forth, sometimes he is here and sometimes he is there and where he will be next is up to him.

I would say, in all the observations, when we saw the Opposition fight something real hard it turned out to be something very good.

SOME HON. MEMBERS: Hear, hear!

MR. THIBAUT: — That has been my barometer. I can recall the hard fight we had on the Hog Marketing Commission. You go throughout the country now and the people are accepting it. People say, by golly, you know this is not so bad, it is better than we thought it would be. We had the Land Bank and again we had a hard fight. Well it takes some longer to see things than others. You know it is like three immigrants who came from the Old Country and they came in this cold 40 below zero weather, they each took a homestead. The three of them planted a patch of potatoes and they each built a little shack and they dug a cellar to put the potatoes in, in the fall. One fellow banked up his shack and the potatoes did not freeze during the winter. The two other fellows had their potatoes frozen and had to eat frozen potatoes. The next winter there were two of them that banked up their shack and the potatoes did not freeze. The third one believed in freedom and he never banked his shack and he never learned and he always ate frozen potatoes.

SOME HON. MEMBERS: Hear, hear!

MR. THIBAUT: — So we had the Land Bank, we had FarmStart, we had Medicare. Now I want to compliment this Government for being foresighted and acting before it is too late. I want to compliment the Premier and his Government to do just what they are doing today. It is looking ahead.

As I said I would not take too much time, but to leave no uncertainty in the minds of people of where I stand, I will support Bill 42 and the best guarantee that we have that it is a good thing, is that the Leader of the opposition is fighting like the dickens against it.

SOME HON. MEMBERS: Hear, hear!

MR. A.R. GUY: (Athabasca) — Mr. Speaker, after listening to my friend from Kinistino (Mr. Thibault) I feel moved to make a few comments. I always thought that he really didn't know much about anything but potatoes and he proved it today because I will tell you that the people of Saskatchewan do not suggest that this legislation, which is being rammed through is like a sack of potatoes, even if they are frozen.

I have been rather amused by some of the comments opposite today and I am going to deal later on with the comments of the Premier and the Minister of Mineral Resources, because they are really the only speeches that have had anything to do with the Bill under discussion.

The Minister has thrown up some backbenchers to try and take some of the heat off. You know that when you get too close to the oven you try to turn down the heat. So they brought in a few of the backbench quarterbacks today. They had the Member for Pelly (Mr. Larson). You know I always said when the Member for Saskatoon University (Mr. Richards) came over to this side that he shouldn't have been alone, that he should have had some supporters come with him. I never heard more of a Waffle speech today than we heard from the Member for Pelly.

Surely to goodness, Mr. Speaker, if he's got the courage of his convictions as he spoke today, what is he doing over there?

Why don't you get over here and sit with Mr. Richards? I had to laugh. There is the Member from Pelly, the Member for Saskatoon-Nutana (Mr. Rolfes) they all got up here today and said, "This Bill is an attack on the multinational oil corporations."

Of course, this legislation has nothing to do with the multinational oil corporations at all. They can defend themselves. This isn't an attack on them, this isn't even an attack on the Federal Government. This is an attack on every farmer in this country, it is an attack on every businessman, it is an attack on the rights of every individual who believes in the free rights to hold property and to own property.

SOME HON. MEMBERS: Hear, hear!

MR. GUY: — I had to laugh when the Member from Saskatoon said, "There are 45 of us over here and that gives us the right to do anything we see fit. We told them in 1971 we were going to nationalize the oil industry." That is nonsense. If you had had the courage in 1971, as I mentioned the other day, to say the things that you intended to do you would never be sitting on that side of the House.

SOME HON. MEMBERS: Hear, hear!

MR. GUY: — You didn't tell them that you were going to nationalize the oil industry. The Minister from Estevan (Mr. Thorson) didn't say that he was going to attack the potash industry as soon as he became Minister. The Minister of Agriculture (Mr. Messer) he never told the farmers of Saskatchewan that he was going to set up a Hog Marketing Commission and ram it down their throats without any consultation. He said it was a marketing board that was going to be producer controlled. Do you, Mr. Messer, one of the biggest land owners in this province, just because you are the Minister, call it a producer controlled commission? You never told the people of Saskatchewan that you were going to take the forest industry away from the people who wanted to make a living in the forest.

MR. MESSER: — Yes we did.

MR. GUY: — Oh, no you didn't! At that time the Minister, the Member from Shellbrook didn't even know he was going to be a minister. It came as a surprise to him. And after the speech from the Member for Watrous (Mr. Cody) I am not sure that he will be the Minister that much longer.

MR. BOWERMAN: — What happened to your Minister?

MR. GUY: — Well, it was cut short. And I make no apologies. I can't make any apologies because your turn will come.

The Member for Saskatoon Nutana says, "You know we have a federal policy today because of the NDP Government." What nonsense Herman, I thought even you wouldn't be taken in by that. I will say this for the Conservatives. The Conservatives were prepared to risk an election in the winter time even though

they knew it would be distasteful not only to their own members but to everybody in Canada. But they had certain convictions. They were prepared to stand or fall on them. But what did the NDP do, where did their convictions go? They went out the window. They were afraid to face the public in a winter election. You know that they would have been wiped out from one end of Canada to the other because they have completely lost their identity. All they are now is, 'me too', anything that the Liberal Government in Ottawa says in order to avoid an election, they say, 'me too'. There has never, I don't think in the history of this country, been an opposition party with 31 Members that has been as irresponsible, that has wavered on their convictions. that has put their politics ahead of the interests of Canada like the NDP in Ottawa.

SOME HON. MEMBERS: Hear, hear!

MR. GUY: — And as a result the NDP in Ottawa will be wiped out completely across the country in the next federal election.

I just want to say a word or two about what the Premier spoke about this afternoon.

MR. MESSER: — Oh, you're going to talk about the Bill

MR. GUY: — I will eventually! You know the Premier likes to play on words and he stood there and shook his little stubby finger and he said, "I defy you to tell me of one lease that was broken." I will tell you, just speak to the oil companies that have had their rights taken away from them. The same as you talked to the farmers who have had their rights taken away from them by the Minister of Agriculture (Mr. Messer). Or you speak to the forest operators who have had their rights taken away by the pen of the Minister of Northern Saskatchewan (Mr. Bowerman). These people don't care whether a lease was broken or what happened. All the people know is that a power-hungry and thirsty government and the Premier took the rights away without consultation, without by your leave. By a stroke of a pen they destroyed their livelihood. And that is what this Bill is doing to the people of Saskatchewan.

The Premier can play on words all he likes, he will not convince the oil companies, or the small land owners who have rights, that they won't be next. Sure, you say today, any individuals or anybody who has 1,280 acres, we're not going to touch them. What you really mean is that you are not going to touch them now, today. But I should hate to be in their shoes if you ever occupy those benches after the next election. You won't be able to keep your sticky little fingers off that 10 per cent. You had 65 per cent, enough to get Saskoil into operation but now you want 30 per cent more. You are not going to be satisfied until you have 100 per cent because that is your philosophy. You don't want an individual in Saskatchewan, whether he owns land, whether he owns forest products, whether he owns mineral products, whether he is in business, whether he is a professional man, no matter what he is, you don't want him to have any rights, you don't want him to have any say on how his life is going to be run, because you are the Government. You're the ones who have been given all the God-given brains in this province according to your philosophy. You know better

than anybody, you know everything. You know that people should never have been born to have any individual rights. Not when the state can control them. Not when the state can be made up of NDP Socialists. That's your philosophy. And that is why you will never rest until you have taken the rights away from every individual in the Province of Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. GUY: — Mr. Speaker, I have considerable more that I wish to say about the Bill, so I should like to call it 5:30.

The Assembly recessed from 5:30 o'clock p.m. until 7:00 o'clock p.m.

MR. GUY: — Mr. Speaker, before we adjourned for supper I hadn't read the Bill so I got a little lost in my comments. However, at supper time I had the opportunity to read the Bill. I will tell you it didn't take very much reading to find out just how terrible and disastrous a Bill this is for the principle of liberty and freedom of rights and individuality and things like that. I realized I was on the right wicket before we adjourned for the supper recess.

I think, Mr. Speaker, getting serious for the moment, that there are two main questions that have to be asked when you consider Bill 42. First of all, is there an oil crisis in Saskatchewan that demands immediate action by the Blakeney Government to the point of forcing this Bill through the Legislature without consultation with the companies involved or with the oil industry; without public hearings and without any negotiations with Ottawa?

Secondly, is the proposed legislation in the best interest of Saskatchewan and Canadian people? And will it solve the oil and gas problems that do exist? Above all will it help Saskatchewan fulfil its role in Confederation?

To find these answers I am going to turn to the best point to start and that is with the television program of the Premier the other evening, for which I have a copy of his remarks. The reason I am turning to the comments of the Premier, of course, is that it is very obvious that this is his legislation. I have never before seen a Premier push the Minister in charge of the Bill and the Department which he represents aside, the way that Premier Blakeney did to Kim Thorson. In fact, if I was Mr. Thorson, in charge of putting this Bill through the Legislature, I would walk out and say, if you want the Bill, take it, and put it through and take the criticism, take the static that you are going to get over the next few months and over the next few years. Why should a Minister of Mineral Resources take static that the Minister of Mineral Resources is going to take when the Premier moves into the limelight and takes over and presents the Bill, before we in the Legislature have even had the opportunity to have the full explanation of what the Bill is concerned with.

I think that this is another example of contempt shown by the Minister for this Legislature, by the Premier, taking it to the public in the hope that he can forestall the criticism that he knows is going to come as a result of this Legislation. I

would suggest that the Premier taking the position and the stand that he has by pushing his Minister of Mineral Resources aside by pushing his back benchers into the oblivion of getting up and making a few nonsensical statements like we heard from the Member for Pelly today (Mr. Larson) and the Member for Saskatoon Nutana South (Mr. Rolfes) and the Member for Kinistino (Mr. Thibault) that he is prepared to stand and fall on this legislation. I can't think of a better issue to have the people of Saskatchewan judge the present Government than on this legislation which we are debating here tonight.

You know the fact that Saskatchewan has a so-called new oil policy is no credit to the NDP Government or the Premier. You know in the last six months all oil producing countries, all oil producing states and provinces have been developing, revising and coming out with new policies in light of the world situation. It is not related to any political philosophy, in spite of what our Members say opposite.

The Liberal Government in Canada has revised and come up with a new energy policy. Conservative Alberta have seen fit to revise and develop a new policy. Republican United States have seen it necessary to change their policy and the dictatorial Arabs have also come up with a new policy, for the most part which is creating difficulties for the other members in the world.

In fact, if Saskatchewan had not come up with an oil policy, it would be condemned for its failure to face the facts as they exist in Canada today. But I suggest, Mr. Speaker, that the policy that the Saskatchewan Government has come up with is too much related to the policies of the Arab Governments, too narrow to really gain the support of the people of this province.

So the first question is: is the crisis in Saskatchewan immediate? It could only be immediate if three conditions developed; that there were severe shortages, that there were sharp price increases and if Saskatchewan does not have the opportunity to receive or negotiate a fair share of the windfall profits.

