

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session — Seventeenth Legislature
13th Day

Monday, December 17, 1973.

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

On the Orders of the Day.

STATEMENT BY MR. SPEAKER

MOTIONS FOR RETURNS

He said: Before the Orders of the Day I should like to bring to the Members' attention I think a question of precedent which we have been getting away from and I think it would be better if we stuck with it. What I am referring to are the Motions for Return. We have been adopting the form that they don't need to be in written form, moved and seconded. I would refer the Members to Standing Orders 29 and 40. They will see that all motions should be seconded because it makes it difficult for the Clerk and myself to keep track of them when a motion isn't seconded and properly moved. The Clerk is having them all prepared for when we get again to Motions for Return which are debatable. Questions and Motions for Return undebatable by agreement, we have proceeded with those without a seconder to facilitate the work of the House. The Motions will be available from the Clerk and I think we will find it better to keep track of for both the Clerk and myself.

QUESTIONS

SGIO RATES

MR. C.P. MacDONALD: — Mr. Speaker, before the Orders of the Day I should like to direct a question to the Minister in charge of Saskatchewan Government Insurance Office. Could the Minister inform the House what Christmas present he has in store for the Saskatchewan people. First, when will he announce, for the third year in a row, the increase in SGIO rates and second, what will these increases in SGIO rates amount to?

HON. R. ROMANOW: (Attorney General) — Mr. Speaker, we have a very difficult situation in SGIO in the sense that the claims frequency for 1973 continues to increase from the experience we had in 1972. My officials tell me that those are up almost 500 claims per month this year over the same period last year. Another important factor is that the average cost per claim has increased by \$34 this year compared to last year. The number of accidents has increased from 2,800 in approximate terms to a little over 3,100 for the corresponding period. So we can see that a combination of the frequency of accidents and the rising costs have placed a very heavy burden on the SGIO and on the Automobile Accident Insurance Act. To answer the Member's question specifically, no decision has been made by SGIO with respect to rates. That decision is not made until sometime early in the new year. The purpose of the statements that I made this morning and I make to the House today is to alert our motorists to the very difficult situation and urge their extreme caution over the holiday

season as they operate their motor vehicles.

MR. MacDONALD: (Milestone) — A supplementary question. Could the Minister tell us exactly what the deficit in SGIO rates is? I noticed in his announcement this morning he worded it in a rather ambiguous form where every \$100 taken in there was \$116 paid out. Could he tell the House and the people in the province exactly what the deficit amounts to?

MR. ROMANOW: — I regret to advise the Member that I can't tell him exactly what the deficit amounts to. All I can tell the Member is what I said in the Press statement and I repeat again here, that for the second year in a row the payments out are exceeding the payments in by way of premium income. Now this year to date it is \$1.16 out for every \$1 received. Last year I think it was about \$1.15. So you can see we haven't been very successful in curbing the claims. We are running a deficit on the fund and we just have to take a look and see what happens at the end of the licence year and year end as well.

LIQUOR PROFIT

MR. G.B. GRANT: (Regina Whitmore Park) — Mr. Speaker, before the Orders of the Day, I should like to direct a question to the Hon. the Premier. I note that the so-called profits from the sale of liquor, and I would rather refer to it as a tax rather than profits, is in the neighborhood of \$36 million, which would indicate that people in Saskatchewan are not nearly as hard-pressed as some of them and some of us would like to make out. In light of the extraordinary tax level in this area and in view of the fact that some organizations, I believe including church organizations, have suggested that the Alcoholism Commission and the rehabilitation of those suffering from alcoholism that the budget be increased to the extent of tying it in with maybe 10 per cent of the profits of the tax on the sale of liquor. I wonder if the Premier would indicate whether he looks favorably on this in view of the extraordinary size of the markup this year?

HON. A.E. BLAKENEY: (Premier) — Mr. Speaker, I think that I cannot say that I particularly look favorably on the proposal that any particular government program be financed by a percentage of a particular government tax. Ordinarily I would think that the program ought to be assessed on its own merits and an appropriate sum of money be allocated for it whether or not the particular tax which might otherwise be associated with it, yields a higher or a lower amount. But to the general question asked by the Member my answer would be that we certainly look with favor on very substantially increased expenditures in the field of the treatment of alcoholism and education designed to discourage alcohol abuse. I believe that when my colleague, the Provincial Treasurer, brings down the Budget later on in this Session there will be a very substantial increase in the amount devoted to these particular functions of government.

GRANT FOR SNOW REMOVAL

MR. J.G. LANE: (Lumsden) — Mr. Speaker, before the

Orders of the Day I should like to direct a question to the Minister of Municipal Affairs (Mr. Wood). In light of the comments of the Attorney General, in light of the abnormal snow conditions, the statement as potential revenue that the Government hopes to obtain through its Oil Bill, the talk of higher retail sales which the Government has said and higher revenues to be obtained as a result thereof, would the Minister of Municipal Affairs consider giving a \$2 per capita grant for snow removal in municipalities and the cities?

HON. E.I. WOOD: (Minister of Municipal Affairs) — Mr. Speaker, I should like to say in this regard that the whole matter of grants to especially the urban municipalities is under a very definite review at this time. Our budget, as the Premier said, will be brought down later this Session and it has not yet been finalized and what will be done in regard to specific grants I don't know myself at this time. It has not yet been finalized and I cannot definitely answer the Hon. Member's question.

MR. LANE: — A supplementary. Would the Minister not consider reviewing the matter in light of the fact that the snow is here now and it may be gone at a later date. The municipalities and cities are hard-pressed at this particular time and may not be in that position later on in the spring I would assume.

MR. WOOD: — I realize the cities are under some difficulties at the present time regarding the snow removal, also possibly in setting the preliminary estimates of their next year's budget but the fact remains that we have not as yet gone through the final exercises of our budget and I cannot say what we are going to be able to do at this time.

TABLING OF WHITE PAPER — CONFLICT OF INTEREST LAW

HON. R. ROMANOW: (Attorney General) — Mr. Speaker, I should like to lay on the table what I am going to call, not very differently and for lack of a better expression, a White Paper containing certain proposals with respect to Members of the Legislative Assembly of the Province of Saskatchewan and Conflict of Interest Law.

I am not a veteran, I don't class myself as such in terms of this House, but I do believe that this is the first time that we have gone the route of tabling a so-called White Paper in this Legislature. I intend to table this and I want to emphasize, Mr. Speaker, that the document that the Members will have very shortly, represents about 10 or 11 pages trying to explain in layman's language the thrust of the problem with respect to conflict of interests. Attached for the consideration of the Members is a draft bill which embodies, in more legal language, the general proposals of the White Paper. I want to emphasize that the White Paper and the Bill do not represent Government policy. They have not been approved by the Cabinet or the Government. They are simply ideas of department officials in my Department in the matter of conflict of interests as it relates to MLAs. I would invite, Mr. Speaker, all Members to read the paper, to offer us criticisms, suggestions and, in fact, the public to do so. Hopefully, once we get those comments we can come forward with a refurbished or

a brand new Bill at the reconvened Session of the Legislature. So I table this White Paper on Members of the Legislative Assembly of Saskatchewan and Conflict of Interests.

MR. LANE: — Mr. Speaker, I should just like to make a comment on the proposed White Paper.

First of all we welcome, in the Opposition, the idea of the White Paper approach particularly on this very pressing problem. We will be most interested, however, to read the White Paper with a view to the conflict of interest of political parties and I particularly refer to Service Printers and the untendered contracts that the Government opposite has seen fit to give this facility in its own political party. I hope that the White Paper is dealing with conflicts of interest as a problem, not as a partisan political matter.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed Motion of 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. J.G. LANE: (Lumsden) — Mr. Speaker, I have noticed since I adjourned debate on the Bill the other night, that there seemingly has been a misconception that unfortunately the Press has fallen heir to. I have heard several comments that this is an energy Bill and let's make no mistake this is not an energy Bill. This Bill deals with the confiscation of oil rights in the Province of Saskatchewan, it does not deal with hydro-electric power, the use of coal as energy or any other aspect of the use and utilization of energy. It is not an energy Bill.

SOME HON. MEMBERS: — Hear, hear!

MR. LANE: — The reasons for this Bill I should like to review at this particular time. First of all we have Part 1 which is the so-called 'windfall' section. As I advised the House the other night there are no windfall profits. The export tax imposed by the Federal Government took over those windfall profits and the arguments of the Government Members opposite that we are about to stop all these big profits, these windfall profits, from going to the oil company is unfortunately and regrettably not true. The so-called windfall profits have already been recovered for the people of Canada by actions of the Federal Liberal Government.

The taxation section, I say, is done for a very particular reason. The 50 cent per acre tax on non-producing tracts will merely force the owners to give up their land to the Government and I note the changes in the House amendments where I believe it is Section 37, the word is now the Government or the Minister can take over land by surrender, because that is what many people are going to do under the provisions and a result of Part II. So where will these lands go? I think it is very clear and I don't think the Government really has any choice, these confiscated lands or these surrendered lands will go to one

organization and that is Saskoil.

I urged, in the House the other night, that the Government start to consider just exactly what Saskoil is going to do or what it can do. I say that this particular Bill is an indication that the Government opposite has not yet seen the actual limitations of government — it has failed to see the limitations of government itself. Saskoil cannot function in a situation where there is competition, where it does not have its own technology, it does not have its own research departments. Members opposite have often held up, for example, SaskTel and Sask Power. Well, let's make no mistake, Mr. Speaker, if we had to exist on the technology of SaskTel and what SaskTel had invented and the patents that SaskTel has, we would still be using the tin can and the string. The only difference is the string would be a lot longer. SaskTel is able to get its new technology because of free enterprise companies, private companies or public companies or public companies that are in the free market place and that is the only reason they have the new technology. The same thing applies to Sask Power. I say that Members opposite are making a tragic mistake if they feel that they are going to stop the so-called abuses of oil companies by merely setting up a Crown corporation to take over the supply, production and exploration for oil in the Province of Saskatchewan. As I say I think that Section and an analysis of Saskoil makes it quite clear that the Government opposite has failed to see the limitations and the proper place of government in economic activity.

We dealt with the matter of pricing. The Members of the Party of the Government opposite have stood up and said what a great job they have done, they've got everything they have wanted out of Ottawa. They have kept the Liberal Government in and it is through the Liberal Government doing what the Party opposite wanted that they can support the Government in Ottawa. One of the aspects of that which the Government opposite has agreed with is the matter of price control. I say to the Members opposite, if you are so confident that the Liberal Government has done everything you wanted and you agree with it and they have to stay in power as you have accused them of being power hungry, then surely the Liberal Government will not remove the price freeze that you have taken credit for keeping in. That means if that price freeze is maintained that we will not need Part III of this Bill and the Government opposite has admitted as much.

Part IV the confiscation section, deals with the confiscation of mineral rights in the Province of Saskatchewan. Again, I think one has to ask oneself why confiscate something that you are already taxing through Part I and I think the reason is obvious. The only thing you want to do is take over those rights and there is no other justification for that particular section.

As we stated the other night, the people of this province are concerned and are concerned for a very, very good reason. You have given them grounds for concern. You quite proudly go around the province and say that you have taken over the forestry rights, you have cancelled leases and are proud of it. Now you do the same thing and we hear "Hear, Hear" from across the aisle and let's make no mistake you are doing the same thing in oil, you've promised to do it with potash and you are proud of it. You've got a clause in the Land Bank lease which makes

it quite clear that you are going to do it to Land Bank leases in the Province of Saskatchewan. You've already set a precedent, a very dangerous precedent in my mind, which allows you to cancel leases without a by-your-leave, and I say that the Government opposite will start to cancel Land Bank leases and change Land Bank leases drastically within three years of the date of the signing of the lease and they have already made it clear that they will do so in the very lease itself.

SOME HON. MEMBERS: — Hear, hear!

MR. LANE: — I say, no wonder people are concerned. I say you have given them grounds for concern and legitimate reasons for concern.

I said on analysis that the real reasons for this Bill are not in the Bill themselves and are not in the words of our Premier. I think the real reasons are that this Bill is part of the NDP Government plan to declare war on Ottawa. They attacked and destroyed the best stabilization program this province was ever offered and has cost this province and the farmers of Saskatchewan hundreds of millions of dollars. They have taken over and rendered ineffective the Small Farms Development Act because they didn't want to see it go as a separate organization and a competitor to the Land Bank. You have tried to discredit the Western Economic Opportunities Conference, a conference that, sure it was disappointing, but it was not a failure and I urge the Government opposite and the Members opposite to not call that conference a failure because there were concrete results which were good for western Canada.

I say that another reason for the Bill is to save Saskoil. Saskoil has been an abject failure of the Members opposite. It hasn't got off the ground, it can't get staff, it can't hire a chairman and can't find anybody to work for it and has done nothing and has nothing. And this Bill is designed to save Saskoil. It will give it surrendered or confiscated lands and will give it money as set out in Part I.

I say, too, that this Bill is an attempt by the Government opposite to cover up its failure to fight inflation. I am willing to bet the Minister of Mineral Resources (Mr. Thorson) that this Bill wasn't even drafted three weeks ago. This Bill is an example of the "Johnny come lately" attitude of the Government opposite to fall into this so-called energy crisis. There isn't one in Saskatchewan. I say that they are desperately trying to hide their failures in fighting inflation.