The severe shortages are not in the hands of Saskatchewan. They are in the hands of Alberta. We are not using Saskatchewan oil in this province, we are depending 95 per cent on imports. So, nothing that the Saskatchewan Government does today in regard to our own oil resources has anything to do with whether we are going to have a shortage for our tractors next spring, for our homes to be heated in the late months of this winter. So there is no fuel shortage as far as anything Saskatchewan can do to either prevent it or to create it.

The price increases, of course, they have been frozen by Ottawa policy, Liberal Ottawa policy. So that is out of the hands of the Provincial Government.

The federal export tax controls, the profits and returns and shares to the provinces, this is open to negotiation. I listened to the Minister of Mines and Resources in Ottawa over the supper hour. He said that he is prepared to sit down with the provinces and negotiate. But he made one point clear, he is not prepared to be blackmailed by any province in Canada,

any province that is part of the so-called Confederation of Canada.

I suggest that the Premier has the opportunity to negotiate the disposition of windfall profits. I think that we can certainly support the Premier in his desire to get more for Saskatchewan. I think we are all out for the most that we can get for our province. But unfortunately, we have difficulty in supporting the manner in which he is going about it.

Finally, Mr. Speaker, the Premier said that he supports the federal moves in the directions that we have talked about, on price controls, windfall profits and shortages. So there is no crisis in Saskatchewan, thanks to Ottawa. But I will tell you that if we had waited for Saskatchewan policy the crisis would have come and the crisis would have gone before the Premier acted.

Prices according to the Minister of Mineral Resources, started to rise in October 1972. That's more than 12 months ago. And what did the Saskatchewan NDP do at that time? They did nothing. The reserves continued to be depleted for the past year and no action was taken.

You know I was surprised the other day when I asked the question, "Who was the executive director of Saskoil?" We remember how we came into the Legislature last spring, Saskoil similar to this Bill, was pushed through the Legislature in the dying days of the Session because they wanted to create additional supplies of oil and gas in this province. And what have they done? They have done absolutely nothing. They have got no executive director, they have got a manager of a board that knows no more about the actual process of getting oil out of the ground and refining it than any of the Members sitting opposite. You could have put any one of them in that position and they would have done as poor a job as he is doing.

So, if the problems that the Minister referred to the other day as being so vital, or as vital as he suggests, why didn't the Provincial Government take action a year or two years ago? So, it just goes to show that there is no immediate crisis in this province. There is no immediate crisis.

The Premier's final argument was that this legislation is needed to take to the Premiers' Conference on Energy at the end of January with the Federal Government. He says he is prepared to co-operate but he is only prepared to co-operate while he is preparing his blackmail letters for the rest of Canada.

Mr. Speaker, this argument and this approach tells me one thing that Premier Blakeney is not capable of meeting the Prime Minister or the other premiers of this country on an equal basis. He has to carry a blackjack in his back pocket in order to protect himself against his failure to negotiate with Ottawa in a spirit of true co-operation.

Unfortunately, we have seen this happen not once, but many times. He went to the Calgary conference and he has been to other first ministers conferences. And beyond a shadow of a doubt his performance at these conferences has proven that Premier Blakeney is not as capable of negotiating for Saskatchewan as other premiers in Canada are for negotiating for their interests.

Instead, to win his claims he must blackmail the rest of Canada, he must create disunity within Confederation and he has to act like a dictator from some Arab sheikdom instead of sitting down and negotiating in a strong position as a Canadian, interested in a united Canada.

So the first question that I have raised has to be answered in this manner. There is no crisis. There is no need for such far-reaching legislation. There is no need for the urgency that the NDP Government suggests. And there is no need for confiscation and complete control of the oil industry in this province.

So why then are we faced with this legislation? That has to be a supplementary question. And to find the answer I think we have to look, as the Minister of Minerals said the other day, at the philosophy of the NDP. You go back to the Regina Manifesto, the Winnipeg Declaration, and every policy statement since has called for nationalization of the oil industry. In 1971, 1972 and 1973 the NDP Conventions called for it. The Wafflers left the Party because of the failure of the NDP Government to do it. No NDP leader, although supporting it dared to do it, because it would have been political suicide. T.C. Douglas from 1944 to 1960, as my colleague today pointed out, didn't dare nationalize the oil industry, even though it was part of the program, part of the Manifesto on which he was elected. But he not only didn't dare do it, he was very careful to point out that he didn't really want to do it. He wanted the oil companies in this province. The late Woodrow Lloyd, Premier from 1961 to 1964 would have liked to nationalize the oil industry but he too didn't dare to do it in view of an upcoming election campaign. Blakeney in 1971, Leader of the Opposition, New Deal for People hinted very softly that he was interested in nationalizing the oil industry, but he refused to admit it publicly that he was interested in nationalizing the oil industry. He refused to admit it publicly when he was asked on several public platforms whether that would be the intention of the new NDP Government.

I think it is significant that now that T.C. Douglas and David Lewis who have no hope for power on the federal scene and who are out of the provincial scene, now all of a sudden favor the nationalization of our oil industry. After the Socialists Conference last week it is obvious to everyone, I suggest, that Mr. Douglas and Mr. Lewis have found a sucker to be the first Premier to nationalize an industry or to start the nationalization of an oil industry in a province. He couldn't go to Premier Barrett in British Columbia because they haven't got enough oil to make it worthwhile. He couldn't go to Premier Schreyer in Manitoba because Premier Schreyer was publicly chastised at the Socialist Conference because he said there isn't room for the private oil industry in the development of our resources. So whom did he turn to? Premier Blakeney was the natural. We have the Saskatchewan oil resources that are well developed, so we don't need the additional investment to the extent that perhaps other parts of Canada do.

Saskatchewan people don't depend on Saskatchewan oil so if the oil supply dries up completely as it is likely to do, it won't really affect the economy of Canada that much that it would affect Tommy Douglas and David Lewis. Saskatchewan doesn't produce enough to have any significance on the world

markets. So Premier Blakeney was taken in, sucked in by the federal NDP to show that the nationalization of the oil industry would work. It didn't take much effort because ever since he was a little boy he wanted to be a socialist hero. He may never win another election . . .

AN HON. MEMBER: — Who?

MR. GUY: — Premier Blakeney: But he will go down in history as the Premier who started the nationalization of the oil industry in Saskatchewan. Why else would he move to the front . . .

SOME HON. MEMBERS: Hear, hear!

MR. GUY: — Oh, we see the donkeys in the back row clapping! They don't want to be back after 1975 either. I don't think they have to worry, their chances are very limited.

MR. COWLEY: — . . . Changing seats anyway!

MR. GUY: — Well I notice that you changed your seat only a year or so ago. You started out in the Legislature over there then you moved into the back rows, as Finance Minister. It showed the concern that the Premier had for your role in the Government when he moved you from the front to the back.

Why would the Premier of the Province move to the front in this particular issue, if he didn't want to be a socialist hero? He let the Minister of Agriculture (Mr. Messer) bear the brunt of the Land Bank, the Hog Commission. He let the Minister for Natural Resources and Northern Saskatchewan bring in The Forest Act and the DNS. In fact it was very noticeable during the debates on those two bills last year that the Premier wasn't in his seat very often. He let the Minister of Education (Mr. MacMurchy) bring in the teacher bargaining bill, which took the rights of parents and the school boards away from the people of Saskatchewan. He let the Minister of Industry (Mr. Thorson) bring in the Bill that would close businesses down for five days without recourse to the courts or to anyone else but the Minister. But not the oil Bill, he pushed the Minister aside and he said, "You can introduce it tomorrow but I am going to make your speech tonight on province-wide television." Mind you I can't blame him that much when you consider the performance of the Minister of Industry over the last few years, he is the most travelled Minister in Saskatchewan but he is also the least effective when it comes to bringing any industry to this province.

So we have to say and the people of Saskatchewan have to recognize that this is an ego trip for Premier Blakeney, it satisfies his own ego of being the man to socialize the industry, it will save him with his own backbenchers and the people at the convention who have voted for three consecutive years to have the nationalization of the oil industry. It will also make him a little hero with Tommy Douglas and David Lewis in the federal scene, who now that they have no responsibility in this country are prepared to nationalize everything, with no effect on their political future. But I think that we in Saskatchewan don't mind his little ego trip that he is on, we don't. mind him carrying out the commitment that the NDP have made. I think we do show concern for the fact that he is using an international oil

crisis to create fear in Saskatchewan people in order to accept this oil nationalization. I say that that is a coward's approach. If the NDP wanted to nationalize the oil industry why didn't they do it last year, or the year before. Why didn't they come out in their Throne Speech last year and the year before and again this year and say, 'we intend to nationalize the oil industry'. Why wait for a crisis, why spread fear throughout the Province of Saskatchewan about shortages of fuel and price increases when there is no crisis. He did it for one reason and that was to bring about this great plan that the socialists have always had in the back of their minds but never the courage to fulfil and that is to nationalize the oil, the potash and every other means of production that there are in this province.

Now let's look at the second question. Is the legislation in the best interests of Saskatchewan and Canadian people? Well of course you have to start off by saying that any crisis and fear that is being created by the Government opposite can't be responsible for legislation that is in the best interests of our people. The Premier outlined the main objective of the oil policy. He said, "Future supplies for Saskatchewan must be assured." That is a worthy objective that we on this side of the House support, but this Bill hasn't done it. Ninety-six per cent of the imports in this province are from Alberta. There is nothing in this Bill that controls the supply from Alberta, there is nothing in this Bill that controls the prices that Alberta will charge Saskatchewan for the oil and gas that they import.

I have noticed that the Minister of Finance has been strangely silent throughout the last three weeks in regard to anything that has developed in the House, in regard to oil . . .

MR. LANE: — He's just praying for money!

MR. GUY: — Yes, he's just praying for money. In fact that is why I think he is a little vocal tonight. He heard the Minister in Ottawa say that he is not prepared to hand over the money to an irresponsible government like they have in Saskatchewan.

MR. LANE: — He's happy tonight because Allan assured him!

MR. GUY: — Oh yes, he did! He's been wrong before, so his chances again are pretty good. This Bill does not in any way provide for the future supply of oil and gas for Saskatchewan people. There has been nothing in this to assure that Saskatchewan can refine their own oil resources.

If Alberta wanted to take the same attitude that our friends opposite have taken, the tractors could be idle in the fields this spring. Before the end of the winter homeowners could be shivering in their houses. The Government opposite has taken no steps to make sure that this doesn't happen. It has done nothing to assure Saskatchewan people that there will be supplies of oil and that there will be no cost increases in the legislation that they are forcing through the House at this time. Therefore it is not in the best interests of Saskatchewan people.

His second point was that the increased value of oil should flow to the people of Saskatchewan. Again this is a worthy objective, but he hasn't guaranteed it. He may get increased value on our exports abroad or to other parts of Canada, but it would be soon lost if Alberta takes the same dog-in-the-manger attitude that Saskatchewan has taken and makes us pay for our imports. If Saskatchewan is prepared to make Ontario and Manitoba pay through the nose there is nothing to say that Alberta won't treat Saskatchewan the same way. Again we would be the loser, so we can't say that this Bill on that basis is in the best interests of Saskatchewan people.