Two and a half months ago the Premier of this province had to go on province-wide radio and television because inflation was such an immediate emergent problem that he had to act and he had to act now. He had to pre-empt programs and I say he had to abuse the television rights in the Province of Saskatchewan. But where has inflation gone? We don't see it in the Throne Speech and we don't see it now. I say that the Government opposite is merely trying to get on the bandwagon to cover up its failures to fight inflation. I say that the Government either panicked in bringing in this legislation and the House amendments that we were given this morning indicate that the Bill is poorly drafted, was drafted either in a hurry or with some mistaken conceptions and I say that the Government either panicked or is in a real rush to jump on the energy bandwagon.

There are no other reasons for the Bill. I say the real reasons are not given by the Premier. Another reason that was given that was shot down the other day was the fact that the province had insisted on getting 100 per cent of its share of the export tax. The Government of Canada has now announced that the Province of Saskatchewan will get 100 per cent of the export tax. Surely on the statements made by the Premier this should be grounds for withdrawal of the Bill itself and yet the Government opposite fails to do so. So again we have to look beyond the stated reasons of the Premier to find out the real intent, the real purpose and the real design for this particular piece of legislation.

There is no doubt that the Government opposite has put itself in a constitutional collision course and I say that it's done it on purpose. And, again, it's done for the three obvious reasons, to save Saskoil, to cover up the failure to fight inflation and a desperate grab for money by the Government opposite.

Mr. Speaker, I make it quite clear that I cannot support the Bill.

SOME HON. MEMBERS: — Hear, hear!

MR. A. OLIVER: (Shaunavon) — Mr. Speaker, I sat here and listened to the Member for Lumsden (Mr. Lane) snipe and snarl away at the Government for bringing in this legislation, yet he didn't bring in one reason able alternative to this legislation.

MR. LANE: — You didn't give us the staff.

MR. OLIVER: — You couldn't do it with the staff.

Now, I thought an Opposition Member was supposed to bring forth reasonable alternatives and this Member certainly hasn't. He makes comment about the federal promises on price freezes and I should like to remind him that we have been down that road before. We know all about Liberal promises and actually they are as hollow as a Jew's belly after a three week feast.

There are no guarantees that we will get it. No guarantees whatever. Just because Mr. Trudeau says that it is possible, doesn't mean it is a reality.

Now, the Member also repeated exactly the same arguments as were put forth by the Leader of the Opposition and the Member from Milestone. I just wonder where he was when the Premier disclaimed those charges, especially about the confiscation and the breaking of the contract and I wonder where he was when the Premier made these two fellows look like a pair of whipped pups who just puddled on the kitchen floor.

Well, really if you have any grounds to prove your accusations, I think you should put them forth here in this House. I think further, Mr. Speaker, the debate has reached an all time low when the Member for Albert Park (Mr. MacLeod) who unfortunately isn't here this afternoon, made the snide remark about my friend, Allan Engel, the Member from Notukeu-Willow Bunch and I think that comment was unjust and uncalled for. I

have a lot of respect for the Member for Albert Park as a gentleman, although he is slightly confused in his political philosophy, but I really thought it was ungentlemanly coming from a man like Ken.

Now, Mr. Speaker, the oil companies have an infamous history of exploiting both resources and people. This was evident in the southwest during the 1950s. I remember the excitement that was created when the first oil wells were drilled and oil was struck. This conjured up all kinds of dreams of wealth. But, these dreams were soon shattered when the farmers, some of them especially, had bad experiences when they found out they had been swindled out of both their surface rights and mineral rights by the slick, smooth talking agents for the oil companies.

But, Mr. Speaker, the thing that they forget about is that you can only exploit people just so far. And as far as exploitation goes by the multinational corporations it is a grim reality all over this world. These corporations follow the same philosophy as the early pioneers in the New England seaboard states followed when they developed so-called eastern seaboard states. They call it the cut down, wear out, walk off policy of development.

They cut down the forests, wore out the soil by planting crop after crop until it was barren and eroded and then they walked off to develop new frontiers.

This same kind of development has resulted in some terrible blood baths in different countries all over this world. They forget that people can be exploited and degraded to a certain point and then they fight back.

Who can blame these people, who have seen their natural resources virtually stolen from them and who have been nothing but virtual slaves to the corporations, for fighting back. Can they be blamed for revolting and confiscating the corporation lock, stock and barrel?

I am not saying that there isn't a role for the corporation to play in development of a new country, but it must not exploit but instead act as a good corporate citizen. If these corporations had acted in a responsible manner as good corporate citizens and not exploited that country's resources and the people, they would still be there today helping to develop that country in a just and proper manner.

We have had our share of that similar kind of development here in Saskatchewan under the former government, and I would cite only the development of our forest industry as one.

When a corporation becomes so large that it has a monopoly on a particular product like the oil companies have here in Canada, they can have complete control. They can control production rates either to create a surplus to drive prices down to eliminate any possible competition, or they can create a shortage and increase prices to whatever level they think the market can take. It is at this point that some governmental controls are necessary to protect the economy of the country.

We are fast reaching this point in Saskatchewan. Prices

have risen so rapidly here and so frighteningly it is enough to raise the hair on a billiard ball.

I made a small survey, Mr. Speaker, of the price increases in the last year from 1972 to 1973 in our area and I found some dramatic jumps in prices. Bronze car gas increased by 13 per cent, bronze purple or agra fuel is up 24 per cent, diesel a whopping 28 per cent up, heater fuel up 24 per cent, propane up 12 per cent. And really the farming industry just can't take these fuel increases. But if farmers and the general public think that the prices they are paying now for fuel is high when the average well-head price per barrel is \$3.38, which is approximately 40 per cent up from the 1972 average, wait until it goes beyond the five or six dollars expected at the end of this next month, in January.

If we are to do anything to control the cost of fuel, it has to be now and in my belief Bill 42 will provide the mechanism to try and hold down these prices.

Really, Mr. Speaker, I was surprised that the Opposition would be so foolish as to oppose this Bill.

SOME HON. MEMBERS: — Hear, hear!

MR. OLIVER: — Aren't you people aware of the fact that oil companies are using you to prevent the millions of dollars in windfall profits going to the people of Saskatchewan? Can't you see their track record of how they treat their so-called friends when they no longer need them?

They just toss them away like a non-returnable bottle. By opposing this Bill, you have placed yourselves against the people of the province and for the oil companies.

I wonder if this was a deliberate move by the Liberals. If it was, then there can only be one reason for it and that has to be that they have heard the jingling of money in the pockets of the oil companies.

I wonder if you fellows aren't like the dog in Mr. Skinner's experiments on conditioned response. Perhaps you remember the early psychologists, who experimented by ringing a bell then feeding the dog. He kept ringing the bell and feeding the dog until the dog was conditioned and got to the point where it would salivate every time it heard the bell ring. I wonder if the boys opposite aren't drooling over the thought of the thousands perhaps even millions of dollars contributed to your election coffers by the oil companies.

AN HON. MEMBER: — What about the breweries?

MR. OLIVER: — Well, really. you fellows over there are losing any credibility you may have had in the past. I think you should admit that you got sucked in by the oil companies and help us regain the millions of dollars that rightfully belong to the people of this province. Help us to guarantee to the people who use our energy resources, that they will be here for years and, in fact, generations to come. Come on fellows, come with us and support Bill 42.

SOME HON. MEMBERS: — Hear, hear!

MR. E.F. GARDNER: (Moosomin) — Mr. Speaker, the previous speaker mentioned that we had suggested no alternatives to Bill 42. I think we certainly suggested a number of alternatives and even if we hadn't suggested them specifically, they should be obvious.

The first thing we would do is repeal the Bill and we could certainly regulate through taxation the profits and production of the oil companies. And perhaps he is correct that we should be saying more about what we would do as an alternative. The Land Bank is a good example. We would, of course, immediately repeal the Bill, we would sell the land that the Government has purchased for the Land Bank, back to the farmer at a very reasonable price and over long terms so that he would have an opportunity to pay for it.

Mr. Speaker, there are one or two points, I believe, that have come out in this debate, that perhaps should be worth repeating. And first of all, we should repeat that at present there is no energy crisis in Saskatchewan. We can buy all of the gasoline we want. Any of us could go out tomorrow and buy all the gasoline, heating oil, diesel fuel we want and at a rather reasonable price.

As a result of Mr. Blakeney's action there could well be a crisis in the future. This Bill, that we are looking at today, could well aggravate the situation. We could end up with a problem. The problem would not be taken care of by the Bill, the Bill is actually going to cause the problem. We could be cut off from gasoline by Alberta and heating oil and diesel fuel and we would be out of these products almost immediately if Alberta took a view of the situation the same as Saskatchewan. It bears repeating over and over again that 95 or 96 per cent of these products that are used in Saskatchewan today, tomorrow, next week, next spring, to put our crop in. These products, 96 per cent, come from Alberta. They are the ones who could control the production, could control the supply or could control the price and nothing we can do will make any difference to it.

There is certainly no urgency for this Bill either to ensure that windfall profits don't accrue to large oil companies. The Federal Government has already taken action to collect an export tax as we all know and this export tax is for the very purpose of seeing that the oil companies don't make any excessive windfall profits. Incidentally this was done two or three months ago by the Federal Government and if they hadn't done this, the people of this province would have already lost millions of dollars because it's been on the news and stated by the Federal Government that all of this money will be returned to the people of the province.

So I believe that everyone then will agree on the two main points. There is obviously no way that the Government of Saskatchewan can, by this Bill, either control price or supply in this province.

Secondly, there is no urgency for this Bill to conserve profits for Saskatchewan people. So, again, we should like to suggest to the Government that this Bill be deferred until the spring sitting of the Legislature.

The people of Saskatchewan were told by the Premier that

the reason for this fall Session was to present controversial legislation, give the Opposition and the public time to understand the Bill and voice their objections. There are no other controversial Bills and we have the blue paper right in front of us, Mr. Speaker, you can look through it, you find out there just aren't controversial Bills on the Order Paper. This is the only controversial Bill we have.

We can assume then that the only reason for calling this Session was so that the NDP Government could ram this one very controversial Bill through in a very few days well before the general public were aware of its implications.

In other words, Mr. Speaker, I should like to point out that the Premier of this province is doing exactly the opposite to what he said he would do. He said he would call a session, present controversial bills; this was in the paper, he made a statement to the Press, he would lay these on the Order Paper until the spring session.

SOME HON. MEMBERS: — Hear, hear!

MR. GARDNER: — I should like you to note, Mr. Speaker, that there is only one thing that we are going to do of any significance at this Session. People may wonder why we are here. The Press may wonder why we are here. We are only going to do one thing and the people of this province should know that this Session is a special Session, called by the Premier for one purpose only, and that purpose is to take over the oil business in this province.

SOME HON. MEMBERS: — Hear, hear!

MR. GARDNER: — This was a Special Session for that purpose, no other purpose. There is no other reason. Yes, the Minister of Agriculture (Mr. Messer) mentioned that we may be here for The Chimneys Act or to get rid of the spittoons in the factories and this is about the calibre of the other bills that are on the Order Paper. The only thing that we are really here to do is so that the NDP can take over the oil business.

You might say, Mr. Speaker, why didn't he wait and take over the oil industry in February, at the regular session. Seizing any business, Mr. Speaker, politically, could be unpopular. It is a very touchy business to start seizing someone's business. People, Mr. Speaker, have to be softened up by the media and the media talk of a crisis has softened the people up for the very action of this Government. It was now or never for Mr. Blakeney. He had to take over this oil industry right now because the crisis could well be over in February and there would be no justification for doing what he is about to do.

Mr. Speaker, I believe the farm people of Saskatchewan should be the most concerned about the possible effects of Bill 42. We know that socialists have long advocated, sometimes openly, sometimes more discreetly, that all so-called natural resources should be owned exclusively by the province. This is one of the bases of their philosophy. They have also claimed that farm land is one of our greatest natural resources. It should be no surprise then that the NDP believe that farm

land should be owned by the government. But they have moved rather cautiously in this regard because they are afraid of the political repercussions.

The NDP Land Bank is buying millions of dollars worth of land which will never be returned to the farmers of this province. The NDP succession duties are making it difficult for family farms to be passed on to the next generation. Their Non-resident Ownership Bill makes it easier for the NDP Government to acquire land.

Now these have been more or less subtle methods of getting the farmers' land and this could be classed, I suppose, as creeping socialism. But it is frightening to realize, Mr. Speaker, that the NDP can bring a bill into this Legislature as they have done with Bill 42, push it through in a few days and acquire title to some other person's property without consultation, without notice, without adequate compensation. If they can confiscate mineral rights as they have done in this Bill, is it not possible that they could also pass a bill to confiscate your surface rights? This NDP legislation gives the Minister in charge, Mr. Thorson, the power to confiscate oil and gas rights. If you look at Section 28 of the Bill you will see this is exactly what he has the power to do. He can go to the Land Titles Office and simply have these titles transferred to the province. This is a frightening prospect to the people of Saskatchewan.

I wonder if the people of the province would like to see a similar bill pushed through by the NDP again in a few days, which could give the Minister of Agriculture, Mr. Messer, the power to go to the Land Titles Office and have the titles to their farms simply transferred to the Government as they have done in Bill 42.

Now this may sound, Mr. Speaker, like a rather fantastic suggestion, and fantastic it is, perhaps. They are doing it with underground titles, surface titles could easily be next. No one knows what a power hungry government, such as this one, will do.