The third objective that he mentioned was, that this Bill will make the greatest possible effort to discover new reserves in Saskatchewan. Mr. Speaker, this Bill does just the opposite. Any oil company that is in the province today will leave as a result of this legislation. There will be no new risk capital exploration as a result of this. The Premier in his point of repatriation of private oil and gas rights spoke nonsense. It is not necessary at this time. You have 60 percent, which is plenty to get Saskoil started if you could find anybody stupid enough to take on the job of trying to manage that new corporation. The other 30 per cent is not that important now.

I want to remind you that it was the NDP Government or the CCF Government at that time under Mr. Douglas and Mr. Fines who gave the rights away to begin with for most of the oil in this province. I will suggest to you that they gave them at a fraction of their value to their friends, who subsequently made windfall profits from the oil companies who eventually came in and took those rights over.

Now Mr. Blakeney and his travelling boys are confiscating them back. As my colleague from Milestone said, in direct defiance of a promise that was made by a former Premier. The Premier complains about the profit of the oil companies. Again there is nothing in this legislation that will affect that. I should like to remind you, Mr. Speaker, and the Members opposite that the profits that have been taken by the oil companies out of Saskatchewan for 23 of the 30 years of the oil industry in this province was under an NDP Government. Why didn't Blakeney and his boys do something about these profits at that time if they are so concerned. Again it is another red herring to force the nationalization of the oil industry and forcing control over the public and people who have invested money in this province in the hope of making it a better place to live.

Even in the last two and one half years when there have been substantial profits taken by the oil industry did our friends opposite move, did they do anything? They did absolutely nothing! It was admitted by the Minister of Mineral Resources (Mr. Thorson) the other day that the year 1973 will see the largest profits taken; out of this province that has ever occurred since the oil industry came here. What were they doing to allow the profits in 1973 when they have been the Government since 1971? It doesn't make sense. They had two and a half years to take some action if they were concerned about the profits of the oil industry in Saskatchewan.

I would suggest to you, Mr. Speaker, that this legislation will increase the costs of exploration to the people of Saskatchewan. Instead of having the companies which have been spending millions of dollars — and I agree with the Minister of

Mineral Resources and I seldom do, but I agree on this point — that they should have been putting more money back into this province. I think we all agree with that. We accept that premise that oil companies should put some of the profits back into the areas from which they get them. They have put some, in fact they have put a considerable amount. Perhaps it was not enough. But I will tell you today, Mr. Speaker, when this Bill is passed there will not be one cent of private money going into the oil industry. Instead of the Province of Saskatchewan maybe accepting 50 per cent, or the people of Saskatchewan accepting 50 per cent of the risk, as was pointed out the other day, they will now be accepting 100 per cent of the risk of any new oil find in this province. We heard last night on the program that when you average it out a new producing well in this province if you consider the dry holes that are drilled, costs you \$2 million. Two million dollars every time a new producing well is found in this province will be a burden on the taxpayers of this province because the Government has chased any private risk, any private capital out of this province.

I suggest, Mr. Speaker, this is a heavy burden for the people of Saskatchewan to bear just to have an NDP Government who is anti-business, anti-development, anti-public interest.

The main reason why this is going to happen of course is that the Government has no technical knowledge. They have no expertise, they have no trained personnel in Saskoil. I don't think that the people of Saskatchewan recognize yet that there was an Order-in-Council passed just a few days ago — in fact on November 27th — asking for \$500,000 for Saskoil. Where did that half million dollars go to? It didn't go to drilling oil wells, it didn't go to the development or the research or anything. It went straight for administration. A half million dollars in six months for administration of a Crown corporation that has not even got off the ground. They haven't even got an executive director and yet it is costing the people of Saskatchewan half a million. That is only the beginning. This half million loan is interest free over the next 10 or 15 years or whatever the terms of this loan will be. There will be no interest paid. Just think what would happen if the Finance Minister, who is very mouthy this evening, had taken the half million, invested it at 9 per cent for 15 years, how much money would have accumulated to the Province of Saskatchewan. Instead they take the half million and put it into administration of a Crown corporation that hasn't even got off the ground. No interest is going to be paid on that money and the Saskatchewan people are the losers even before the Crown corporation gets started. In fact, I will tell you I have had a lot of people tell me across the province, "Let's, hope to God that this organization never gets going, because every day it doesn't get off the ground we're saving money!" That's going to be the story of Saskoil. They'll be the greatest money losers of any Crown corporation. You know we saw the box factory, the fish marketing board, we saw the millions that were lost by them. That's going to be a drop in the bucket compared to what Saskoil will put into the ground with no return. Oh, I tell you, Mr. Speaker, the Province of Saskatchewan and the people of Saskatchewan, they're not being fooled by our friends opposite. They know what these Crown corporations will cost them before there is any return to the public, and this is a typical example, half a million dollars of public funds to organize a Crown corporation which hasn't even got an executive director yet, which has nothing to contribute to providing some revenue to the province.

Well, Mr. Speaker, in conclusion . . .

SOME HON. MEMBERS: Hear, hear!

MR. GUY: — I hope the Minister of Finance (Mr. Cowley) will speak. The only reason I'm stopping now, I think the Minister of Finance feels a speech coming on and we shall be glad to listen to it.

But anyway, the two questions that I posed at the beginning of my remarks, if you answer them honestly, will show that Bill 42 is not necessary and is not in the best interest of Saskatchewan or Canada. This is a barefaced grab for power and control of another industry by Blakeney and his travelling boys, under the guise of a Saskatchewan and international crisis. And when you think about it, it follows hard on the heels of the Land Bank, The Forest Act, the Hog Marketing Commission, the Ward System, the University Bill, the Foreign Ownership Bill, the threat to the potash industry that was made just a few weeks ago by the Minister of Mineral Resources (Mr. Thorson), the Business Closure legislation, the interference with the autonomy of the school boards, the hospital boards, the library boards, the Timber Board even. And it is all by force, all without consultation. All without recourse to the courts and all at the whim of the Minister involved in each particular case.

But I am going to tell you, Mr. Speaker, the Members opposite can sit there and they can laugh and they can talk, but they are not in touch with the pulse of Saskatchewan today. The people of Saskatchewan are saying, "We have had enough, we have had enough of the power and control of this power hungry Government." They only have one question that they can ask. The Member from Saskatoon won't even be around to hear the answer, not likely. He was defeated once because of his stupidity in this House and I suggest that he will be defeated again on the same basis.

You know, the people of Saskatchewan have only one thing to ask today and that is, "Who is going to be next?" Who is going to be next to feel this thrust for power by the Premier and his Ministers? There is nothing sacred in the province today as far as our friends opposite are concerned when it comes to individual freedoms and individual rights. That is the problem that is facing Saskatchewan today and it is being exemplified once more by Bill 42, which is taking away the rights of the oil industry in this province.

And worst of all is its effect on Canadian unity. Saskatchewan is a dictatorship in the middle of a democracy. Saskatchewan the blackmailer at a time when co-operation is needed. The Premier says he is prepared to co-operate with the rest of Canada, but this isn't what he said when he spoke to the province the other night. He tried to mislead us by saying, "We don't want to charge world prices to the rest of Canada." But this is what he said, "Further, if federal policies propose that Saskatchewan crude be sold in Canada at less than its international value, we will co-operate fully, so long as this is not done at the expense of the Saskatchewan taxpayers." In other words, he wants to set a little island in the middle of Canada, if the world prices are going to be charged, then let Alberta pay, let the welfare recipients across the country pay, let the small businessman pay, let the farmers pay, but don't ask Saskatchewan to pay. Now, we have seen ridiculous

statements made in this House by the Premier before, but never has there been one made that is as inconsistent as the one he made today in relation to what he said the other night on his television show.

SOME HON. MEMBERS: Hear, hear!

MR. GUY: — Premier Blakeney is prepared to destroy the prestige, the honor and the dedication to Confederation that successive Saskatchewan governments have built up over 68 years in Confederation for one reason, for short-term political gain. He is prepared to gamble the future of Saskatchewan in the conferences in the halls of Confederation for himself, for his Government, on a short-term political basis hoping to use a world crisis in energy to gain enough support to elect him in 1975.

I tell you today, Mr. Speaker, this is a gamble that he is going to lose. If he is sincere in helping solve the present Canadian fuel prices, or in strengthening Canadian unity, or in the future of Saskatchewan citizens, he will do three things: (1) He will hold this Bill until public hearings can be held so those affected by it can be heard. (2) He can sit down with Ottawa and the other Premiers in the spirit of co-operation, rather than confrontation with a gun at their head, which isn't a gun but a little pop pistol because he knows that he's not going to get very far with that. (3) He can put the interests of Saskatchewan people ahead of his own political objectives. Mr. Speaker, until he is prepared to take these three steps and make an honest effort to be a Premier who is concerned with Confederation, Canadian unity and the dignity and honor that Saskatchewan has always held across the country, until that time, I am not prepared to support this motion.

SOME HON. MEMBERS: Hear, hear!

HON. G. MacMURCHY: (Minister of Education) — Mr. Speaker, as a Member of the New Democratic Party I am pleased and proud to speak in support of Bill 42.

SOME HON. MEMBERS: Hear, hear!

MR. MacMURCHY: — Before I begin my remarks I want to comment on the words of the Member for Athabasca (Mr. Guy), who just sat down. I must say, Mr. Speaker, that as a fairly new Member of the Legislature, I always look forward to the speeches of the Member for Rosthern-Athabasca because he has some points that new Members should look at. He always attempts to deliver, and I say 'attempts' a political speech . . .

AN HON. MEMBER: — Oh, not here!

MR. MacMURCHY: — Mr. Speaker, he's always, as he said, very, very serious. He always yells when his arguments are weak, and he always speaks on the Bill. Only one problem, Mr. Speaker, he has the same speech that I have listened to in the last two years, the same arguments in opposition to progressive legislation that we've brought forward in this House. The only one new thing he said today, one new thing, was that the Member for

Pelly (Mr. Larson) was a Waffler. The next thing he'll say is that the Member for Arm River (Mr. Faris) and the Member for Last Mountain (Mr. MacMurchy) are Wafflers.

Mr. Speaker, I want to commend my fellow Cabinet Minister on the strength and the decisiveness of this legislation. It is well timed because there is, despite what the Member from Athabasca said, a current energy crisis. It is well timed literally, because what better time to introduce a bill and debate a bill when a Saskatchewan blizzard is raging outside. It is a courageous bill, it's a progressive bill, it's a demanding bill. And I say it is demanding because it's a challenge to the international oil companies, it's a challenge to the Federal Government, it's a challenge to the Liberal Party and a good number of their allies in the corporate world. It is a challenge to all those groups at once.

It is the kind of legislation which makes me proud to be a New Democrat.

SOME HON. MEMBERS: Hear, hear!

MR. MacMURCHY: — It's based on the principles of both the CCF and the NDP.