Let's take a look at this Bill and see how it could also apply to farm land with very, very minor changes. Look at all of the clauses throughout this Bill and you could change a few words in half a dozen places and you could see a vast difference. If you just substitute the word farm land for oil and gas rights in the first line, for example, of Section 28, the NDP then could as of January 1, 1974 acquire the title to a farmer's land. If the farmer thought he would quickly sell to avoid confiscation, subsection 2 of Clause 28 would have him hooked because it says any transfer before the final passing of this Bill would be null and void. In this oil Bill, Mr. Blakeney says we are taking your title but it's not really confiscation because we are still going to allow you to produce off that property. However, he also says that the NDP think you can produce for about \$3 so in order to prevent you from making any windfall profits he will take everything over \$3 when the prices are good. I wonder if to some of our rural Members, Mr. Speaker, this sounds familiar. Again, if it was farm land instead of oil you could use exactly the same section. The NDP could take the title but the farmer could still stay there and produce the wheat. If the wheat got over \$3 a bushel the Government could take the balance so the farmer wouldn't

get in on any windfall profits. Exactly this is what they are doing in Bill 42.

The farmer, like the oil companies are saying now, may say to heck with it, you can have the title, I quit, grow your own wheat. But, if you look at the Bill carefully, the NDP says no. And I refer you to clause 41(a). Anyone who causes production to be stopped without the consent of the Minister can be fined a \$1,000 a day. So the farmer has to stay there and produce the wheat whether he wants to or not. Now the farmer may say this is just altogether too much, I am going to take my tractor, my combine and truck and I will head for Alberta. But, again, the Blakeney Government says, "no way." And I refer you to clause 41 (b). Anyone who removes equipment for production or transportation without consent of the Minister is guilty of an offence and may be fined up to \$10,000. You have an ideal socialist situation. He doesn't own the land, can't quit producing, he can't take his equipment and leave. You think this is fantastic, Mr. Speaker. Perhaps two years ago people thought it was fantastic, that a Saskatchewan Government would be buying up millions of dollars worth of cultivated farm land. If you told them this two or three years ago, they would have said, oh, they would never do that. It may have sounded fantastic two or three years ago, that this Government would set up a hog marketing board without consulting or a vote from the producers. Who would have ever imagined that they would move in, set up a hog marketing board with no vote of producers? And still this is exactly what they did.

Who would have guessed two years ago that they would come in and seize the mineral rights of people in this province without negotiation or consultation and yet strangely enough all of these things have been done? All evidence indicates the NDP have not changed their minds about taking over the resources of this province and resources include farm land.

The rural people of this province only hope that they can get a chance to express their views in a general election before the take-over is complete. This is the one obsession of the people of this province now, that they get a chance to vote on this take-over before. it's simply too late.

Mr. Speaker, I think it is obvious that I'll not be supporting the Bill.

SOME HON. MEMBERS: — Hear, hear!

MR. D. LANGE: (Assiniboia-Bengough) — Mr. Speaker, the course of this debate has shown the lack of resolution that the Opposition has on this issue.

The Opposition is not quite sure about what the issue really is. They have talked about Intercontinental Packers, about the Hog Marketing Commission. They have talked about Saskatchewan Power Corporation. The Leader of the Opposition implies at one time that he supports the Bill and he implies at another time that he doesn't support the Bill. He says we should take over the oil industry and then he says we shouldn't take over the oil industry.

He says minerals belong to the people and then he says the minerals belong to the oil companies. I have never seen a man who waffles quite as much on any issue, and as a matter of

fact, his colleagues have been no better. They have talked about inflation, about oil companies leaving the province, about cancelling leases, about government take-over, about Communism and venereal disease. They have talked about everything but Bill No. 42. The Opposition obviously doesn't have the ability to resolve the issue in question. They don't really know what Bill 42 is all about. They talk about oil companies leaving the province and this Bill encourages them to stay. Read Section 14 and Section 15.

They talk about taking rights, freedoms and profits from the people of Saskatchewan. This Bill allows the people of this province to have more rights, more freedom and more profits. For reference, read Section 3, Section 5, Section 19 and Section 27.

The Opposition has taken a completely impossible position on this Bill. They aren't supporting this Government and they aren't supporting their federal counterparts either.

After all, the Federal Government is in favor of a tax on oil and this is what this Bill does, it taxes oil. The Federal Government is in favor of oil profits going to the province and this is what this Bill does, it leaves oil profits to the people of the province.

The Federal Government is in favor of increasing oil exploration in the province and that's what this Bill does, increases oil exploration. The Federal Government is in favor of price controls on refined oil products and that's what Bill 42 does, controls gasoline and oil prices for the consumer.

The Federal Government is in favor of conservation of energy resources. That's what Bill 42 does, conserves energy resources. The Federal Liberal Government is in favor of everything that Bill 42 does and Saskatchewan Liberals are voting against Bill 42.

I presume that the primary objective of Members sitting on that side of the House is one day to occupy seats on this side. I don't think that that's an unreasonable assumption, but one thing is obvious. If you continue to emulate the tack of the Leader of the Opposition, nothing will place you on this side of the House, short of becoming a New Democrat. And if you don't, in the future, have more resolution and use more imagination than you have exercised during this debate, not only is there no hope of there ever being a Liberal Government in Saskatchewan again, but the future of the Liberal Opposition is in jeopardy, and nothing could be more humiliating to the Liberal Party in Saskatchewan than after the next election to find 60 New Democrats on this side of the House and only John Richards over there.

SOME HON. MEMBERS: — Hear, hear!

MR. LANGE: — If you think you are going to become the Government by mimicking the Leader of the Opposition's uncertainty, you are wrong. If you think this Bill will not be popular with the people of this province, you are wrong. And if you think the New Democratic Party is going to win the next election, using this as an issue, you are right.

Since you haven't the resolution to identify the issue, let me identify it for you. I will tell you what the issue inherent in this Bill is.

I get along well with all you people and I don't mind helping you along a little bit when it is necessary. Now listen carefully. The issue, that this Bill deals with is: will the people of this province control the use of their own resources through their government, or will the oil companies control the resources which belong to the people. That is the issue. It is not Saskatchewan Power Corporation, it is not the Hog Marketing Commission, it is not the Land Bank, it is not Intercontinental, it is simply: will the people of this province control the use of their own resources, through their government or will the oil companies control the resources which belong to the people.

Now let's analyze some of the arguments the Opposition Members have used to try and take the mind of the public away from the real issue.

All of their arguments seem to imply that the Government and the people of this province are two different entities. Now that may be true for a government which introduces utilization fees, deterrent fees and Bill 2. That government was somewhat removed from the people of this province. In fact, in the final analysis, it was the people who removed it. But this Government and the people of this province are one and the same thing. When this Government introduces a bill on oil, the benefits of that bill accrue to the people of this province. It does not risk the future investment of the next generation as was done with the Prince Albert Pulp Mill.

Let us analyze the arguments put forward by the Opposition. The first speaker was, of course, the brain trust of the Liberal Party, the spokesman for the oil companies, the Member for Prince Albert West, the Leader of the Opposition (Mr. Steuart), the man who is shaping the destiny of the Liberal Party in Saskatchewan for the next 10 years. When he rose in his place, with his pin-striped suit and dark tie, he looked for all the world like an oil executive. In fact, had he just known something about oil he could have been an oil executive. But someone on that side of the House should inform the Leader of the Opposition that there is a difference between selling claw hammers and selling oil. Here was the Saskatchewan spokesman for the oil companies, the man representing the Camerons of Canada, the Rudichuks, the Twaits, the LaBerges. Here was the man representing the collective arguments of all the biggies of the oil industry. Here was the man addressing himself to one of the most important bills that has ever been introduced in this House and what did he talk about? Beer! The Leader of the Opposition began his argument by talking about beer. When the Leader sets this tenor of debate by talking about beer, is it any wonder that the rest of the Opposition really has nothing to talk about following him?

When the Leader of the Opposition criticized the Government did he talk about the issue?? Did he talk about control of the oil industry? Did he talk about whether oil belongs to the people of this province? No, he talked about infringement of democratic rights, about seizing control, grabbing power, about putting people out of business. Imagine the Member from Prince Albert West talking about democracy. He is the man

responsible for the 1970 constituency gerrymander. And he is talking about democracy! Imagine the man from Prince Albert West talking about seizing control and about grabbing power. He was deputy Premier when Bill 2 was introduced into this Chamber. Imagine the Member for Prince Albert West talking about this Government putting people out of business. He was the deputy Premier when 80,000 people left this province because they were put out of business. Here is the man responsible for placing a tax on the poor and the sick by implementing deterrent fees and utilization fees. Here is the man responsible for placing a tax on the mentally ill in the form of an estate tax. Here is the man responsible for taxing the poor, the sick, the mentally ill for a total revenue of \$10 million to the province, criticizing this Government for taxing the rich oil companies for a total revenue of \$60 to \$100 million per year.

His defense for the oil companies is that oil companies should not be a public utility. He says that the Saskatchewan Power Corporation should be a public utility because it is essential to farmers. But he doesn't seem to think that diesel fuel and gasoline and oils are essential to farmers.

Energy is the basis of the development of any economy and for this reason the oil industry should be operated as a public utility. If it had been operated as a public utility in the past, in all of North America, then the present energy crisis in which some of North America finds itself could easily have been averted. If there had been planning by politicians in the past, 25,000 airline personnel wouldn't be presently laid off in the United States. If there had been planning by politicians in the past there wouldn't presently be a fuel crisis in eastern Canada. What is the present energy crisis except a failure of politicians to understand what is going on?

This Government is going to ensure that the same thing doesn't happen in Saskatchewan. By introducing this Bill we are ensuring that there will not be an energy crisis in Saskatchewan 15 years from today. If the former Government had possessed that kind of foresight we wouldn't presently be fettered with the debt of the Prince Albert Pulp Mill.

To continue to show what a waffler the Leader of the Opposition is, he said, "Oil and gas prices shouldn't be set by other countries, companies or by a crisis, we should set our own prices." So this Government brought in legislation which allows for price setting and he criticized the legislation. He criticized it without even offering an alternative. When he made his first television appearance he said he was going to tell us what was wrong with the legislation and then tell us what Liberals would propose as an alternative. He told us what he thought was wrong, but he never did tell us what Liberals thought was an alternative. He didn't tell us on television, he didn't tell us in the House, nor did any Member from the Liberal Opposition throughout the debate propose an alternative to Bill 42. The reason for that is that they have never had an alternative, they have never had a policy on oil and never had a policy on energy and they have never proposed such a policy. Now even Members of the Opposition will admit that you must be more consistent than that if you, one day, want to become the government.

The Leader of the Opposition isn't the only one who is

inconsistent. The Member for Milestone (Mr. MacDonald) said we shouldn't raise the royalties when the Leader of the Opposition said we should raise the royalties. The Member for Morse (Mr. Wiebe) said we were steamrolling the Bill. A few moments ago their Whip informed ours that they wanted to wind up the debate right away. The Member for Cannington says that this legislation is narrow, parochial, provincialism. This was stated just after the Member for Albert Park (Mr. MacLeod) said the issue was federalism. The Member for Moosomin (Mr. Gardner) just sat down and he says the Session was called because of Bill 42. This was just after the Member for Lumsden (Mr. Lane) said that Bill 42 had been designed in just the last three weeks. Then the Member for Rosthern (Mr. Boldt), having regained consciousness for a few moments, struggled to his feet to espouse a few excerpts from the 18th Century. He talked about Oxford and he talked about New Democratic Party membership and he talked about sending John Richards to Russia. He talked about a whole bunch of things. It was very difficult from my position to infer exactly what he was talking about. But I took it from his comments and I may very well be wrong, but my inference was that he was saying that all oil men have venereal disease. I don't care what your beliefs are in this House, I don't think that was a fair generalization to make about anybody.

SOME HON. MEMBERS: — Hear, hear!

MR. LANGE: — Using these examples one can only conclude that the only consistent thing about the debate from the Opposition has been that it has been totally inconsistent. With this sort of inconsistency one begins to wonder if you fellows ever caucus. I think most of you get on your feet to speak and then begin the research for your speech. Why else would the Member for Albert Park (Mr. MacLeod) rise to speak on Bill 42 and then talk about the Stabilization Bill. I want to point out to that Member that Bill 42 deals with oil, which is a hydrocarbon, whereas the Stabilization Bill deals with grain, which is a carbohydrate. Now there is the difference between a hydrocarbon and carbohydrate.

SOME HON. MEMBERS: — Hear, hear!

MR. LANGE: — Not only that, but the Stabilization Bill was debated two sessions ago. The only person who hasn't said anything during this debate has been the Member for Lakeview and I enjoyed what he said.

Several Members of the Opposition have suggested that oil companies will leave this province when Bill 42 is passed. Several other Members from the Opposition have suggested that the reason the oil companies cut down on their exploration was because of New Democratic Government in power.

Well, I have done some analysis on this and for the edification of the Members on the opposite side of the Chamber, I have, once again, drawn a graph and with some assistance I will give you a short analysis of what the oil picture in Saskatchewan looks like.

Now this is a simple graph which I am sure even Members of the Opposition can understand. It simply is a graph of net income of oil companies over a period of years. The years are

along the bottom, millions of dollars are down the side from zero to \$240 million. I have left the bottom four or five years off, the graph starts at 1950 and it goes to 1973. I have drawn a general curve through all the points which have been plotted, one point for each year for the last 23 years. I have drawn a best fit curve through the points. It indicates how the oil profits and how the oil incomes have laid into the last 23 years.

In this transparency, I have indicated the only negative slope in the whole graph. And just for the sake of argument I have just chosen the color green for this particular area. You will find that the only negative slope in the graph occurs between the period of 1964 and 1971. Before that time the graph was on an upward constant swing. But that during that time it fluctuated, it went down and then began to rise. And after 1971 it rose dramatically once again. I don't know whether that draws any conclusions or not. What do you think?

The green circle here indicates the negative slope of this curve from 1964 to 1971. I presume it is just a coincidence but I circled it with green, the Liberal color.

AN HON. MEMBER: — It could have been black.

MR. LANGE: — That's right it could have been black. But you can see here on this straight line which indicates the slope of this curve over the period between here and here, which is 1954 to 1964. I have taken that slope and I have projected it up to 1973. Now this assumes that the oil companies have had the same growth during the whole period of time that they had during this particular period of time. As you can see that had they not had this minor slump in their industry, their profits in 1973 would be \$335 million instead of just \$276 million. In other words this little green area right here indicates the amount of profit that oil companies have lost in this province, because of this seven year period. Again, I don't know whether you can draw any conclusions from that or not.

To answer the final argument that Members of the Opposition have postulated, that oil companies have dropped exploration in this province because of a New Democratic Government. I should like to show what a relative expense to income curve looks like over the past 23 years. This was the amount of expenses relative to income of oil companies in this province in 1954. This was the amount they were spending in 1964, this was the amount they were spending in 1971. And, once again, a dramatic levelling off of the curve between the years 1964 and 1971.

MR. MacDONALD: (Milestone) — Looks like you were the buddies of the oil companies.

MR. LANGE: — Exactly. That is the point I am trying to make that oil companies would far rather work in this province under a New Democratic Government than they would under a Liberal government.

SOME HON. MEMBERS: — Hear, hear!

MR. LANGE: — I will say that there is

one consolation for me in this. Had the Liberal Government not been in power during 1964 to 1971, I would have had to use a bigger piece of paper because this point on the graph would have been up there some place. It is also interesting to note that had this Bill not been introduced in this House, by 18 months from today, given the present projections of oil profits in Saskatchewan that the 1974-75 oil profits in projected mathematics would have ended up somewhere about three to four feet above this point.

Several Members of the Opposition have suggested that the oil companies will leave this province when Bill 42 is passed. I should like to challenge the Members of the Opposition as spokesmen for the oil companies. I publicly dare Texaco of Canada to leave this province and to leave the \$50 million net income that they will make under this Bill in 1974. I should like publicly to dare Gulf Oil of Canada Limited to leave the province and to leave the \$70 million net income that they will make under this Bill in 1974. I should like publicly to dare Shell Oil Canada to leave this province and to leave the \$90 million net income they will make next year under this Bill. I should like publicly to dare Imperial Oil Canada to leave this province and to leave the \$160 million net income that it will make on this Bill.

I publicly dare any oil company that thinks it can afford to, to leave Saskatchewan. I publicly dare any independent contractor to leave this province with twice the amount of money being spent in exploration next year as there was spent last year. Ask Roy Rudichuk if he thinks he can afford to leave. He is the one who was insulted because he was not consulted about the drafting of Bill 42. Ask him if he is willing to leave the province.

If I were in the Opposition I think there are several things that I could have talked about if I wanted to criticize the Government about this Bill.

I could, for instance, have suggested that the Government didn't go far enough. That because the oil companies were taking so much out of the country, we should take complete control and expropriate the whole industry. I could have shown how this Government would have been capable of operating the whole industry from exploration through retail sales by the use of Saskoil Corporation.

I could have shown further how the Imperial Oil Refinery could be operated by Saskatchewan personnel and managed by Saskoil. Or, if I were in the Opposition, I could have shown how expropriation could be justified in the mind of the public since Imperial Oil is closing its Regina refinery in any case. If I were in the Opposition and wanted to criticize the Government on this Bill I could have shown how we have enough sweet crude for our own needs to refine gasoline for the next 15 to 20 years, assuming we had a closed oil economy. Or if I had been in the Opposition and wanted to criticize the Government I could have pointed out that this Bill doesn't really strike at the essence of what perpetuates the oil industry, that oil companies are still in control of the reins of industrial development, that the oil companies are still ripping this province off for \$134 million of profit every year on crude oil production alone, with which they can do exactly as they please. Or, if I were a Member of the Opposition, to criticize the

Government, I could have shown that even though this Government is a proponent of socialism, this Bill hardly even smacks of socialism, that it is merely excellent far-sighted planning. And that the only way we are going to be able to upgrade the standard of living of developing people is to remove the profit motive from industrial and technological expansion.

Or, if I were in the Opposition and wanted to criticize this Government and wanted to criticize this Bill, I could have pointed out that a rational energy policy necessitates an institution to integrate technology and energy into a future design which will avert a crisis such as this. Or if I were in the Opposition the very least I could have done is apologize for not having introduced legislation like this when it was in power.

The Member for Athabasca (Mr. Guy) said that this Government will stand or fall on this Bill. Another inconsistency, because the Member from Milestone (Mr. MacDonald) said the Government would only fall on this Bill.

If we are going to be defeated on this Bill, I would ask from where will we receive our opposition? Will we receive opposition from farmers in Saskatchewan and contractors when they are buying fuel at 20 to 30 cents per gallon compared to 40 and 50 cents elsewhere? Will we receive opposition from the Saskatchewan consumers when they are buying fuel at 40 to 50 to 60 cents per gallon when everyone else is paying 70, 80 or 90 cents per gallon? Will we receive opposition from eastern Canada? I suggest that if we do, it will be the first time in 60 years that eastern Canada knows we exist. Will we receive opposition from the oil companies? I doubt it very much. And if we do, I suggest that we call their bluff. I think that Saskoil is capable of operating the total oil industry from exploration through to retail marketing in this province. And if the oil companies would like to leave the province, I suggest they do.

We are not going to receive opposition from independent oil companies because many of them are inquiring now as to where they can get a slice of the Saskoil action.

Are we going to receive opposition from Saskatchewan businessmen when we are promoting secondary industry through the institution of this Bill?

With Bill 42 we shall have cheaper fuel, more fuel because of more exploration, more revenue for the province for more socialist programs. Who could argue against that except a Liberal? But with the performance of the Liberal Opposition in this House over the past couple of sessions, there are, in this province fewer and fewer Liberals by the day.

All across this country people are beginning to realize what democratic socialism is all about. New Democrats in Ottawa have gained immense credibility as a result of their performance on the energy debate. Everywhere in Canada people are aware that energy conservation measures taken by the Federal Government were written by New Democrats.

Donald Macdonald, Federal Minister of Energy, says that this Bill will be contrary to the trade and commerce section of The British North America Act. But the Federal Government

has never considered unfair freight rates to be contrary to the trade and commerce section. I would ask this House if there is a more blatant example of contravention of the Trade and Commerce Section of The British North America Act than the freight rates which this province has endured for 60 years. The Federal Government has done little enough about that.

Donald Macdonald and some Members of the Opposition have accused us of blackmailing the East. Because of the energy crisis and because of this Bill, Saskatchewan has for the first time in its history, a lever for industrial stability, for agricultural stability and for transportation stability.

For the first time we have a means by which we can develop more secondary industry; a means by which we can develop the agricultural sector of the province; and a means by which we can have equal freight rates. That's blackmail if you like, I prefer to call it good business sense.

Allow me to summarize: Throughout the course of this debate, the Opposition has talked about inflation, about Government take over, about Land Bank, about Intercontinental. They have talked about companies leaving the province, about loss of profit and freedom.

They have talked about virtually everything but energy. The energy debate, it must be remembered, is far bigger than Bill 42. The energy question is precipitating yet another crisis — that of the world economy. Europe and England have strikes, they have three day work weeks and they have fuel shortages and fuel rationing. North America predicts seven million auto workers will be laid off throughout the winter. Twenty-five thousand airline employees are being laid off and 950,000 flights are cancelled for next year.

The ramifications of this downspin of industry are not presently evident, but during the next few months, the economy could conceivably grind completely to a halt. The next six to eight weeks are absolutely critical for governments. And the Opposition is nattering away about free enterprise.

The Opposition has clearly indicated that it is not aware of what the issue really is. And with that sort of perspective, we can be thankful that we don't have a Liberal Government in power in Saskatchewan.

The issue inherent in this Bill is not whether we are at war with the corporations, but to determine how Saskatchewan is going to fit into the context of tomorrow's issues.

The Saskatchewan Government is setting a precedent in North America by calling public corporations to accountability. The Saskatchewan Government is confronting problems of individual and collective utilization of resources. The days of cheap energy are gone.

This is potentially the greatest opportunity we have ever had to open avenues of development for industry, agriculture and transportation. The New Democratic Party will present the challenge of energy over the next several weeks both here and in Ottawa.

We will present the challenge because the energy debate

encompasses almost every fundamental issue which our Party has ever discussed. For 35 years New Democrats have talked about conservation of resources; we have talked about foreign ownership; we have talked about equitable taxation; about corporate design of peoples' lives; and we have talked about a planned economy.

Now for the first time in those 35 years we can debate one issue and encompass all of our surrounding principles. It is important to keep the philosophy in mind. All of these issues are indirectly embodied in Bill 42.

If the Opposition votes against this Bill 42, you are voting against sensible development of the economy for the future. If the Opposition votes against Bill 42, they are voting against future conservation and sensible use of the resources by people of Saskatchewan.

If the Opposition votes against Bill 42 they are voting against control of wholesale prices of fuels. They are voting against increased exploration for minerals in Saskatchewan. If the Opposition votes against Bill 42 they are voting against retention of excess profits in the oil industry for Saskatchewan people. If the Opposition votes against Bill 42 they are voting against Federal proposals on energy. If the Opposition votes against Bill 42 they are voting against secondary industrial development in this province. If they vote against Bill 42 they are voting against development in the agricultural sector. And, if the Opposition votes against Bill 42 they are voting against the only opportunity we have ever had for equal freight rates.

The New Democratic Party has presented the challenge. My question to the Opposition is: When is the Opposition going to respond?

Mr. Speaker, I support Bill 42.

SOME HON. MEMBERS: — Hear, hear!

MR. T. MALONE: (Regina Lakeview) — Mr. Speaker, as this is my first speech to this Assembly I am sure that you will allow me a moment to say a few words that are not directly related to the debate.

I want first to express my appreciation to my colleagues in the Opposition and to the Members who sit opposite for their kind words of congratulations and welcome over the past few days. I also wish, at this time, to express my gratitude to the many people who worked for me in the recent Lakeview by-election campaign and in particular to thank my campaign manager, Mr. Ian McClellan. Without his guidance and help my campaign would not have been as successful as it was.

Finally, Mr. Speaker, I wish to thank the residents of Lakeview who voted for me and to say that I hope they will find me deserving of the trust they have put in me.

Mr. Speaker, as well, I should be remiss if I did not mention two people who sat in this Legislature before me as representatives of the city of Regina.

The first of these is a man well known to this Assembly,

and I believe, liked and respected by all of its Members. I, of course, speak of the late Don McPherson. I do not think it necessary to list, once again, the many community achievements of Don McPherson, suffice it to say that his record of public achievement will likely never be equalled by any of us in this Legislature and the Assembly, the Liberal Party and all of Saskatchewan are poorer for his loss.

The second person whom I wish to speak of today is a person, who although he has been dead for approximately 20 years, may still be remembered by many here today. I speak of my grandfather, the late James Grassick, whose record of public service was probably only equalled by the late Don McPherson.

Grandpa Grassick first held public office in Regina in 1888 and was mayor of the city on numerous occasions after that. He also sat, briefly, as a Member of the Anderson Government in the 1930s, which is probably the only blotch that I can find on his otherwise impeccable record of service to the citizens of Regina and Saskatchewan. If I can serve my community in my lifetime only half as well as James Grassick and Don McPherson did in theirs and be remembered with as much respect and fondness as they are, my political career will be successful indeed.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — To the matter that is before this Assembly, Mr. Speaker, I should say initially there are many portions of Bill 42 which I agree with completely. Other portions with some modifications that I could bring myself to support. However, the Bill must be looked at in its entirety and I feel that the good portions of the Bill are completely overshadowed by the contents of Part IV of the Bill, which deals with the expropriation of privately held mineral rights.

Let me say that I do not now, nor have I in the past, held any brief for the oil companies either large or small. I agree that for far too long they have been allowed to operate, mainly under NDP governments, without proper control and without proper assurance that the people of Saskatchewan receive a just and equitable return for the oil extracted from this province. However, in my opinion at least, the provisions of Part I, II, III, V and VI of the Bill are more than adequate to control future operations of these oil companies and ensure a proper return to the people of Saskatchewan and control the price of petroleum products in this province. These sections do not take away completely existing rights and can be amended from time to time as world conditions change.

I have, therefore, Mr. Speaker, been asking myself since Monday last — why does the Government require the provisions of Part IV of the Bill in order to attain these ends? I had hoped to have been enlightened in this regard by the Premier, and I must say, that as the newest Member of this Assembly I was disappointed and surprised when I discovered that the Premier had chosen not to make his initial comments about the Bill to the Legislature, but to go on province-wide radio and television — and I gather at least partially at the taxpayers' expense.

I must say that after seeing the Premier on television on

Tuesday night, I can understand why he did not choose to make these remarks to this Assembly, because I was shocked and distressed at the narrow, divisive and parochial attitude shown in the Premier's remarks to the rest of Canada.

This attitude was also shown by the Minister of Mineral Resources (Mr. Thorson) in his remarks to this Assembly last Wednesday. And I say to the Minister that he is, in my opinion, showing a parochial or provincial attitude notwithstanding his remarks to the contrary.