Now, Mr. Speaker, there are at least five key points in Bill 42. And I don't believe we can discuss these principles without reference to the current energy crisis and to the situation we face at the federal level. For, Mr. Speaker, in many ways Bill 42 is a response to the incompetence of the Federal Government.

Many of the principles of this Act are there because they have been ignored at Ottawa and they have been ignored for years. Both the Liberals and Conservatives have maintained policies that exploit the West, in fact, exploit all Canadians to the profit of the international oil companies. Bill 42, Mr. Speaker, will give us the tools to end this exploitation, to do what Ottawa should have done a long time ago.

Let's, Mr. Speaker, consider just one example. For many years the western governments, our Government, our CCF Government, Tommy Douglas, Woodrow Lloyd, the Social Credit Government in Alberta, fought the old line parties, fought for a pipeline to carry our oil into the eastern market. But these were times of surplus oil. They were times of cheap energy and our requests — the Saskatchewan and Alberta requests — fell on deaf ears. We asked the Liberals, and they said, No. We asked the Conservatives and they said, No. In fact, it was the Tories who drew a line and locked us out of everything east of the Ottawa Valley. All for the sake of the international oil companies and 10 or 15 cents a barrel. Both the old line parties at Ottawa pursued this cheap and short-sighted policy. They left Canada at the mercy of the offshore oil barons, and they left the West to fend for itself in the export market with respect to oil. So the Liberal and Conservative Governments kept us out of the Montreal oil market. While they had no objection to forcing western farmers and consumers to buy their tractors and their combines, their lumber, their commodities, their manufactured goods at the full world price, plus tariffs, they had no objection to letting the railways rob us on freight rates, no objection to severe discrimination against our processing industries. It has cost the West plenty to belong to Canada and Ottawa has ignored our pleas for change.

Ah, but things are different today. Oil is scarce and the world price is high and it is rising even higher. Today our oil is cheaper than the offshore inputs and if we listen we can hear those eastern corporations scream all the way from here. Screaming for our oil to run their plants. Suddenly we have become part of their country, the Montreal pipeline is the latest thing in the boardrooms on Bay Street. Make no mistake about it, we recognize our obligation to eastern Canada as the Government of Saskatchewan. Mr. Speaker, we are prepared to supply oil. We are prepared to supply oil at a lower price than we can get overseas. The East can have our oil, Mr. Deputy Speaker, if we can have equality, and Bill 42 gives us the power to guarantee equality. With Bill 42 we can send Premier Blakeney to negotiate, as the Member for Athabasca said. We can send Premier Blakeney to the first ministers' conference with real power to bargain, for what? For fair freight rates, to reduce the cost of our exports and to encourage secondary industry to locate in this province.

SOME HON. MEMBERS: Hear, hear!

MR. MacMURCHY: — Now, Mr. Deputy Speaker, there are several other areas where Bill 42 makes up for federal negligence. The Liberals at Ottawa were forced to set up a National Petroleum Corporation and who forced them to? The NDP forced them to and isn't that interesting. What's even more interesting is that they say the corporation will only have \$40 million for exploration. For exploration, \$40 million — that's peanuts! We spend half of that in Saskatchewan in one year alone.

MR. COWLEY: — What do you expect from monkeys!

MR. MacMURCHY: — The Liberals are weak, they're not strong, they have no courage, they adopt NDP policy to stay in power and they starve the NDP programs to appease the corporations.

Mr. Deputy Speaker, if Ottawa will not explore for oil, Saskatchewan will.

SOME HON. MEMBERS: Hear, hear!

MR. MacMURCHY: — Bill 42 will encourage exploration by the companies themselves. We think they will take advantage of the incentive. But suppose they don't? We are not going to sit on our hands. The revenue generated by Bill 42's taxes and royalties will be used by the province to do our own exploration.

So on one hand, Mr. Deputy Speaker, Bill 42 does for Saskatchewan what Ottawa has refused to do. On the other hand, much of Bill 42 is a response, not to what they did not do, but to the steps Ottawa has taken to deprive this province of its resources. Ottawa, and the Federal Liberal Party, is making an all-out attack on the constitutional right of Saskatchewan people to control and to conserve the resources of this province. I refer, Mr. Deputy Speaker, to the intervention by Otto Lang in the court case over potash conservation. Mr. Lang has taken an unprecedented step and he has taken that step on behalf of the Liberal Government in the political interests of the Liberal Party to challenge the constitutional right of the province to control its resources. Now let's ask, Mr. Deputy Speaker, why

Otto Lang has intervened. Is it because of a new found interest in potash? No. The Conservation Board was set up by the Liberals, by the Members opposite when they sat in these benches and they did it in consultation with their Liberal colleague, John Turner, who was Minister of Justice and Ottawa had no objections then.

In 1971 when the NDP took office there were no objections and we brought in some changes and still no objections. Mr. Speaker, 1972 went by and still no objections, but 1973 and what do we have? We have an oil crisis. All of a sudden Otto Lang develops an interest in potash. Now why did the Liberals get this sudden concern for resource conservation and why are they challenging the province's rights? Mr. Deputy Speaker, I suggest to the Members of this House, the reasons are political. Otto Lang has adopted many policies that openly discriminate against the West. The feed grains policy discriminates, the stabilization plan was a disaster, his rapeseed vote is loaded. Our Government is opposed to these Liberal programs, we have opposed them openly and strongly. So what does Otto Lang do, he is looking for tactics to take the heat off himself and put it on the province. Mr. Deputy Speaker, this Liberal court case is pure politics. I say that the Members on this side of the House don't mind at all. If Otto Lang wants a fight he can have it. The unfortunate aspect is that the Liberal political tactics could have a very serious consequence on our relations across this country.

Now, Mr. Deputy Speaker, when the Leader of the opposition spoke on this Bill he implied that he didn't object to Bill 42 except for its expropriated oil rights. Now I am not quite sure if I believe him when he says that but that's what he says. Let me tell the Leader of the Opposition and the Member from Milestone (Mr. MacDonald) and the Member from Athabasca (Mr. Guy) that if it wasn't for Otto Lang expropriation might not be necessary. Ottawa has attacked a basic provincial constitutional right. Otto Lang has gone to court to challenge our power to control potash, and if he wins on potash he could win on oil. Mr. Deputy Speaker, our Government had no choice. There was only one way for Saskatchewan to guarantee that we can control our oil resources and that is to own it outright. We have always had a great debate in Saskatchewan about public ownership, many times there have been debates in the New Democratic Party about public ownership. I have always said it is desirable and I say in this instance it is desirable and I say in this House it is Otto Lang, the old buddy, the old Federal Liberal buddy of the Members opposite at Ottawa who really turned a very desirable step into a necessary one.

Why, let's ask, is the Federal Liberal Party trying to grab control of oil? Now that's a tough one. But I say again, Mr. Deputy Speaker, that their motive is political, it is part of a larger political strategy of the Prime Minister and Otto Lang. Well, let's think about what happened in the 1972 election. In the 1972 election the Liberals took only seven seats in the West. They lost many seats in Ontario, especially in the rural constituencies. But in Quebec they held steady. Mr. Deputy Speaker, I believe that the Liberals have decided to write off the West. They have given up hope of ever electing a majority with western seats. So what is their plan? Their plan is to tighten their hold on Quebec, to secure rural Quebec against the Creditistes, and in Ontario, to regain constituencies there. In short, and it makes sense when you think politically, they are going to build on their strength and give their weaknesses

second priority or forget about them altogether and that is pretty good strategy, if you're a Liberal. But it is a plan that is having disastrous results for western Canada.

Mr. Deputy Speaker, the evidence is all around us. Otto Lang's feed grains policy reflects their political designs. Mr. Lang takes from the West and gives to the East, he undermines the Canadian Wheat Board, undermines it to sell western grain to eastern feeders at less than world price. He forces western producers to subsidize eastern consumers. This is not new Liberal policy but this is the first time it is being pursued so vigorously. Now this kind of strategy it seems to me is carried over into oil.

Why is Otto Lang attacking provincial rights? What is his plan? I think, (1) he wants to undermine our control of potash, (2) he wants to undermine our control of oil, (3) to take control of these resources federally to exploit our oil at cheap prices and (4) force Saskatchewan producers to subsidize Liberal votes in the East. The Prime Minister and Otto Lang would force our product to be sold in the East at less than the going world price. We would have to subsidize eastern consumers.

Is that federalism? Is that Canadianism? Is that I ask the Members who sit opposite, good Canadian policy? Is this the Liberal idea of national unity? Unfortunately, Mr. Deputy Speaker, the answer over the years has been, Yes. With Bill 42 we have a real opportunity to pull ourselves up by the bootstraps. We don't have to be the straight man in Liberal politics. Yes, we are prepared to help the East. Yes, we are. But all we ask is equality, equality in freight rates, reasonable support for our farm industry and an honest chance to develop our secondary industry. Is that too much to ask of the Federal Liberal Government and the Liberal Party?

Bill 42 is more than a Saskatchewan response to federal inadequacy. It is a decisive move to guarantee oil and gas to our citizens. Saskatchewan is an agricultural province; we need and use more oil per capita because farming demands it. Our population is scattered, we have many, many small towns and they would become isolated if oil and gas were cut off. Bill 42 is designed to ensure supplies to our farmers to our rural communities at reasonable prices. This can be done by conservation, by price control.

It is true, as the Opposition says, we get 95 per cent of our oil from Alberta, but I don't expect as I examine the Alberta policy that we are going to be cut off. Alberta in their policy is willing to sell all it can to anyone who will buy. The Alberta Conservative Government wants the price to go sky high and not just to foreign buyers but also to Canadians and that is Saskatchewan people as well. They need oil at \$6 a barrel so that their friends and their relations, the free enterprise oil corporations, will develop the Athabasca Tar Sands and if that means gouging Canadian consumers for corporate profit — not for public profit — the Tories in Alberta will do it. Maybe this is why our own Tory businessman, Mr. Colver — and he had a tough time last night — has come out on the same program as the Leader of the Opposition. When he is on the same program I think he is on the same side as the Leader of the Opposition (Mr. Steuart) and that's the side of the corporations.

Saskatchewan agrees with Alberta to the extent that we both believe western oil should not subsidize easterners but we part company — yes we part company when it comes to where the profits should flow. Bill 42 will return excess profits to the people of Saskatchewan, it will channel the revenue from our taxes and royalties into a fund to hold down the cost of Alberta crude used by our Saskatchewan consumers.

Well, Mr. Deputy Speaker, Otto Lang has made it dangerous to rely on our constitutional rights to control oil. In order to protect Saskatchewan consumers our only alternative is to actually own the oil and that's why Bill 42 buys out the freehold rights of the 25 oil companies. We already own 64 per cent of mineral rights and Bill 42 buys out another 25 per cent. Anything above two sections. I want to point out that this won't affect our farmers with small mineral holdings and they are the other 10 per cent. They keep their holdings, they continue to draw their royalties on whatever price is paid. Bill 42 only affects the oil corporations.

The Liberals opposite cry about expropriation and who are they crying for? Well they are crying for the CPR, the Hudson's Bay Company and Canada Trust and Husky Oil. I don't think all of the Members opposite will go along with that. I think the Opposition is putting up this squabble to lay claim to the oil companies' campaign contributions.