I say, Mr. Speaker, that the Premier, the Minister of Mineral Resources and the Members sitting opposite do not have the courage of their socialist convictions, as they are afraid to say to the people of Saskatchewan, that the reason that Part IV of the Bill was included was because their political philosophy demands that wherever possible private ownership should be abolished.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — They come to this Assembly and go on radio and television and say that the Federal Government has forced them to take this position. I say, Mr. Speaker, that this is misleading the people of Saskatchewan and that it is particularly reprehensible when the Premier and one of his senior Ministers are the ones spreading this kind of nonsense.

I say, Mr. Speaker, that it is misleading for the following reasons:

1. If Ottawa did wish to take over the Saskatchewan oil industry, it could do so by merely declaring it to be a work for the general advantage of Canada, pursuant to Section 92 10(c) of the British North America Act. We have, to date, seen no suggestion at any time that the Federal Government intends to do this.
2. The Premier and the Minister of Mineral Resources (Mr. Thorson), if I understand the remarks, have admitted that they are not even sure that the provisions of Part IV of the Act — that is the expropriation of some privately owned oil rights — is sufficient to defend the case before the courts if Ottawa does intervene. Do they intend, therefore, to restore the privately held rights if Part IV is not sufficient? I doubt it!

Finally, I believe that both the Premier and the Minister have indicated that they will find out in January at the next energy conference what Ottawa's position will be in this regard. However, the Government has not indicated that they will restore the rights that are taken away if Ottawa does indicate that it will not intervene and, in fact, the Government does not even need to proclaim the provisions of Part IV until such time as Ottawa makes its intentions known.

I, therefore, come to the conclusion, Mr. Speaker, that the Government is only using the so-called anti-Federal Government argument as a ruse, a ruse to justify its philosophy of taking over private property wherever possible.

You know, Mr. Speaker, I have found over the past few

years that whenever a problem arises and it does not have an easy solution the NDP do one of two things. They either advocate state ownership or blame it on Ottawa.

SOME HON. MEMBERS: — Hear, hear!

MR. MALONE: — This Bill must be a particular delight to the NDP because not only can they remove from the private sector, another industry, they can attempt to justify their actions by blaming the Federal Government.

Mr. Speaker, I also wish to further express my concern over the narrow attitude of the Government that I referred to a moment ago. While there is no doubt that western Canada has not received its fair share from Confederation and in the past has been treated as an economic colony of eastern Canada, I believe that the Federal Government and the rest of Canada has at long last realized the error of their ways and that the process has started, although slowly, to correct the mistakes of the past and to guarantee the West its proper place in Confederation. But I feel that if the Government continues with its provincial parochial policy and its narrow attitude the gains of the past few years will be lost.

If all the governments of all the other provinces of Canada, from British Columbia to Newfoundland, acted in the same manner there would no longer be a Confederation but merely ten separate regions quarrelling among themselves and ending up being at the economic mercy of the Americans.

Surely the way for Saskatchewan and the West to find its place in Confederation is through a spirit of co-operation with the rest of Canada and not through a petty policy of saying, that you can't have my oil unless you give me something more in return.

Mr. Speaker, I wonder how the rest of Canada will regard Saskatchewan when the international oil crisis is ended, because it will be over, perhaps soon, perhaps farther in the future. The Arabs need the money as much as the rest of the world needs their oil. Will the Maritimes look back and say that when in need Saskatchewan came to their aid? Will central Canada look back and remember that in a time of difficulty that Saskatchewan, as a partner in Confederation, shared its resources with them? Or will all of Canada only remember that Saskatchewan — the Premier and Government — stood by and took the same position as a number of feudal Arabian sheiks and tried to gouge from its fellow countrymen a few more dollars?

This policy of confrontation, Mr. Speaker, with the rest of Canada that the Government has embarked on, is dangerous indeed. I do not think that anyone in this Assembly or in the province will quarrel with the ends the Government is trying to achieve; lower freight rates, more secondary industry, etc. However, I caution the Premier that unless he uses with diplomacy and tact, the weapon of Saskatchewan oil, he may not only not attain these goals, he may jeopardize the achievements already gained.

Mr. Speaker, I had understood that the purpose of this fall sitting of the Legislature was to have the Government submit its proposed legislation and then have the same considered

by the Opposition and the people of Saskatchewan for a period of time before implementing the same. Surely, the most controversial and significant bill that has been submitted by the Government to date, is The Oil and Gas Conservation Stabilization and Development Act of 1973. And, surely because of the implications arising therefrom, there should be very careful consideration given to it.

I would submit, Mr. Speaker, that legislation of this nature demands a close scrutiny, not only by the Members of this Assembly, but by all of the people of Saskatchewan. This consideration cannot be made within a few days but requires much more time, so that all parties affected by the provisions of Bill 42 can let their feelings be heard throughout the province.

I would urge, Mr. Speaker, that the Government allow this Bill to be proceeded with on the same basis as the other bills presented to the Legislature and that final consideration of it be delayed until the next session in late January or early February.

Needless to say, Mr. Speaker, I am unable to support the Bill in its present form.

SOME HON. MEMBERS: — Hear, hear!

HON. G.R. BOWERMAN: (Minister of Natural Resources) — Mr. Speaker, I am very pleased to have the opportunity to participate in this debate. Without a doubt I believe that this legislation represents the single most important issue which will be dealt with by this Legislature in the weeks and months ahead. I believe that it has also, in my opinion, brought to the Members of this Assembly, the opportunity to search their own political allegiance and their philosophy on resources development and management as is provided for in the Bill.

The Oil and Gas Conservation Stabilization and Development Act is before us today because of, what I believe, to be two important reasons.

1. The Federal Government's ineptitude in developing a natural energy policy.
2. Because of the irresponsible profit motivated activities of our multinational oil companies operating within our province and within Confederation.

Mr. Speaker, the Premier and the Hon. Member from Souris Estevan (Mr. Thorson) have very concisely given this Legislature statistical and factual background respecting our energy situation. It has been observed that the Liberals opposite have failed to convince many in this House and many in Saskatchewan that the legislation will be to the disadvantage of this province.

At the present time we find ourselves at the crossroads. On the one hand we have the oil lobby represented by the Liberal Party in this Legislature attempting to direct Saskatchewan down the corporate road. On the other hand we have the Bill or the legislation which is before us. Legislation which will protect the province against continued exploitation and which

will assist in assuring that we have adequate oil and gas energy supplies in the future.

The Member from Prince Albert West (Mr. Steuart) has made his Party's position clear on this issue. I think it was the Member from Milestone (Mr. MacDonald) who set out Liberal policies the clearest. I quote from his speech in the House:

The Provincial Government's new oil and gas legislation should be called the Big Swindle because it gives the Government the unnecessary right to steal and confiscate the oil rights of the private companies.

Many will recall the hysterical pleading from that Hon. Member from Milestone when he rose to defend the oil companies operating in Saskatchewan. However, I am sure that most Saskatchewan citizens were disappointed that the Liberals proposed to abandon the people of this province in favor of the corporate interest.

In fact, Mr. Speaker, the Member from Milestone suffered only one brief encounter with the truth and came close, only once, in analyzing correctly the position of this Government when he said:

The real reason the Government wants to take the rights is its political philosophy that oil should be a public utility, Mr. MacDonald said.

And that is correct, Mr. Speaker. On this side of the House we believe that the energy resources of this province belong to the people of this province and that the benefits from the development of those resources should go directly to the people through their elected representatives.

A moment ago I mentioned that we found ourselves at the crossroads. Perhaps we have gone even further than that. Perhaps our Government should have moved earlier. However, the passage of this legislation will ensure that the people of Saskatchewan, will for the first time, receive a major return from the development of their oil and gas resources.

Recent national and international events show clearly that the time is overdue for a national energy policy. Successive Conservative and Liberal Governments have done a disservice to the people of this nation by allowing themselves to be compromised by the giant oil lobby. It has been the corporations which have determined our oil policies in the past and this Government, this New Democratic Party Government of Saskatchewan, is not willing to allow the same to continue.

SOME HON. MEMBERS: — Hear, hear!

MR. BOWERMAN: — In Saskatchewan we have an ample supply of oil for our own needs, but only as long as we properly conserve and develop those non-renewable resources in the public interest, will we have them for the future.

Mr. Speaker, the Member for Milestone likes to paint a picture of doom and gloom by accusing us of perpetrating what he calls, the Big Swindle. I agree that there has been a swindle, but that swindle has been carried out by the foreign

oil companies who have, for years, been having a financial field day in this province as in other provinces of Canada and around the world. This year alone corporation profits earned by the development of our oil resources will be in excess of \$134 millions of dollars. It is little wonder that these companies and their friends, the Liberal Party, are upset with the legislation which is being proposed.

However, they should stop for a moment and reassess their behavior in the past. For the past number of years these oil companies have had ample opportunity to become good corporate citizens, but instead they chose to bolster their profits while at the same time jeopardizing their reputations with the public of our province. Year in and year out exploration has been declining and profits have been increasing. The graph which was presented here this afternoon alluded to that and gave substantive evidence of that fact.

I suggest to you, Mr. Speaker, that this is not bad if you are an oil company, or if you can get away with those kinds of developments. However, this Government is not willing to stand back and to allow further exploration of these non-renewable resources to be placed mainly in the pockets of the rich. I can appreciate the apparent frustration of Members opposite who find themselves face to face with the dicey problem of having to defend their federal counterparts who are being manipulated by the oil lobby. I would be quite reactionary myself if I was in a similar situation. But I want to make it clear the public of Saskatchewan has very little patience with those interests which defend the activities of any concern which is working against their best interests, the best public interests of Saskatchewan citizens and Canada as a whole.

Since assuming office, this Government has made its position very clear to Ottawa and yet, very little has been accomplished. In fact, it took the current parliamentary structure and the influence of the New Democratic Party Members of Parliament to force the Federal Government, Federal Liberals to commit themselves to any type of policy which challenges the historical influences of the giant oil companies.

For many years Canada has been vulnerable to the whims of the world oil markets and although on a national basis we are self-sufficient in oil and gas successive Federal Governments have bowed to the wishes of the international oil companies and failed to insist on the building of a pipeline between Sarnia and Montreal. This has made eastern Canadian markets unavailable to western oil and has placed eastern Canada in a position of dependence on oil from the Middle East and from Latin America. The situation that Canadians face today, is the result of a federal non-policy with respect to our energy resources.

SOME HON. MEMBERS: — Hear, hear!

MR. BOWERMAN: — The Federal Government has an obligation to present the people of this nation with a viable energy policy and that policy must reflect the principle that our energy resources be treated as a public utility. Why do the giant oil companies and the Liberal Party oppose this principle? The answer, I suggest to you, Mr. Deputy Speaker, is simple. The fact that Liberal governments have allowed these companies to exploit

the public, indicates clearly the philosophical division between Members opposite and Members on this side of the House. It is not surprising that Liberals should oppose this legislation. They are masters at promoting the give-away, they are masters at promoting the give-away in forest resources. All we need to do, Mr. Speaker, is review for a moment the forest industry within this province and it spells out clearly how they, as a government, operated with respect to the forest resources and the natural resources of our province.

But I can assure you, Mr. Speaker, that people of Saskatchewan and this New Democratic Party Government will oppose the continuation of this type of economic insanity.

SOME HON. MEMBERS: — Hear, hear!

MR. BOWERMAN: — Liberals have attempted to drag out every red herring in the book during this debate. They have attempted to capitalize on the usage of scare tactics and this, of course, is intended as diversionary tactics. It is a diversion because provincial Liberals, like their federal friends, do not have a rational energy policy and are not prepared to stand up to the giant oil companies which have been pulling the financial strings for far too long, not only in Canada, not only in Saskatchewan, but in the world.

The Member from Prince Albert West (Mr. Steuart) attempted to rally some support for his Party by alleging that this legislation will drive industry from the province. Not surprisingly he found himself to be wrong. This legislation will attract industry. Unlike their philosophy which perpetrates the sell-out, this legislation will encourage exploration, which in turn lends itself naturally to the processing of the raw material within the provincial boundaries. Energy is a raw natural resource and we can process it here in Saskatchewan, turning other raw materials into finished products which will create jobs and which will in the future encourage prosperity. We will process our energy here, just as we want to encourage the processing of other natural resources such as wheat, rapeseed, forests, hogs and so on.

If the world wants our energy, they should come here and use it or provide some suitable arrangement for trade. Why should we ship to the East, or to the United States to create jobs and prosperity somewhere else with our resources for use by other agencies?

Mr. Speaker, this legislation presented the Liberal Party of Saskatchewan with a very important decision and predictably they have swung behind the oil companies, evaded the philosophy of this Bill and have consistently refused to consider the public interest. Their piecemeal approach to the public interest has been finally and fully brought to the fore during the course of this debate. They have consistently echoed their concern over discriminatory freight rates affecting this province, they have consistently agreed that the national economic structure worked to the benefit of central and eastern Canada at the expense of the West, yet somehow they have abandoned that line of thinking with respect to Saskatchewan's energy resources. Just when this Government comes forth with legislation that will naturally lend itself to encouraging equal treatment with the rest of Canada, the Liberal Party comes

down hard on this Government and chooses to continue its love affair with big business. Surely it is not unreasonable to expect, even Liberals can see the favorable bargaining position which this legislation creates for Saskatchewan. Surely the Liberal Opposition can see the advantage of resource development here for benefiting this province.

Mr. Speaker, the Liberals deep down can see the advantages just as clearly as anyone in this House can see them, and yet they refuse to discard their corporate cloak of allegiance and decide to take their chances by defending what they call 'the good job being done by the multinational oil companies'.

Mr. Speaker, I do not support that viewpoint. When they came to this province they did sink a considerable amount of money into exploration and development. Nobody quarrels with that reality. However, they have certainly been rewarded well for their initiative. In fact, we have reached the point in our history where they enjoy 100 per cent markup on every barrel of oil pumped out of Saskatchewan soil. Members on this side of the House do not think that this should be allowed to continue. We feel that people of this province expect and deserve the right to share in the benefits that are derived from the development of this provident resource. In order to ensure energy supplies for the future, elected representatives have the responsibility to develop the types of programs and policies which will guarantee these future supplies.

The Opposition wants to hand control over of our resources to foreign oil companies which have had their chance to be good corporate citizens and have turned down the option of lower prices and more exploration in favor of higher profits. They, the Liberals, trust private enterprise and the open market theory that has been proved unworkable, leading to a monopoly. The oil companies had their chance and they gambled it away. Because this legislation will stop Saskatchewan resource give-aways, because this legislation will encourage development geared towards the provincial interest, and because it reflects the very positive resource development philosophy, I am very pleased to offer my support for this legislation and I urge, Mr. Speaker, that all Members of this Assembly do likewise, including the Members of the Opposition.

SOME HON. MEMBERS: — Hear, hear!

MR. J.C. McISAAC: (Wilkie) — Mr. Speaker, Bill No. 42 is a piece of legislation which deals with a good deal more than energy and energy resources. I think that point has been made by Members on this side, as well as the Government side of the House.

It is a complex bill, Mr. Speaker, and I don't mind admitting a very cleverly drawn document. I think on Friday night on the National News, the Minister was given credit for being the architect of this particular Bill. Mr. Speaker, while his design may be good from the architectural point of view, it is the design behind the design that we object to. It does deal, first of all, with energy and primarily oil at the moment. Secondly, it deals also with federal-provincial relationships and certainly the Canadian Constitution itself. Thirdly, Mr. Speaker, this Bill 42 is an illustrative document insofar as the NDP ideology and philosophy are concerned. That was just mentioned by the Member who just took his seat, the

Minister of Northern Saskatchewan (Mr. Bowerman).

Now the background of the legislation has been dealt with again by many speakers on both sides of the Chamber and I wish to deal with a couple of the points made by both the Premier and the Minister.

The Premier, in his television remarks, both in statements that he made, Mr. Speaker, and in the general impression he created, led us to believe that his main concern in bringing in this legislation is a supply both now and in the future of adequate gasoline and diesel fuel for the farmers of Saskatchewan. Now, Mr. Speaker, that's a very laudable objective but it's largely and almost entirely a camouflage insofar as this Bill is concerned because to ensure adequate farm fuel supplies certainly doesn't call for Section 28 of this particular Bill. Section 28, Mr. Speaker, is the one that sets out provisions dealing with the takeover of the titles and I should like to read into the record of this debate, subsection (3), subsection (4) in part of that particular Section, Section 28. It reads as follows:

Immediately after the day this Act comes into force a registrar of any land titles office affected shall cancel the certificate of title and the duplicate thereof of the transferee . . . and shall cancel the registration of any other instrument registered or filed in respect of the oil and gas rights; —

And it goes on to state:

Shall enter all necessary memoranda against any certificate of title necessary to register the vesting of said oil and gas rights in the Crown.

Subsection (4) of that Section, Mr. Speaker:

A registrar may require any transferee named in the transfer referred to in subsection (3) to surrender the relevant duplicate certificate of title, either for endorsement or cancellation.

Now, Mr. Speaker, that legislation couldn't be any more specific and any plainer in that respect. Section 30 and the two sub-s sections there (1) and (2):

Notwithstanding anything in The Land Titles Act the Lieutenant-Governor-in-Council shall, as soon as practicable, after this Act comes into force, by order, designate the oil and gas rights acquired by the Crown, etc.

And subsection (2) again:

That the said oil and gas rights are vested in the Crown pursuant to this Act or cancel the certificates, issue new certificates of title . . .

Very definite powers, Mr. Speaker, very strong powers, the like of which we haven't seen introduced into this Legislature any time before and I doubt if similar powers have ever been attempted by a government in any other provincial Legislature in Canada.

Very clearly, Mr. Speaker, the province, under our constitution, does have jurisdiction over property rights and the precedent contained in this Bill, however, Mr. Speaker, is to my mind the most dangerous and by far the most dramatic of any move to date made by the NDP Government and the Blakeney Government opposite in pursuit of their philosophy of government take-over.

Now to return to the objectives of the legislation, I have mentioned the objective of conserving farm fuel and aside from the fact that that objective is overstated by the Government and used as a camouflage, a red herring, it certainly is an objective that has my support and I am sure has the support of every Member in this Legislature. So we are led to ask the next question: What other objectives does this legislation have? What other objectives does Bill 42 have? What other needs and what other reasons are there for bringing this Bill before the House at this point in time? To answer that in part I'll quote from the Premier's remarks:

So that the increasing value of the oil will flow to the people of Saskatchewan.

Now again, Mr. Speaker, a very laudable objective and one that we don't disagree with on this side of the House. But, Mr. Speaker, that is an objective that has implications much deeper than would appear on the surface when it is remembered that, we in Saskatchewan, are part of a federal state. We are one province in ten. And I don't think there is any danger of Saskatchewan becoming another Kuwait or Iran by virtue of the millions of dollars of oil royalties from either oil or uranium or coal for that matter.

All Members of this House are well aware, Mr. Speaker, that this province, indeed all Canadian provinces, have a number of cost-sharing fiscal arrangements with the central Government in Ottawa. That is true no matter what party is in power here and it is true no matter what party happens to be in power in Ottawa. The federal equalization grants formula, Mr. Speaker, is one that has benefited Saskatchewan particularly over the last several years. We received, from the Federal Government, by way of equalization grants in the fiscal year 69-70 the sum of \$10.4 million. One year later 70-71 that figure was \$42 million; one year later again it was \$107 million and in 72-73 the figure was \$119 million, so we have seen an increase of over \$100 million by way of equalization grants coming to Saskatchewan annually in a four-year period

Now, Mr. Speaker, the entire question of fiscal arrangements between the Province of Saskatchewan and the central Government in Ottawa is obviously much too complex a question to discuss at this particular time. But I think, Mr. Speaker, no one, both inside this House and outside, should be under any illusion in this regard — that a major increase in provincial revenue of a kind we are talking about here in this Bill for Saskatchewan, and certainly with respect to moneys that Alberta will be receiving from increased oil revenues, those measures will certainly affect the fiscal transfer arrangements between this province and the Federal Government. So to some extent, Mr. Speaker, whether this province and our provincial treasury does receive either 50 per cent or 100 per cent, or some other percentage of the present federal export tax and this particular tax, if it replaces it, is to some extent an academic exercise.

Now, a third reason advanced by the Premier and by the Minister for consideration of this legislation, is the promotion of increased exploration. Mr. Speaker, I think there is little doubt that the measures contained in the 30 cents per barrel rebate will certainly result in exploration to the extent of \$25 or \$26 million being undertaken in this province and the question is: In light of the tremendously increased costs involved in this search for oil, how much oil is going to be found as a result of that kind of an expenditure in this day and age? I am not sure. I think it is clear, Mr. Speaker, that that amount will certainly not result in the same degree of exploration that has been going on even in the last several years, when as everyone agrees, oil exploration in Saskatchewan over the last few years has been too low to suit all of us. It is lower than we should like it to be, but that \$25 million or \$26 million figure that oil companies may now spend by keeping that 30 cents a barrel will still not bring it up to a figure and a total amount equal to what has been spent over the last few years. So we are then led to ask the question, Mr. Speaker: Where will the additional moneys come from that are required for the exploration that we would like to see and that most of us realize and recognize will need to be spent if we are going to ensure adequate future long-term supplies?

Mr. Speaker, under this legislation I think we can all agree, regardless of what side of the House we are on, under Bill 42 it isn't very likely that we can expect the oil companies themselves to increase their cash outlay. As I say we can all be critical of oil companies up until now for not spending enough money in Saskatchewan and investing it elsewhere instead, wherever the oil play happened to be. Up to now we can blame them for not spending enough but after we pass Bill 42, Mr. Speaker, surely no one can blame the private oil interests if they look to the Arctic or to Alberta, to the Atlantic or to the North Sea or anywhere else to spend money on oil exploration. Because in all of these areas they will have to contend with government regulations and government controls — it is a part of the oil industry wherever one goes — but in none of these locations will the oil industry have their necks in the noose and a gun in their back to the extent that it exists here in Saskatchewan and will exist after the passage of Bill 42. Surely, Mr. Speaker, a government which will confiscate land titles can't really be trusted too far by anyone.

SOME HON. MEMBERS: — Hear, hear!

MR. McISAAC: — Mr. Speaker, I think we can conclude that the efforts made by the private oil companies to discover new reserves in Saskatchewan will not be increased after the passage of this legislation. Yet the Premier and the Minister and other Members opposite tell us that we will see greater efforts, greater funds, more money spent on behalf of exploration. If they are so convinced of this, Mr. Speaker, the only other source of funds is from the public purse through either the Federal Government or through the Provincial Government coffers or some combination thereof. This brings us, Mr. Speaker, to the question of Saskoil.

This particular Crown agency is one that has been referred to in the debate, but as near as I can read the Bill, is not mentioned anywhere in the legislation of Bill 42, which is another clever feature of the Bill. Because there is no doubt

that Saskoil will certainly have life breathed into it by the passage of this legislation. Not only some life, Mr. Speaker, it could well be in receipt of many regular transfusions made possible by the passage of this Bill 42.

Now in the Minister's introductory remarks he compared the public ownership and public control of oil in the oil industry to Saskatchewan Power, which is a public utility as we are all well aware, supplying electricity and natural gas to the people and to all regions of this province. It was the Member for Cannington (Mr. Weatherald) who pointed out that such a comparison is really completely invalid. Because the costs, the risks and the whole character of oil exploration is a vastly different process than the function and the purpose of Sask Power to provide natural gas and to provide electricity to our citizens. For the Minister and the Government opposite to try and create the impression that Saskoil will have the same kind of financial stability and security and the solid character of Sask Power is to convey a completely wrong impression, Mr. Minister, to the people of this province.

Many oil companies, Mr. Speaker, have undoubtedly made profits by virtue of oil exploration in Saskatchewan and many others at the same time have lost millions and that is the risk they take. They can make money or they can lose it. Indeed, the major oil companies certainly don't derive the bulk of their revenue or depend on their revenue from exploration spending certainly here in the Province of Saskatchewan. In short, Mr. Speaker, it would appear that this Bill will very definitely result in more public dollars, in fact, perhaps millions of public dollars being used for exploration. While it will result in some private money going into exploration, there is no doubt in my mind that more measures could have been taken and could have been studied by the Minister and the Government opposite to attract more private money into the exploration field, instead of engaging in a giant poker game as they will certainly now be doing with our resource revenues that we are all anxious to retain in the Treasury, being used for exploration in the province.

The thrust of this Bill, Mr. Speaker, is wrong if it is intended to increase private funds in exploration. I believe, Mr. Minister, you could have drawn a bill that would have brought that about, that would have increased the amount of private funds that will in future be devoted to exploration. I don't think the Bill, as presently drawn, will have that effect. If there is going to be increased exploration it will be because through Saskoil or some other agency this Government will engage in gambling with public funds.

Now, Mr. Speaker, other reasons that were advanced for the introduction of this Bill include the setting of the wholesale price level and the introduction of mineral income tax. Now controlling the wholesale price is a form of selective price controls that we have heard the Members opposite speak about loud and clear quite often. It is a move that we can certainly support in that respect because if there is a place for selective price controls the oil industry certainly is an example. On the other hand introducing the mineral income tax amounts to profit seizure, very simply. I think that is exactly what it is and that is really what we should be calling it. And that is a measure, Mr. Speaker, where the Federal Government has moved in. It's a move that I can support,

reluctantly I must say, but it is a provincial application of the same principle that was implemented by the Federal Government some months ago when they set up the export tax.

The fact is, of course, that the so-called windfall profits of the oil companies resulted from extraordinary factors and influences at the international level and not really within our boundaries whatsoever. The fact remains, Mr. Speaker, that we have now seen action by two governments, federal and provincial, to step in and take over profits. While the NDP members always manage to spit out that word 'profit' when they use it, oddly enough, Mr. Speaker, they are always around with both hands out ready to grab it if there is any surplus anywhere. I say, Mr. Speaker, it is a very disturbing trend and it has been going on for years for governments to be following in this regard. It is certainly a trend that shouldn't be glossed over in this particular Bill. I know the oil industry is a very easy villain, multinational corporations, we hear these words used by Members on both sides and that sets them up as a very easy villain.

The Government opposite has the well known habit of initiating little studies, major studies, to set up villains in advance for some other socialist measure. One example that comes to mind, Mr. Speaker, and one is led to wonder what to expect from it, was the supposed survey conducted on the retail prices of prescription drugs sometime last summer. Another little gem, one initiated by the Minister of Consumer Affairs (Mr. Tchorzewski), was the study of supermarket retail prices carried out last summer. When we look at a bill like Bill 42 we are certainly led to wonder if the druggist and the supermarkets are not being set up by the NDP for price-fixing legislation and profit control moves in the future. Now it might well be that if this is the case they'll come up with a little different slant than has been taken here in Bill 42 in dealing with the oil industry, but certainly we are familiar with their trend and familiar with their pattern.