SOME HON. MEMBERS: Hear, hear!

MR. MacMURCHY: — If they can't win on the issue perhaps they think they can win on the money. Maybe if their voices are loud, they can be heard in the board rooms on Bay Street, the greatest windfall will go to the Liberals for their defence of the international oil corporations.

What about exploration, Mr. Deputy Speaker? Will the oil companies pull out? Maybe a better question to ask is: what difference does it make if they do leave? Let us remember, Mr. Deputy Speaker, that Bill 42 provides an incentive for exploration. The corporations can take advantage of a 30-cent per barrel rebate if they do explore. But if they don't explore, if they don't explore the companies will leave behind \$24 million and I can't see them walking away from that. That's their choice to make. But if they leave what are the implications? The opposition says that oil companies need large profits to pay the cost of finding new reserves. If the profits are high explorations should also be high. They are wrong. The fact is that our oil companies in Saskatchewan reached pay-out in 1964, all of their investment had been paid back at that time. After 1964 all they had to pay for was the cost of pumping crude out of the ground and the rest was gravy. Their profits were enormous. The Minister yesterday talked about their profits. So we should expect that their exploration should be enormous too. But let's look at the record. In 1965, \$44 million was spent on exploration. Did it increase? Not at all, Mr. Deputy Speaker. It went down, despite the increasing profits exploration dropped by 50 per cent, from \$44 million in 1968 to \$20 million in 1972. So oil profits don't mean more discoveries in Saskatchewan; what they do mean is more dividends on Bay Street or Wall Street, and we have the facts to document it.

So how much weight does this withdrawal threat really carry? If big oil cuts off its investment, the province should have little trouble picking it up from the revenues generated by the taxes and royalties. And I say in this House, Mr. Deputy Speaker, that Saskatchewan has had to rely on itself before, it did in the thirties, it did with Sask Power and we can do it again. Our only difficulty will be mounting the program and that's a technical problem and once it's solved — and we'll solve it — we stand to benefit significantly from direct control over our explorations. Withdrawal is a threat, only a paper tiger threat. It is a political spook that will really scare no one who stops to size up the facts.

In closing, Mr. Speaker, let me review some of the arguments of the Opposition. I think we have to take the Members opposite with a grain of salt. Let's look at the argument. They say that Bill 42 is un-Canadian. They say it will split the country. Mr. Deputy Speaker, this is hypocrisy. Do they think freight rates are good? Do they think DREE grants are fair. Do they think that the feed grains policy, subsidizing Ontario and Quebec, is that fair? For years the Liberal Party has served the East, exploited the West, and they call us un-Canadian when we protest. I challenge the Members opposite to sell that to the people of Saskatchewan. The Opposition Leader says Bill 42 does to oil what The Forest Act did to timber. He says that's bad. What hypocrisy, Mr. Deputy Speaker. Last week he was here in this building competing with the Member for Saskatoon University (Mr. Richards) for the attention of the sit-in, and he was calling for leases to be broken and timber rights to be cancelled. "Turn it over to the natives," he said. He was all in favor of The Forest Act then when it suited his purposes. I don't think anyone will believe them, no one believed them then nor will they believe then now.

SOME HON. MEMBERS: Hear, hear!

MR. MacMURCHY: — Finally, Mr. Deputy Speaker, I have heard it said that this Bill should have been drafted in consultation with the oil companies. I have heard it said that the corporations were left out and they weren't consulted. What nonsense! Maybe we should have let the oil companies write their own legislation.

AN HON. MEMBER: — Like they did . . .

MR. MacMURCHY: — Right, like they did. Parsons and Whittemore and Simpson Timber wrote theirs. I say in closing, Mr. Speaker, we have no apologies to make. We write laws for the people of Saskatchewan . . .

SOME HON. MEMBERS: Hear, hear!

MR. MacMURCHY: — And that is why there are 44 Members on this side of the House and that there are only 15 on the other side. Sorry, 16.

Mr. Speaker, Bill 42 is one of the best laws our Government has brought into this Legislature.

SOME HON. MEMBERS: Hear, hear!

MR. MacMURCHY: — As I said when I started, as a Member of the Government, as a Member of the New Democratic Party, I'm proud and I'm pleased to support it.

SOME HON. MEMBERS: Hear, hear!

MR. J.A. PEPPER: (Weyburn) — Mr. Speaker, I certainly welcome the opportunity to take part in this debate and I am confident that I share the concerns of all Members of the Assembly as we deliberate over this very important public issue. There are obvious differences of opinion over this matter. However, I believe that all Members sincerely have a concern over what I call this energy question.

The development of a responsible energy policy for the people of Saskatchewan is the single, most important issue, which this Legislature will deal with during this Session.

The implications of the policies which are set out have a profound effect, Mr. Deputy Speaker, on our province in the years ahead. And for that reason, I urge all Members to cast political considerations to the wayside and work together to develop a policy which is acceptable to the majority of the people we represent.

Our God-given energy resources are the life blood, Mr. Deputy Speaker, of our economy and represents an absolutely vital element in determining the present and future standards of quality of life for our people.

To date there has been a predictable degree of opposition to this legislation. The alignment between giant oil companies and the Liberal Party is not really surprising, but what is surprising is the fact that at this time of public anxiety, Mr. Speaker, and confusion, that certain elements continue to cling to a viewpoint for political reasons, at the expense of social and even economic considerations.

Mr. Speaker, it would have been easy for this Government to point the finger at Ottawa and excuse itself by accusation and accusing Ottawa of not having a national energy policy. We could have adopted the attitude that because of the fact that Alberta supplies us with over 90 per cent of our petroleum energy, there is little we can do. However, this Government views the situation differently.

Simply stated, our Government, Mr. Speaker, recognized the problem, it studied the implications of that problem, considered the alternatives and took action which reflects the attitude of this Government when it comes to the well-being of the people of our province.

It is very unfortunate, however, it is a reality that we are now faced with the fact that it is time to pay our dues for not having a sound energy policy in Saskatchewan in the past. For too many years our energy resources were taken for granted. This carefree public attitude overshadowed the fact, Mr. Speaker, that privately owned, multinational corporations were having a financial field day, so to speak, in Saskatchewan.

Mr. Speaker, because government in the past left the responsibility for management and development in the hands of private oil industry, today we find ourselves with our backs to the wall.

I can see the point that western Canada is not undergoing the same degree of hardships because of this situation, however, that certainly does not in any way detract from the necessity of articulating an energy policy here in Saskatchewan, which will ensure that our people receive priority, consideration and maximum benefits from an energy policy.

We have heard the term used, balkanization, during this debate. I do not share this narrow view, Mr. Speaker. I am a Canadian first and a Saskatchewanite second. And that, Mr. Speaker, does not contradict the implications of this legislation. Because surely no one in this Assembly would argue that the first responsibility of any provincial government is to look after the interests of the very people it represents. It is also agreed that our second responsibility is to attend to the interest and needs of our fellow Canadians.

As a Canadian, I firmly believe everything possible must be done to expedite a sound national energy policy and I am confident, Mr. Speaker, that Saskatchewan will do whatever possible to assist the formation of such a policy. At the same time, however, it must be conceded that it is the province which has the responsibility of administering, developing and managing its own natural resources. And any doubts about this fact must not be considered seriously.

Mr. Speaker, the argument has been raised that this Government is again taking further steps to control the life of our people. This argument baffles me greatly. Is it not the responsibility of an elected government to responsibly attend to the needs of its people? The development and utilization of energy resources is too important a matter, at least to me, to be left to the private sector in the hopes that public objectives will be served.

The situation today in Canada and around the world is proof that the free market approach towards energy is neither desirable nor is it dependable.

Some, Mr. Speaker, would interpret this attitude as a reflection that this New Democratic Government is somehow committed to a war on big business. Mr. Speaker, that is simply not true.

In the late '40's and early '50's private industry moved into this province and exploration was booming. There was over the next few years a virtual oil boom, in many parts of the province. The spin off of such economic activity was a welcome boost in the economic arm of our province. These companies through taxation, employment and other activity did contribute to the economic and social life of Saskatchewan. However, Mr. Speaker, in ensuing years the situation changed somewhat dramatically, to the point where today some dynamic decisions must be made by the Government. The oil companies involved within our boundaries were here for one reason and that reason was to explore, to develop and to market the resource potentials buried under our soil. They have been very successful in their ventures and I would say that the secondary benefits of their endeavors were somewhat coincidental rather than deliberate.

Today we find ourselves in the position where we must look back at the hundreds of millions of dollars in profits that have left this province and at the same time we must assess the growing scarcity of energy resources in Canada. I am pleased,

Mr. Speaker, that this province has the foresight to take action before the problem intensifies.

Some will ask the question, where does this leave the oil industry? The oil industries involved have the chance to provide leadership as this province does its part in helping to develop a national oil policy. Which according to the Prime Minister, very recently, will result in energy self-sufficiency, within a decade.

Individuals and companies in the private sector possess skills and possess resources which can be very usefully employed in the production and distribution of various forms of energy. However, they should be contributors, I think, Mr. Speaker, not final decision makers.

I should like at this time, to reiterate the view of the Hon. Kim Thorson who stated publicly, "The final right to determine what is satisfactory, should rest with the public as represented by democratically elected government." Because we deceive ourselves if we think there is a reliable automatic, market mechanism available to regulate the production, distribution and price of energy in a way that is satisfactory to members of the consuming public. However, Mr. Speaker, some quarters are arguing that his Government has broken another contract, that this Government has not shown good faith with the oil industry in Saskatchewan. If anything I feel, Mr. Speaker, the Saskatchewan Governments; past and present, have, to date, been more than fair with these companies.

And on that note, I should just like to take a moment or two to examine some of the facts.

In 1965 the Saskatchewan oil industry spent about \$44 million in Saskatchewan, drilling somewhere around 443 exploration holes. But six years later, spending on exploration dropped off to about \$19 million and the number of exploration holes declined to about 260. And today, Mr. Speaker, two years later that is the same level of exploration. Since 1964 profits per year have gone from about \$60 million to about \$134 million but exploration dropped by 50 per cent.

Past history does not support the argument that this legislation will drive the oil industry from the province. They have been pulling out as far as exploration is concerned since 1967. There are some, Mr. Speaker, who claim that this Government should expropriate without compensation. There are others who think we are over-reacting and should do nothing other than to control the pricing. But, I'm afraid I cannot share either opinion. At both national and provincial levels intensified public involvement, must be initiated effectively to meet the energy needs of all our Canadians.

Precise and systematic planning of energy, development and its utilization must be the order of the day in the future. We must develop the necessary public agencies and the institutions which are responsible in both a democratic political sense and an efficient, economic sense.

Saskatchewan, and I would say indeed Canada, Mr. Speaker, should strive to treat all energy resources as a public utility.

SOME HON. MEMBERS: Hear, hear!

MR. PEPPER: — As electric energy is under complete public control, all other energy resources should be treated in this same manner.

A most desirable feature of the public utility approach would be to perhaps enable Canada and Saskatchewan to shift energy pricing to one based on the cost of development of production and distribution rather than on the basis of the highest price they will bring in world markets. We have not reached the crossroads yet, in Saskatchewan as far as energy supply and demand is concerned.

But to me, Mr. Speaker, that does not in any way, mean that governments have any less responsibility to legislate in the public interest. There must be a commitment made by all governments and all oil companies to work together for the common benefit of all Canadians.

The economic base which has been established in Saskatchewan as a result, Mr. Speaker, of oil company activity will continue to have a role to play and so will the people of Saskatchewan employed in the industry. And the secondary industry which in the past has been partially dependent on this activity will undoubtedly have questions I am sure and reservations concerning the legislation. And I admit that this legislation is going to pose some problems for these people. I do not regard this situation lightly. I am concerned about it. However, Mr. Speaker, I would hope that all citizens of this province seriously and deliberately study the implications which we face, should we continue down the same path we have followed in the past.

As you know I represent a constituency which is endowed with this oil resource. Over the years the oil industry through wages and other related spending has contributed significantly to the economy of the Weyburn area. I for one would not like to see in any way these benefits reduced and I am confident that this Government has immense concern as well. At the same time, Mr. Speaker, I feel that the action of this Government will undoubtedly create some initial problems — problems which must and will receive attention. But, Mr. Speaker, the crunch has come in Canada, perhaps sooner than we expected and as a result of an international situation few anticipated it. However, if there is a redeeming factor it must be found in the fact that it is not too late to act and act responsibly.

As I said earlier, these God given resources are non-renewable. As a government we have a responsibility to ensure that these energy resources are handled in a responsible manner.

In short, we must explore, develop, market and conserve in a manner which will be to the betterment of our people. The commitment of the Federal Government to establish a national oil corporation is very encouraging although we know very little of what is involved. It, for the first time, reflects the concern of our National Government over our energy supplies.

In Saskatchewan we face a similar concern. Saskoil was a reflection of that concern and this legislation reinforces our position with respect to energy. Perhaps there are trying days ahead for the Legislature, as we continue our deliberations on this Bill. No doubt there are going to be intensified protests from the oil industry. However, Mr. Speaker, I hope and I am confident that this Government will continue to pursue this course of action, which I believe is, indeed, in the public interest.

We have a responsibility to protect and enhance the interests of our people and our responsibility becomes even greater as we look to the future generations, faced with the realization that it is going to be our children and our grandchildren, which will either reap the benefits or face the consequences of decisions made here, Mr. Speaker, by each and every member of this Legislature.

Mr. Speaker, because of this responsibility and this concern, for not only the present but for the future, I offer to you my support for this legislation.

SOME HON. MEMBERS: Hear, hear!

MR. D. BOLDT: (Rosthern) — Mr. Speaker, I believe that the Member who just sat down (Mr. Pepper) is held in more respect on this side of the House than any other Member opposite. The fact that he said that one of the most important issues at this Session, that is, the session whether it is today or tomorrow or after Christmas will be the issue that is facing us today. He stated that he would hope that the people in Saskatchewan seriously study the situation and this is what the Opposition is asking and this is what the Premier promised when he called the Session before Christmas.

I read parts of the Premier's announcement why this Session was called and I will paraphrase his remarks. He did say that the Opposition Members at times have criticized the Government that, they didn't have enough time to study Bills, so he was going to call the Session early. He would place on the Order Paper and introduce Bills, controversial Bills which we could study over a period of six weeks to two months and then call a session later after the New Year and we would be well-informed. Also the public would be given an opportunity to study these Bills. This word to the public and to the opposition has not been kept by the Premier.

SOME HON. MEMBERS: Hear, hear!

MR. BOLDT: — Now the last two speakers mentioned exploration costs. For personal reasons I was not in the House this afternoon and I have missed some of the speeches that were given on this Bill. However, the last two speakers pointed out that the oil companies had not spent enough money on exploration costs in comparison to the profits that had resulted from oil sold inside the province.

Now oil companies are not provincial. Oil companies are not national, oil companies are international. I think we can apply this criterion to our educational system. We spent money at the University and only yesterday I listened to the news and one of the university students at Saskatoon will be attending Oxford University. He was voted the top student at the University Campus at Saskatoon. Now part of this education is paid for by people in Saskatchewan. Oxford University will benefit and we, in turn, at some future date might experience some benefits from this student who will be trained in England.

Now if Imperial Oil or Husky takes some of the profits that accrue out of the production of oil in Saskatchewan- and there is no argument as all companies will say that cheap oil in

Saskatchewan is gone — if they will find other oil fields in the world that will keep the price of oil down, from profits arrived from Saskatchewan it will still be a benefit to us here in this province. So there is a wide area that is a concern to me. We are only talking about how much money the oil companies have taken out of Saskatchewan, but yet we do not talk about how much of that money has gone into exploration and it need not necessarily be in Saskatchewan, it could be in Manitoba, it could be in Ontario and it could be in the Middle East. It doesn't matter that much.

Yesterday, when I heard the Minister open the debate on second reading, he challenged all Members of the House as to where our interests lie. For the benefit of the Minister I can tell him that our interests are with the people that are threatened by this Government.

SOME HON. MEMBERS: Hear, hear!

MR. BOLDT: — If you want to confiscate the titles of the small merchants, we are on the merchants' side. If you want to take over the titles of our farmers, which I am sure that you will some day do, then we are on the farmers' side.

SOME HON. MEMBERS: Hear, hear!

MR. BOLDT: — And if you want to take the mineral rights away from oil companies, confiscate them, then we are on the oil companies' side.

The Leader of the Opposition (Mr. Steuart) outlined our stand very ably yesterday. There is no basic reason that this Government should take away the mineral rights from holders greater than 1,280 acres. To systematically control conservation we already have legislation for it. To control profits or windfall profits, this can be done through taxation and has already been done. The main principle of this Bill is in Section 29, which spells out what will happen to the mineral rights owned by certain companies and individuals.

This Act is really more than confiscation. This is considerably worse than the Communist Party or the Government of Russia did to its citizens. A lot of people have something to say about that. My wife was born in Russia and I have been associated with people who have come from that country. At least when the Government, at that time, confiscated land from my in-laws, they kicked him off the land or they told him he could go away if he wanted to. But what does this Government do? They take the titles away and force these people to still produce for a government that has taken the mineral rights away. They took the title away from the peasants in Russia and they were herded off the farms. But you people do it differently. You are worse than the communists at their worst.

SOME HON. MEMBERS: Hear, hear!

MR. BOLDT: — This Bill takes the title away from the oil producers and then forces them to continue the operation. If not, heavy penalties are provided for in the Act.

Apparently the Member for Saskatoon University (Mr. Richards) . . . Yes, he is in the House but he is sitting where he should sit, better known as a Waffler, has had considerable influence on the present Government. Why he left the Party with this Bill before us is difficult to understand. I suppose Mr. Blakeney realized the effect of the Wafflers moving out of the NDP in the Lakeview by-election. So now he is trying to win them back with this Bill. I suggest to this House that it won't be too long that Mr. Richards will be back with the NDP. However, I want to make him an offer. I want to make a sincere offer to the Member for Saskatoon University. I want to tell him . . .

MR. ENGEL: — He can run in Rosthern:

MR. BOLDT: — No, we have other fellows to run there. I want to tell him that there are many countries that have governments who are sympathetic to his ideals. A country such as Russia should be his ideal. I want to offer to him that I will buy him a one-way ticket, first class, to Russia on one condition only, that he will not return within 20 years.

SOME HON. MEMBERS: Hear, hear!

MR. BOLDT: — I am sure that there are many, many Canadian Saskatchewan citizens that would do likewise, that would buy a one-way ticket to Russia for all the Wafflers we have in Saskatchewan and we would hope that they would enjoy the good, benevolent government in Russia.

AN HON. MEMBER: — I'll buy you one to Chile!

MR. BOLDT: — Fine, I will buy the return. We, in Saskatchewan, have no need or use for his theories and he could apply his talents in a country where he might be appreciated. Here in Canada, they are not wanted.

I listened to the Harasen Line the other day when the Premier was on the hot line. I am sure that the Premier had not expected the barrage of criticism and calls that opposed this legislation. Several callers . . .

AN HON. MEMBER: — I heard it too.

MR. BOLDT: — If you heard it — and I am sure you did — but no one has mentioned the Harasen Line, they dare not, because there were no favorable comments except from our good old friend Mr. MacLeod, who phones in on every occasion.

Several callers told him, you are leading us in the direction of Communist Russia. As I said I was away from the House this morning in the city of Saskatoon and there were many people whom I met who were really concerned about this legislation.

SOME HON. MEMBERS: Hear, hear!

MR. BOLDT: — Everyone on the street, in the shopping mall asked, "What does this Government want to do? What are they doing?"

You go and fight this thing.” Not even a socialist phoned the Premier the other day to congratulate him.

This Government and the Cabinet are too busy globe trotting to know what the pulse of the grass root citizens of Saskatchewan is today.

SOME HON. MEMBERS: Hear, hear!

MR. BOLDT: — We, in the Opposition, have repeatedly said, that the Land Bank, Hog Commission and the Ward System are warning signals of things to come. Bill 42 is the beginning. Farmers should take note of this action. Farmers today, particularly of flax and rape and wheat growers are reaping windfall profits because of food shortages. Socialists, the NDP have repeatedly said that agriculture is the greatest resource that Saskatchewan has. And the Regina Manifesto has repeatedly said that we will not rest until capitalism is eradicated from the face of this country.

Socialists in this debate have repeatedly said that the resources of this province belong to the people, not the individuals. The agricultural resources don’t belong to the farmers, they belong to the people. Will the farmers be next? I don’t think that the farmers will be next because there is an election coming up and there are too many individuals involved. But the warnings are already on the horizon, through the Land Bank and many other pieces of legislation that have passed in the last year or two.

But as surely as I speak here tonight the potash companies are on the line, they are next on the line, and they will be confiscated in the same manner and for the same reasons as the oil producer. I am sure all citizens in Canada are deeply concerned about this Bill. Eyes are focused on Saskatchewan, not only from Ottawa or Parliament Hill, but ordinary Canadian citizens are concerned. Are you going to be an island in a country surrounded by land on all sides and nationalizing industries, if you don’t agree with the Federal Government’s policy on national matters.

Last night the Federal Minister of Justice was interviewed on television regarding this Bill. He was deeply concerned, and rightfully so, and one of his comments in closing was, “I wonder when the socialists in Saskatchewan will nationalize the vote.”

I think that is a very appropriate question to ask. Well I want to tell the Minister of Justice that this Government is progressing very successfully in nationalizing the vote. If you want land from the Land Bank you have to be a card carrying NDP. If you want a job with the Civil Service you have to be a card carrying NDP. If you want to do business with the Government it has to be done through the co-ops or the credit unions. If you want to win an election you have to join the NDP . . .

SOME HON. MEMBERS: Hear, hear!

MR. BOLDT: — . . . for no other party will be allowed to hire civil servants during the campaign, at government expense. Other parties will be forced to show the true — and I say the true —

election expenses, but not the NDP. You will hide them all in government operations.