Now, Mr. Speaker, I want to deal for a few moments with some of the remarks made by some of the Members opposite in this debate. I was particularly interested in the comments of the Member for Pelly (Mr. Larson), and he spoke about sellouts, that same old socialist line that we have heard here so often. He said, in effect, Mr. Speaker, that it is all right to confiscate property in Saskatchewan as long as you pick on a large corporation. Easy villain. He told us these resources were put in the ground by a Divine Hand and that we can agree with,, Mr. Speaker and Mr. Attorney General. He then stated, perhaps not in so many words, but it was now another Divine Hand in the form of the Blakeney Government that was moving to further protect those resources. With that argument, of course, he will not find many takers on this side of the House or anywhere else in Saskatchewan.

Mr. Speaker, it was the Member for Last Mountain, the Minister of Education (Mr. MacMurchy) who came on very strongly in this debate. The tenor and the tone and the venom of his remarks, I think, told us more about the real reason for this legislation than anything that had been said up to that point in time by the Minister who introduced it or the Premier. And the Member for Last Mountain poured forth a rather vitriolic attack on the Hon. Otto Lang and Prime Minister Trudeau. He was going really great guns, blaming him for a whole host of supposed ills of the Province of Saskatchewan, Mr. Speaker,

and his remarks more than anything else convinced me of the great success of the policies put forth by those two gentlemen, policies like the two-price system, hopper cars and so forth. But I think the remarks of the Hon. Member for Last Mountain, once again, showed the hatred of Members opposite for the Liberal Party. This isn't new, of course, but it is one of the reasons for this Bill. It is an attempt to get back and to get even and to give vent to their feelings against Ottawa and that dirty old villain, the East.

You know, in so doing, Mr. Speaker, it doesn't really matter if this legislation happens to trample on other Canadians, be they residents of Manitoba, Quebec or Ontario, and it doesn't matter if the legislation portrays the people of Saskatchewan and particularly this Government, as being very petty and petulant. Nobody is going to ride my new tricycle type of thing.

Now, Mr. Speaker, another reason that wasn't talked about by Members opposite, or the Premier or the Minister when he introduced the Bill, but Bill 42 is one more step in the pattern of public ownership and public take-over that certainly is the bedrock of the philosophy of the NDP opposite . . .

SOME HON. MEMBERS: — Hear, hear!

MR. McISAAC: — . . . is the title's take-over, the confiscation of property. That certainly did not need to be in this Bill to obtain the objectives that were set out by the Premier and set out by the Minister. I am not sure, Mr. Speaker, but that there isn't another second reason, they want to get back at the Federal Government so they want to continue their take-over and I am not sure there isn't a third one, which doesn't come through quite so clearly because I think, Mr. Speaker, that Bill 42, in its present form, will put the Blakeney Government at the head of the class insofar as socialist groups in Canada are concerned. Because Premier Barrett of British Columbia is going to allow the private interests to carry on development and exploration and neither David Lewis of Ottawa and the Ontario NDP or the Schreyer Government, none of them have been yet brave enough to come out and confiscate titles to property.

Mr. Speaker, as I say there is completely no reason whatsoever for the Government opposite to confiscate titles to achieve the main objectives that they set out in this legislation. The Premier's argument that he wants to own the land to give him a firmer bargaining position with Ottawa, I don't think holds any water. Mr. Speaker, if I interpret news reports correctly, Saskatchewan and Alberta, too, will now be receiving either directly or indirectly 100 per cent of the federal export tax that was put on some months ago. And that is going to be a nice little kitty for both governments that was saved for us by the federal Liberals but we are now going to be getting that as I understand it.

MR. MESSER: — How does that relate to equalization grants?

MR. McISAAC: — I think it will relate to equalization grants.

The Premier's arguments with respect to the Potash Conservation Board, Mr. Speaker, I think is another red herring

that has been thrown into the argument in this particular case. I am certainly no lawyer and I don't profess to know the facts of the current case before the courts with Central Potash, but, Mr. Speaker, I am positive of this, however, that the issue is not whether or not that Potash Conservation Board can control production. That isn't the point at issue, because we have had Energy Conservation Boards here and in Alberta for years and they have certainly been within the constitution.

Mr. Speaker, there is one other feature to this Bill 42 that I think is distasteful to say the least and that is the power the Bill gives to the Minister of Mineral Resources (Mr. Thorson) and I need only to quote, very briefly, from a few sections to indicate the powers that this Bill gives the Minister of Mineral Resources. One of the first, at the early part of the Bill, Section 4 — "Calculation and payment of the tax by producers and others." "Tax payable determined by the Minister," the well-head price, the international price, all of these prices and factors and features of this Bill determined, Mr. Speaker, by the Minister and there are a half dozen sections that give power to the Minister alone and not to the Cabinet or not to some energy conservation board, or energy commission or some other Crown agency, but directly to the Minister.

Mr. Speaker, other than the regulation section, in fact, there is very little reference even to the Lieutenant-Governor-in-Council or to the Cabinet as a whole. Now the Board of Sask Power or the Board of SaskTel or even any of the Ministers of these Crown corporations certainly don't have anything like the power that is vested in the Minister of Mineral Resources by this particular legislation that is before us. Mr. Speaker, I suggest to you that the Government opposite did not need to bring in a bill giving the Minister these kinds of powers to effect policies on behalf of energy in Saskatchewan at this particular time or any other time. The Government most certainly does not need to be cancelling titles of property holders to put an effective energy policy in front of the House at this particular time. This Bill, Mr. Speaker, is a very definite threat to the holder of any property in this province. Bill 42 is a threat to any class of people or any group of people in Saskatchewan or Moose Jaw or anywhere else, Mr. Minister, whether they are corporate citizens or individuals who in the eyes of the Government, this Government opposite, at any time happen to enjoy what the Government feels is more than an adequate compensation for their investment and for their efforts. That's what this Bill says. The Government can move in at any time.

Mr. Speaker, I think the Government has another reason, and I referred to it before in my remarks in proceeding with this legislation in this point in time and that is to keep fighting with the Federal Government and to keep up the fight with Ottawa. I want to suggest that the Premier, the Attorney General and others began setting the stage for that right after the Western Economic Opportunities Conference in Calgary last summer. Certainly it is too early to say that that conference, Mr. Attorney General, was a failure. I know that the NDP opposite would like everyone to think it was, Mr. Speaker, but I should like the Minister and the Government opposite to reconsider their refusal to the Federal Minister of Energy, a day or two ago, to hold up and delay the passage of this Bill until after the January Energy Conference. There is no real

reason . . .

SOME HON. MEMBERS: — Hear, hear!

MR. McISAAC: — . . . why they should insist on proceeding at this point in time. They now have the money that they were concerned about and as I say the second thing is what kind of a split they are going to get as a result of that. I should like to move an amendment, Mr. Speaker, to this Bill to give the Government an opportunity to reconsider, and the amendment seconded by the Member for Whitmore Park (Mr. Grant) is as follows:

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

This House declines to proceed with this Bill until the subject matter thereof has been investigated by a Select Special Committee of this Legislature with provision for public representations to said committee and a report of such investigation is tabled in this Legislature.

The reasons, Mr. Speaker, I think are obvious to everyone on the Government benches, they are obvious to the public as well as to us. The Government doesn't need this Bill to bring about greater returns or greater resources to the Provincial Treasury. The Federal Government has already said that the entire export tax revenue from Saskatchewan crude will be returned to the province, 50 per cent directly and 50 per cent in exploration and research funds. I don't know whether the split is acceptable or not. I am not familiar enough with what they may plan on the other 50 per cent to say so. The Federal Government has asked the Government opposite, Mr. Speaker, and the Minister and the Premier to delay passage of this Bill until next month's energy conference is held. There is no immediate crisis here in Saskatchewan, Mr. Speaker, and as I say I hope the Government will reconsider, will delay the Bill and take time to have a look at some of the alternatives. I am sure there are alternatives that could be developed to bring about a greater inflow of private funds into oil exploration in Saskatchewan. I am sure that there could be an alternative developed that would result in the province getting a larger share of the royalties from oil as the price increases, a kind of a graduated income tax if you like, but yet leaving the ownership where it now is and not interfering with the principle of ownership. I think in that way that we could still get the returns and that is what we are looking for, the financial returns for the benefit of the people of the province. I think other means and other alternatives could surely be explored here, Mr. Minister, and I think the Government has the right to sit down with some of the industry's people and the oil industry officials themselves. I am not talking about the major companies referred to by the Member for Assiniboia (Mr. Lange), not necessarily Imperial and Shell and the others, but sit down with the small companies who through the years have done the work in the province, the ones that do the work and take the risk.

Mr. Speaker, I think it should be clear to everyone in this province that if this Government insists on railroading this Bill through at this time in this Legislature that they are doing it for one reason only and that is to extend the NDP power grab in this province.

SOME HON. MEMBERS: — Hear, hear!

MR. McISAAC: — To extend their takeover philosophy one more step and to set the stage for this continuing hassle that they are generating and have generated with Ottawa. Mr. Speaker, this Bill is nothing more than an NDP ego trip except for one sad fact, it is a real one. It deals with energy and power, yes, but it deals more with the energy and power of the NDP machine than it does with real energy and power in this province.

Mr. Speaker, I so move this amendment.

SOME HON. MEMBERS: — Hear, hear!

The debate continues on the motion and the amendment concurrently.

MR. F. MEAKES: (Touchwood) — Mr. Speaker, in rising to support the Bill and incidentally to oppose the amendment, may I first of all just say a few words to the Hon. Member who just sat down. A Member whom, I might say, I have a great respect for. I think his arguments were about as flimsy as I have ever heard him make. He, like every other Member who has risen to your left, Sir, has risen to defend Otto Lang and the Liberal Government in Ottawa and to stake out their share of election funds for the next election. Anybody who thinks in Saskatchewan that the oil companies of North America or rather the world will not be prepared to put up a lot of money whenever the next election comes to defeat this Government, a government which isn't scared to take on the oil monopolies of the world, they had better start thinking again.

I want to say, Mr. Speaker, that I am proud to rise in this House to support this Bill, to support it as a democratic socialist. I might say, you know, that I was home on the weekend and after sitting in this House for a couple of days and listening to the Members over there I thought there would be a protest. I was on coffee row for a couple of hours with people of different political beliefs and they were talking about curling, they were talking about the three blizzards and when I raised the subject of oil and energy with some of them, and some of them who were not my supporters, I got the reaction, "So what, it is the best thing you guys have done since you got down there."

SOME HON. MEMBERS: — Hear, hear!

MR. MEAKES: — But to come to the Bill, Mr. Speaker, this Bill doesn't completely satisfy me. I am one of these people who would have liked to see the Bill go a bit further but I believe that the people of Saskatchewan, after going home, are prepared to go this far. As I said in another debate recently, Mr. Speaker, I am a very patient person, I believe we must do things by steps. I emphasize, again, I am convinced that the people of this province are satisfied. For too long the people of Canada have been vulnerable to the world oil markets and in 1961 when there was a pipeline built, which incidentally should have been built through northern Ontario, not down through the Chicago market and then come up to Ontario, it was stopped there when it should, at that time, have been built through to

Montreal even though it had never been used until now as a safety valve for some future catastrophe which is happening now. The fact that the Arab oil is being stopped, that pipelines should have been there ready to go into the refineries of eastern Canada.

It might be noted, Mr. Speaker, that at that time, the CCF and at the time of the change of the party to the name of the NDP, said this, but both Liberals and Tories — it was a Tory Government, the Liberals supported this at that time that the pipeline should stop where it did. It has now left eastern Canada at the mercy of the Middle East and Venezuelan oil interests. In my opinion, Mr. Speaker, this was deliberately planned by the oil industry of that day.

I think there has been enough fooling around, Mr. Speaker, and it is time to explode the myth that has been foisted on Canadian people for decades by the oil industry. I am sure you have heard it, how the enormous rates of return on capital are needed to provide funds so that the giant oil companies can continue exploring for more petroleum resources to compensate for the great risks they claim are involved.

Let's look at the facts. Let's see who really puts out the money and who takes the risks. What do the oil companies do with their fat profits? As consumers and as taxpayers it is we, the ordinary Canadians, who provide the bulk of the funds. The owners of Imperial Oil, for example, provide each year about 3 per cent of the total funds needed for exploration expansion and development. Mr. Speaker, \$7 million out of \$201 million, that's for 1972 and the consumer and the public put up more than half the money, a whopping \$128 million in 1972 in the form of earnings, depreciation, amortization and deferred income tax. The rest comes from various sources. In 1972 there was \$60 million from corporate debentures and \$11 million from the sale of assets.

Let me just point out to this House, just in passing, that the oil companies are really the princes of the corporate bums with a wealth of tax breaks that governments have denied to ordinary citizens. They have exploration and development deductions, accelerated depreciation write-offs, depletion allowances, deferred taxes. In the last ten years while Imperial Oil has chalked up profits after taxes in excess of \$1 billion, the Canadian people were donating \$170 million in taxes that that company was allowed to put off paying, in effect as interest free loans. Capitalism for ordinary people and the Social Credit for the corporations.