This Government will railroad this Bill through this Session before Christmas despite the opposition from us, as MLAs and the ordinary citizens. What this Bill will do, and has already done — and the only good thing about this Bill it has stirred the Opposition in a united way, determined that this Government will be defeated at the first opportunity.

SOME HON. MEMBERS: Hear, hear!

MR. BOLDT: — This Bill is the knockout blow for little Allan and his socialists.

Mr. Speaker, I cannot support this Bill.

SOME HON. MEMBERS: Hear, hear!

MR. J.G. LANE: (Lumsden) — Mr. Speaker, I rise to speak on the matter of this very important Bill. I must at the outset express the same criticism that other Members have, the Members of the Opposition, that we were promised by the Premier, we were given the word of the Premier of Saskatchewan, that this Session was to see the introduction of controversial legislation. The people of Saskatchewan were then to have the opportunity to study and comment on the Bills on controversial legislation, and the final decision would be given next spring. So far, Mr. Speaker, we have had one controversial piece of legislation and that is this particular bill. We are given no time, nor are the people given time to study and assess as the promise was made. But I think, Mr. Speaker, that the Bill is interesting, not so much what it says but what it doesn't say. I think we can look at each part of this Bill, Mr. Speaker, and upon assessment then start to find the real reasons for this legislation, not the reasons given by the Premier or the Members opposite.

We've got part — the so-called windfall part. How we are going to get from the Federal Government for the people all those windfall profits that the big bad oil companies have been making. We are going to get them for the province, says the Premier and yet the whole concept of windfall profits has already been taken by the Federal Liberals, by means of the export tax with which the Provincial Government agrees. So the windfall aspect, the use of the oil companies as the scapegoat, is unfair and not true. The windfall aspect is already taken care of.

SOME HON. MEMBERS: Hear, hear!

MR. LANE: — The Premier argues that these added revenues should not go to the people of Canada, but should go to the producing provinces. Yet the very Government opposite, which has lived, survived and promised, on equalization grants, threatens to upset the very structure of equalization grants by its attitude and by its proposals. Because if the producing provinces take these added revenues themselves, and we'll use Alberta as an example, because the figure is much greater, Alberta will probably receive increased revenues of approximately \$300 million from its share of the export tax and that will immediately upset the whole Federal-Provincial fiscal arrangements on which our equalization formulae are based. It will mean that

in order to maintain the level of services and the income level of the Province of Saskatchewan and to get equality across the country, that there will have to be hundreds of millions of dollars paid out by the Government in Ottawa to the so-called 'have not' provinces and I say that this selfish attitude of the Government of Saskatchewan is wrong and threatens to destroy the very program that has kept them viable for the last two and a half years. And I say that's something that the Government opposite either has not considered or if it has considered, is wrong, is morally wrong to throw it out the window as they propose to do. There is no doubt the argument that the Government intends to keep the oil for the people of Saskatchewan is a fallacious argument to say the least, because our oil cannot be utilized for the transportation of our vehicles in Saskatchewan and for the burning of household fuels.

I say, that this approach is narrow. This narrow approach that the Government has taken is both unfair and is wrong.

The windfall part, obviously, is unnecessary because the windfall does not go to the oil companies but is already going to the people of Canada.

Let's look at the mineral taxation part, supposedly designed to encourage production so that the so-called speculators cannot sit on the land and watch the mineral rights increase in value. Yet, if they do go into production they are no longer able to get profits because of their going into production and because of other parts of the Bill. There has got to be another reason for this particular section. The amendments made to The Mineral Taxation Act could, of course, aside from the other arguments be done simply in that Act and the Bill is not necessary.

We then look at the wage and price aspects of this particular Bill. We note the Government's arguments about wage and price controls and the Premier, I believe, is on record as stating that there will be selective wage and price controls and make no mistake, we, in the Opposition, disagree with the selectivity being beer and oil. We think that there are other prices that should be controlled. But it is interesting that the Government opposite brings in price maintenance when it has made in the past a big production about talking about prices and the control of prices. So why, we must ask ourselves, does the Government opposite bring in this particular provision? The question of price control of oil and price maintenance of oil costs in Saskatchewan is again a fallacious argument and a wrong argument because price maintenance has been done by the Federal Government. If the Government opposite is prepared to say, and as they have said, that it is the NDP that have kept the Federal Liberals in, then surely the Federal Liberals would not do away with the price controls and the price freeze that they have already implemented. If you are going to take credit for it on that level, as you have done, then surely it is not necessary at this particular level.

We then look at the confiscation section — Part 4 of the Bill. Confiscation, the word, of course, opposed by the Member for Saskatoon Nutana Centre (Mr. Robbins) obviously having his problems with the English language as he has for some period of time. But why do we need a confiscation section? If we are already taxing the rights and taking the added profits under the first part, we have to again ask ourselves why the necessity of this particular part? We are already doing, if we accept Part 1

exactly what the Government intends to do and that's to make sure that these big bad oil companies don't get all this money. Why do we have to take the rights? No reason has been given by the Government opposite. I say, that this section is unnecessary and unwarranted.

We can look at each one of these major sections and there is a concise argument against the need for each one of the parts. So, as I have said at the outset, Mr. Speaker, we have to look beyond this Bill for the reasons for the Bill. I think the reasons are obvious. The Government started its Throne Speech with a vicious attack on the Western Economic Opportunity Conference. An unfair attack, because a lot was accomplished and a lot of good was done at that conference.

SOME HON. MEMBERS: Hear, hear!

MR. LANE: — The Government opposite made an unwarranted, unfair and damaging attack on the Stabilization Fund and destroyed the first chance that the farmers of Saskatchewan have had to have a fair income in bad times.

SOME HON. MEMBERS: Hear, hear!

MR. LANE: — The Government opposite attacked and took over and will control and will destroy the Small Farms Development Act. And I say, Mr. Speaker, that coupled with the NDP Premier of British Columbia traipsing down to Quebec to make a deal with the Separatists indicates only one thing, and that is that the NDP provincial governments across Canada are making war on Ottawa and that is one of the reasons for this Bill.

We've also got another situation and that is the matter of Saskoil. Saskoil has been a failure — an outright and abject failure. It hasn't got off the ground. The Government is forced to give it \$5 million in interest free loans, with terms of repayment which are decided by the Minister himself. They can't find a chairman or a president for Saskoil. It has been a failure, it has been a failure from the word go and as has been argued in this House, Saskoil can't work because it will be a static organization in a field where new technology, new knowledge, new ideas and new projects or programs are necessary. We are trying to impose a static organization and it won't work. We've given you examples of other countries that have argued for the takeover or argued against the takeover of multinational corporations and you can talk all you want about the control of the means of production. When we are dealing with an industry like oil, or gas, the control of the means of production is not the basic control and is not really the issue. What has to be controlled and what the Government opposite argues, or fails to see is that if you are going to control, and we disagree with it, you have to control the knowledge behind that organization and that no government can do, socialist or otherwise. Saskoil will fail for that very reason.

But what happens under this Bill? Saskoil has been a failure. It hasn't got off the ground, or into the ground or whatever it is supposed to do. Under Part 2 of this Act we have the 50 per cent Mineral Taxation Act tax. What will happen? Those people who own those rights will not be able to afford to pay this tax year after year after year. Nor can they afford to

go into production because they can't get their money back and make a return under the Act. Under The Mineral Taxation Act, if you fail to pay this tax, your land then, or your rights, then revert to the Crown, the Government of Saskatchewan, and I think it is fairly obvious what this Government will do with those rights. It will turn them over to Saskoil. I say that one of the real reasons for this Bill is a desperate attempt to save the failing Saskoil and that's one of the real reasons for this particular Bill.

SOME HON. MEMBERS: Hear, hear!

MR. LANE: — The Government makes it clear under Part 1 that the so-called windfall moneys are to go to Saskoil. Finally Saskoil will get the moneys, something it desperately needs obviously, and so, as I have said Saskoil is one of the real reasons for this Bill.

We've got another reason for this Bill. Two and a half months ago the Premier of Saskatchewan had a fall television special. He talked about the great crying issue of inflation and how it was hurting and hitting the poor, the sick and the aged of the people of Saskatchewan and what he was going to do to help the fight that desperately needed fighting — inflation. He promised free medicare and he promised welfare increases. He didn't give the amount — they are now up 29 per cent and he raised the minimum wage to fight this issue of inflation.

I ask this House and I ask the people of Saskatchewan — has inflation gone? What has happened to the Premier's fight? Was he successful? Obviously he wasn't successful. Prices are still going up. They will go up. Those people on fixed income that the Premier cried about are still being harmed by inflation. But what have we heard about inflation in the last month and a half — not a thing since the television special last fall. Because the Government failed, the Government is trying to hide its failure to fight inflation by jumping on the energy crisis bandwagon. The Government opposite failed to fight inflation because it itself is one of the causes of inflation and the Economic Council of Canada has stated one of the major causes of inflation is extravagant spending by governments, irresponsible spending by governments and we've got Intercontinental and \$6 million to Karl Landegger. That's irresponsible spending by the Government opposite and that's the very type of spending that the Economic Council of Canada objects to and says it is wrong and I say that this particular Bill is jumping on the energy bandwagon and is merely an attempt by the Government opposite to hide its failure to fight inflation and to hide its failure to the people of Saskatchewan in being one of the causes of inflation in Saskatchewan.

SOME HON. MEMBERS: Hear, hear!

MR. LANE: — We've got, as I have said, a war on Ottawa, a desperate attempt to save Saskoil and an attempt by the Government opposite to hide its failure to fight inflation. The Government opposite and the backbenchers opposite have jumped up like little puppets doing what they are told, what John Burton has put on the paper in front of each of them and they have criticized the opposition for its concern about the breaking of government commitments, government contracts, government leases and they have criticized

our raising this concern before the people of Saskatchewan. The Government opposite has proudly stood up and the Premier has proudly stood up saying "Yes, we've cancelled forestry leases, and we're proud of it, we are glad we did it, we will do it again." He's proud of that attitude. Now we have the same thing in the oil industry. They are proud to break the rights of individuals. We know, from the statement of the party opposite, that potash will be next and the Government will proudly stand up and say, "We took over the potash industry, we control the rights, we gave it to the people of Saskatchewan," and already they are starting to applaud those statements. And I say that we have got cause for concern and the people of Saskatchewan have grounds for concern. They proved their concern in the Lakeview by-election but you obviously haven't got the message yet. They are concerned. And the farmers of this province are concerned for one very simple fact that they know what you've done to the forest industry, to the oil and what you will do to the potash and it can happen to them.

SOME HON. MEMBERS: Hear, hear!

MR. LANE: — And I say that the Government opposite is already set, has laid the groundwork for its policy of breaking leases and will do it to the farmers and I refer to clause (d) of paragraph 1 of the Saskatchewan Land Bank Commission Long Term Agricultural Lease. It says:

(a) For the period commencing at the end of the first three years of this lease, the rent shall be the product of the percentage rental charged and the market value of the land;

Clause (d) of that very paragraph says:

The market value of the land may be adjusted in accordance with Land Bank regulations following the third year of this lease.

And I say that the Government has set the cornerstone for breaking every Land Bank lease that they have signed and that's why we are concerned. That's why the people are concerned and that's why the farmers are concerned about your actions.

Your Bill has brought out and brought before the public forum a lack of integrity in the Government, a lack of integrity which is subjecting our people to criticism. You've called into question your integrity, the people's integrity and the integrity of the people of Canada. We in the Opposition say that that approach is wrong, that approach to government is wrong.

Mr. Speaker, I'll have more to say in this debate and beg leave to adjourn debate.

Debate adjourned.

SECOND READINGS

HON. E.L. TCHORZEWSKI (Minister of Culture and Youth) moved second reading of Bill No. 46 — *An Act to amend The Saskatchewan Insurance Act*

He said: Mr. Speaker, my comments on the Bill to amend The Saskatchewan Insurance Act are going to be brief.

The Bill will enable any provincial insurer, with the consent of the Minister, to apply under the Canadian and British Insurance Companies Act, for letters patent in continuing the company as if it had been incorporated under an Act of the Parliament of Canada. This provision in the Canadian and British Insurance Companies Act was enacted in recent years and before the enactment many companies seeking to become federally incorporated had to apply for letters patent forming a new company. The new federal company would then enter into an agreement with the provincial company whereby the federal company would take over all of the assets and assume all the liabilities of the provincial company. Any provincial insurer authorized under the laws of the province in which it was incorporated may now apply for letters patent under the Federal Act and be continued as if it had been incorporated initially as a Dominion company.

The purpose of this Bill, therefore, is to provide the means whereby provincial authorization may be granted. It is complementary to the federal legislation.

The first company to make use of this Bill is expected to be Pioneer Life Assurance Company Limited. This company was incorporated as a provincial company on January 20, 1971. It has operated in Saskatchewan since that time and now proposes to obtain federal registry and to expand its operation into other provinces.

The passage of this Bill will facilitate the companies obtaining federal registry by permitting them to proceed under the Canadian and British Insurance Companies Act provision which I have mentioned.

Mr. Speaker, this amendment to The Saskatchewan Insurance Act is of a non-controversial nature, it is found now in most of the legislation in most of the provinces of Canada. I believe that my critic on the opposite side of the House has agreed to let it proceed with speed. I would commend all the Members of this House to support it.

With those few words I would move second reading of this Bill.

SOME HON. MEMBERS: Hear, hear!

MR. J.G. LANE: (Lumsden) — Mr. Speaker, just a comment on the Bill. The Opposition will certainly co-operate whenever the Government does anything right.

SOME HON. MEMBERS: Hear, hear!

MR. LANE: — It is interesting to note that for the first time this Session the Government has actually gone out of its way to help some Saskatchewan people who are trying to get ahead on their own. And for that we thank the Government.

MR. K.R. MacLEOD: — Mr. Speaker, I should like to concur with the remarks of the Hon. Member for Lumsden and add the following suggestion. With the growing complexity of our society and more than that with the greater inter-relationship between the various provinces we have now discovered that many companies which were incorporated by provincial laws are in some ways handicapped by the limitations imposed upon them in that fashion. I would ask the Minister to give consideration to amendments to The Companies Act to do the same kind of thing for other companies which appears to have been done in this particular Bill. I recognize that this type of thing is not something that will be brought forth quickly. I know that it needs consultation. Law Societies have been discussing this in the past and I just invite the Minister, however, to give attention to The Companies Act to give broader and more flexible power to companies to amalgamate, for example, a Saskatchewan company with an Alberta company which cannot be done today; to amalgamate Saskatchewan companies with federal companies, again which cannot be done today. This of course would require complementary legislation in both jurisdictions. As a result, Mr. Speaker, I urge upon him further activity in this direction and we will support the Bill.

Motion agreed to and Bill read a second time.

HON. G. SNYDER: (Minister of Labour) moved second reading of Bill No. 11 — *An Act to repeal The Construction of Chimneys Act*.

He said: Mr. Speaker, it seems only appropriate during this season when Santa Claus is looming large in the minds of our young people and indeed in the minds of some not so young, that we should pause to examine an Act which should be very close to Santa's heart — the construction of chimneys.

When we first started looking at this Act, we assumed it would require chimneys to be built with hand and foot holds suitable for the old man with a suspected hernia carrying his big bag of goodies, but, Mr. Speaker, I am afraid the Bill is silent on this particular point.

We thought that perhaps the cleaning of chimneys every December 23rd would be mandatory but again we were disappointed. I must confess, Mr. Speaker, that I was shaken, I began to wonder if there really was a Santa Claus after all. But then I remembered the big bag of goodies, Mr. Trudeau promised before the last election, I realized that we had been mistaken.

Mr. Speaker, the Act which is before us is one which repeals The Chimneys Act and there is really no need to retain this particular document on our statute books. The standards which it sets out are not relevant to today's construction processes. We have much better regulations dealing with schools, with hospitals, nursing homes and the like in our Fire Prevention Act. The National Building Code which is a normal construction standard in the province contains more adequate provisions than

are presently found in the present Construction of Chimney's Act. And I must admit, Mr. Speaker, that I was not aware until several months ago that this Act was one of the responsibilities of the Department of Labour.

I might just add that it was the fire commissioner's office which first suggested that this particular Bill had outlived its usefulness and should be repealed. I think we are doing our part perhaps to cut down on the wasteful use of manufactured products because the next time the statutes are revised it won't be necessary to print this particular document.

So I would move second reading of this Bill.

MR. D. STEUART: (Leader of the Opposition) — Mr. Speaker, in the absence of our chimney critic, who happens to be away . . .

SOME HON. MEMBERS: Hear, hear!

MR. STEUART: — It is very interesting they both come from Moose Jaw, we will certainly agree with this whatever it is.

SOME HON. MEMBERS: Hear, hear!

Motion agreed to and Bill read a second time.

MR. SNYDER (Minister of Labour) moved second reading of Bill No. 10 — *An Act to repeal The Factories Act*.

He said: Mr. Speaker, the Department of Labour over the last number of years has established a pattern of introducing into these Chambers legislative matters of major significance, so in keeping with this tradition, the Bill which is before you will no longer make it mandatory for employers to provide a sufficient number of spittoons strategically placed about his factory. I may say, Mr. Speaker, we undertook this only after serious consultation with the chewing tobacco industry in Canada as well as International Spitton Cleaners' Union and at that point in time we felt sufficiently confident to bite into this major undertaking.

I can well imagine, Mr. Speaker, if the Member for Moose Jaw North (Mr. MacDonald) were here that he might suggest that we have 'bitten off more than we can chew'.

SOME HON. MEMBERS: Hear, hear!

MR. SNYDER: — However, I should like to refer him and other Members opposite to a recent study conducted by a major research firm which established clearly that only 15 per cent of the population chew tobacco and that fewer than 1 per cent are able to hit a spittoon at more than one in ten tries.

SOME HON. MEMBERS: Hear, hear!

MR. SNYDER: — So we concluded in the Department of Labour, Mr. Speaker, that it was a case of either 'spit or give up the pot'.

SOME HON. MEMBERS: Hear, hear!

MR. SNYDER: — We don't really believe, Mr. Speaker, that this legislation will be too hard to swallow.

SOME HON. MEMBERS: Hear, hear!

MR. SNYDER: — Another provision in The Factories Act which will disappear with the passage of this outmoded legislation, Mr. Speaker, is an obligation for employers to keep privies in the factory in a clean and sanitary condition. Now there is a widespread belief, Mr. Speaker, that with the hustle and bustle of 20th century living, that a minimum of time will be spent in these accommodations available for employees in the place, of employment.

Furthermore, I understand existing standards that are to be found elsewhere have surpassed the requirements of this outdated piece of legislation.

I think a further indication that time has passed this legislation by, Mr. Speaker, will be seen by turning to Section 22 of the Act, which prohibits the existence of a stable under the same roof as a factory unless a partition of brick or other suitable material is provided, and I suppose this was to prevent employees from horsing around or something of this nature.

SOME HON. MEMBERS: Hear, hear!

MR. SNYDER: — In a more serious vein, Mr. Speaker, I want to inform you that The Factories Act has become antiquated like the Bill that I referred to earlier, the Construction of Chimneys Act, especially since the passage of The Occupational Health Act, it has served, no useful purpose.

There are some provisions in The Factories Act which are still relevant and we have been very careful to ensure that the provisions that are still relevant are retained elsewhere in either regulations or legislation.

For example, The Factories Act contains a prohibition against the employment of children under 16 years of age in a factory, and because we believe that that provision provides worthwhile protection, we are transferring that particular part of The Factories Act to The Labour Standards Act. I don't think that anyone will argue that we should allow children to be exposed to the hazards of machinery in a factory situation.

We have carefully checked the other provisions of The Factories Act and we find that all of the pertinent sections dealing with health and safety have already been adopted, often in a much more useful form as regulations under The Occupational Health Act. Except for certain sections dealing with the provision of sanitary facilities and I have asked my departmental officials to ensure that appropriate regulations are prepared before the repeal of this Act is proclaimed.

There are certain statutory requirements in The Factories Act which we have no intention of retaining in their present

form, Mr. Speaker, and those are: setting up a separate — and I suggest an outdated status for female employees — section limiting the number of hours a female employee may work; sections specifying that female employees must be provided with an hour lunch break and so on. Maybe we should be looking at providing these things for all employees, Mr. Speaker, but if we so decide we will provide these rights for all employees and not set up a situation in which the end result will be one of limiting available employment to women because of the special considerations that the employer must provide for them.

My Department is firmly committed to the goal of providing real equality of opportunity for women, Mr. Speaker,, witnessed by the strengthening of equal pay legislation. I am just as firmly opposed to the retention of extremely questionable benefits that single out women and provide employers with a ready made excuse for hiring men first, or worse yet, men only.

Mr. Speaker, The Factories Act does practically nothing that is useful. The old Factories Act did some things which I believe were harmful and some things that can only be considered to be ludicrous. Therefore, Mr. Speaker, the repeal of this Act, I suggest to you makes good sense, keeping in mind the consolidation of the statutes sometime in the not too distant future. Accordingly, I move second reading, Mr. Speaker.

MR. J.C. McISAAC: (Wilkie) — Mr. Speaker, it is with great interest to hear from the Hon. Minister of Labour, the Privy Counsellor from Moose Jaw outlining a piece of legislation that obviously does belong in the archives, and at the same time revealing a side of the Minister that we very seldom see in this House. I have never known the Minister of Labour to embark on a little spirit of levity as my friend says from Lumsden, as he did this evening.

I thought after he got started, I looked at the title of the Bill that perhaps it should have been the Minister of Industry who was bringing in the Bill because he is not going to need any factories, with the record he has had in industry. But I didn't think he was giving up the ghost so soon — by abolishing The Factories Act only because after two years of effort he was unable to attract any industry.

Regrettably we will support the legislation, Mr. Speaker.

Motion agreed to and Bill read a second time.

The Assembly adjourned at 9:22 o'clock p.m.