But what we find particularly disturbing is that 70 per cent of the annual average of \$72 million in dividends Imperial Oil earns from Canadians is shipped across the border to the United States, yet Exxon Imperial's parent company, has provided only about 1 per cent of the funds required each year for exploration, expansion and development. Figures like this make it difficult to see the oil companies in their chosen role as hardy adventurers. Price increases at well-head this year have also dropped \$10 billion from Canada in the laps of oil producers. They are earning an extra dollar a barrel not because their costs were higher, but merely because the international market would pay for it. With a reserve of 10 billion barrels in the ground, that represents a \$10 billion windfall.

Mr. Speaker, that's just not good enough. I think that we as legislators in Saskatchewan have a responsibility to the people of Saskatchewan, a responsibility to see that we have an adequate supply and there is one, and not just an adequate supply in 1974 but in 1984 and in 1994 and to see that there is no spiral of costs to the farmer in particular. The farmer, in 1973, for the first time has had just a little bit of a better deal. His \$5 wheat is going to vanish into thin air if the cost of his production is allowed to increase.

Thirdly, I think that we are justified in seeing that there is no rip off by the oil companies. Let the income from our natural resources stay in the hands and the pockets of the people in Saskatchewan, the taxpayers, the people who really own the mineral resources of this province.

So, Mr. Speaker, it is with pride that I stand to say that I will support the Bill and oppose the amendment.

SOME HON. MEMBERS: — Hear, hear!

MR. G.B. GRANT: (Regina Whitmore Park) — Mr. Speaker, it is always refreshing to have the Hon. Member for Touchwood (Mr. Meakes) expound on his dedication to socialism because he does this invariably and I sometimes wonder why he and the Member for Assiniboia-Bengough (Mr. Lange) didn't move over with Mr. Richards when he came over here because there is no doubt left in anybody's mind today as to where these two Members stand. The Hon. Member from Touchwood referred to the oil companies as the leaders of the corporate bums and I am sure that this is really going to encourage those oil companies to come in here and join with the Premier in joint ventures or on their own. They just love to be called corporate bums by the Hon. Member from Touchwood and by Mr. Lewis. But anybody who has two hours to spend in coffee row, talking to non-NDP people, I suppose we could expect that kind of a remark from them.

I get a little browned off but I suppose that is my privilege. I am not a democratic socialist and I don't expect that the Members opposite are ever going to agree with me and I don't expect to talk them into my way of thinking. But I came across an article the other day that described what a democratic socialist is. Well, a Professor S. Popoff writing in the Melody, which is the young communist paper, issue No. 5, 1969, says that the communists regard the working socialists, and I guess those are the democratic socialists, as their natural allies "in a common struggle being carried out on a uniform front for socialist ideals. Scientific socialism sees its aim in the revolutionary overthrow of capitalism and the building of socialism and communism." So, as Winston Churchill said, "Capitalism may be the uneven distribution of wealth, socialism is the even distribution of poverty and communism is socialism with a gun at your head." So there is really not much difference between the two except there is a gun involved with one.

Mr. Speaker, the Premier said that if the NDP, that is, the Government of this province didn't protect the province that our neighbors to the west of us, Alberta, could really stick it in to us. I don't really think he meant that. Well, he may have meant it, but I don't believe he honestly believes it,

because he is really in cahoots with Alberta. He and Mr. Lougheed have had many meetings on this subject and they are joining up in a united front in the so-called oil crisis when they go to Ottawa next month. He says that this action is going to guarantee Saskatchewan people oil for the future. Well, he has done nothing in the last two and one-half years toward guaranteeing this oil for the future. He has waited for two and one-half years for the Arabs to move him into the launching position on the pad and now he has propelled himself into his first love orbit, namely government ownership, government control, socialism by any title. The truth came out the other day when he said it would help him to hammer out a national energy policy, fair to all, paid for by all. The Premier said, I believe about the same time, "We are in a hurry, it is costing us \$1 million a month." He could have saved a million dollars by calling this House into session the first of November because if he has the vision to foresee, which he apparently has, he could have perceived this situation a month ago and saved a million dollars. He possibly could have saved a million dollars by not buying shares in IPSCO a year ago. He lost a million dollars there. Mr. Speaker, there is only one haste, he wants it in his hot little hands when he goes to the Ottawa meeting in January. There is no earthly reason why this Bill couldn't be left in second reading and use it as an Indian club, if that is what he wishes, when he goes down to Ottawa next month.

Mr. Speaker, the Premier also said that we, as Liberals, agree with federal regulations regardless of how bad they may be for Saskatchewan. In the same breath he said that he agreed with everything that Ottawa has done, yet he is criticizing us for agreeing with them, but he said that they didn't go quite far enough. You also said that the Liberals felt that the oil companies should get the windfall profits, the so-called windfall profits. I don't know of any place that he can document where the Liberals have said this. He is like the Hon. Member from Assiniboia-Bengough (Mr. Lange) who said that a vote against this Bill would be an indication that the Liberals were against better freight rates, controlling prices as far as the larger companies was concerned and he went down the list, I think the only thing he missed was mother love.

Mr. Speaker, the Premier sanctimoniously called this a pre-Christmas Session. I believe in his own words "to give the people and the Members of this House an opportunity to see and study the Government's legislation." He did this knowing perfectly well that he wanted to bulldoze Bill No. 42 through this House with all haste. He had no intention of giving the public time to absorb the full impact or the implications of the Bill. He had television time booked Tuesday, I am sure well in advance. Actually when he made that statement as to the reason for calling this Session I am sure he had his tongue in cheek.

Mr. Speaker, there is no oil crisis in Saskatchewan. However there is a bill crisis, and the bill is No. 42. The Blakeney Government is guilty of using the world situation brought on by the Arabs and the Israelis — I am not going to argue for either one -0 to impose more socialistic control of our people. Mr. Speaker, the Blakeney Government moves with the determination of a Sherman tank with all the consuming appetite of molten lava, they have one objective and that is control. Control of farm land, they have demonstrated this.

Control of hog marketing; control of farm product marketing; control of production; control of meat packing; control of businesses, in fact, control of people. It is happening in British Columbia, it is happening to a lesser degree in Manitoba, but believe me it is happening pretty fast here. All done in the name of looking after the interests of our people.

The Members opposite accuse us of inconsistency; where it comes to government making inroads into business and our lives, I don't think any Member over there can charge me with inconsistency. I have always opposed it in this House and will continue to do so. I don't expect the socialists opposite to agree with me, we'll just have to agree to disagree.

There are times when business can take unfair advantage of a situation to the detriment of the public interest. This, I believe, is the position we find ourselves in today in Canada and in the world and to a lesser degree in Saskatchewan. I certainly support government action to control what has become known as windfall profits to the benefit of Canadians. The proper authority to do this is the Federal Government with the co-operation of the provinces. I would certainly support the right of the producing province to the lion's share of this windfall. This has already been indicated, half in cash and the balance invested in the oil producing provinces. If the balance is being invested in the oil producing provinces to make Canada more self-sufficient in the field of energy, I don't think any resident of Saskatchewan or Alberta is going to be critical of that.

I ask this House, Mr. Speaker, not to take action to build fences around Saskatchewan which we appear to be doing. This is exactly what parts of Bill 42 do. If there was no other course for the Government I could support action to funnel off these excess funds created by a temporary world situation. There is another course, so in my opinion it should be used.

Mr. Speaker, the Government opposite is well known for its actions in giving unlimited powers to its Ministers. Just examine the wide authority given to the Minister of Mineral Resources in this Bill. If it wasn't bad enough, people are once again denied the right of appeal to the courts. The Minister's decision is final. How could anyone, even the Members on the other side, support a Bill ignoring such basic human rights. Then the Members opposite ask how we are going to vote and I don't mind telling you how I am going to vote. I am going to vote against the Bill because of its bad features.

SOME HON. MEMBERS: — Hear, hear!

MR. GRANT: — One last area that I am sure must cause concern to Saskatchewan people is this: if a government can confiscate private property in the manner provided for in this Bill, who is next? This Government pays holier-than-thou lip service to the protection of people's interests, but in practice they play another tune entitled, "Your Government can manage your affairs better than you." I predict, Mr. Speaker, that the Blakeney Government will not use all the provisions of Bill 42, as they lead us to believe. They will use them as strong, hard Indian clubs on Ottawa. I just can't imagine Ottawa allowing Alberta and Saskatchewan to go off on tangents such as they have indicated.

As I indicated, the Premier prefaced his television remarks by voicing his support of what Ottawa had done. He is merely unhappy with the degree of the solution. He went on to point out how the acquisition of freehold rights would strengthen the province's position when the first Ministers meet with the Prime Minister on this subject. Surely the stage that this Bill is at today would strengthen his position sufficiently for that meeting because they could, very easily, be implemented if he is not successful in waving his club along with Mr. Lougheed of Alberta.

Mr. Speaker, the provision in this Bill for government exploration will be a lifesaver for Saskoil. This has been indicated by previous speakers because I doubt if private interests will go it themselves or even as partners of the Government, particularly since the Member from Touchwood (Mr. Meakes) has referred to them as the ultimate in corporate bums. I don't expect that my negative vote is going to change the direction of the Sherman tank, however, as a taxpayer I strongly urge the Government to use their windfall profits for direct benefit for the taxpayer, not as a source of high risk capital for government exploration on its own.

Mr. Speaker, nothing has been brought forward to convince me that this Bill couldn't be left at its present stage and still give the Premier the club he needs. The amendment would give the industry and public a hearing, it could demonstrate that private initiative is not completely dead in Saskatchewan. It could undo some of the untold damage to our province being done by advocates of nationalization such as the Members from Saskatoon University (Mr. Richards), Assiniboia-Bengough (Mr. Lange) and Touchwood (Mr. Meakes).

Mr. Speaker, I will not support the motion but will support the amendment.

SOME HON. MEMBERS: — Hear, hear!

MR. D.F. MacDONALD: (Moose Jaw North) — Mr. Speaker, it is with disappointment that I find that this House is still debating this Bill. Last Friday, the Federal Minister Donald Macdonald made a sincere proposal to the Premier to postpone passage of this Bill. It was indicated in the Press that the Premier would consider this. I think that was a reasonable request by the Federal Minister. There is no urgency to pass this Bill. There is no crisis in Saskatchewan, the so-called windfall profits to the oil companies have been stopped and they are going to the provinces through the federal tax. I think that this group should realize that there are serious consequences to the passage of this Bill both to Canada and to the people of this province. There is every reason to hold off passage of this Bill and to wait for the federal conference, to go to that conference with a spirit of co-operation, prepared to negotiate with the Federal Government and the other provinces with a mature and moderate attitude. We don't need to have this Bill passed to go down to hold out the big stick.

This Bill is really a sign that Premier Blakeney is not willing to co-operate with the Federal Government and the rest of the Canadian provinces. He wants to take the gun at the head approach and he is inviting a constitutional battle. This

Bill is clearly an attack on our federal system of Confederation. I think the energy crisis that we are seeing now has pointed out the great weaknesses in our Confederation; it shows that greed provokes the very worst in people. Greed and its temptations are not just seen in the Blakeney Government, the Conservative Government of Mr. Lougheed in Alberta has shown what greed can do to a political party in power. Mr. Blakeney, of course, has shown it here. It is peculiar that even Premier Gerald Reagan of Nova Scotia is getting into the act. When the federal plans were announced, and even though the Province of Nova Scotia is faced by shortages and sees a great need for a federal policy, the first concern of the Government of Nova Scotia was that it rejects any implication in Trudeau's energy policy that the Atlantic off-shore areas are under federal jurisdiction and control. This greed for the great windfall profits of the oil prices has struck the hearts of all political parties in power, not just the Saskatchewan NDP. It is odd that the critics of the greedy attitude shown by these governments come from all parties. It is interesting to note that Grant Motley the NDP Leader in Alberta has consistently opposed Lougheed's bill from the very start, arguing that the Ottawa export tax on oil is a legitimate national move.

Max Saltsman, the NDP from Waterloo-Cambridge, I should like to read what he says, quoting from the Leader-Post of December 13:

Max Saltsman, Waterloo-Cambridge urged Ottawa to take a tough line with the provinces on energy resources. Unless provincial governments take the needs of the country into account the Federal Government should step in and run the risk of being challenged in the courts he said.

The Federal Government obviously deserves some of the blame for allowing this province to develop the narrow selfish political attitudes that it has taken. The Federal Government should have moved faster, it should have moved more decisively. However, in view of the actions taken by Alberta and those taken by, the Blakeney Government, the Federal Government is now going to be forced to be very firm with these two provinces, to take actions that will benefit us as a nation. The Federal Government cannot allow small regions to blackmail and intimidate the rest of Canada as a nation.

SOME HON. MEMBERS: — Hear, hear!

MR. MacDONALD: — This debate has brought forward some very peculiar observations. I was home sick the other day and listened on radio to the Member from Pelly (Mr. Larson). His contribution to this debate was full of bitterness and hatred to the private sector, full of unreasonableness and a lack of understanding that scares me when I think that he could be taking part and formulating policy for our province.

The Member for Saskatoon University (Mr. Richards) he seems to show the naiveté of the waffle group. He was very critical of the plans by the Blakeney Government to use the revenues attained by these oil taxes for oil industry related activities. He suggests we should use it all to end poverty and so on. He is suggesting we take all the industry profits so they won't be developing any more oil resources and that the Government shouldn't be spending any money to develop oil resources either.

This is the same kind of logic of a child who believes that there is a never ending supply of money in dad's pocket. Judging some of the waffle statements they think that when you need more oil you just go out and drill a hole and it comes gushing out, it is just that simple.

The Minister of Education (Mr. MacMurchy) figures that when you get into a bad situation you should throw in a red herring or two. When he spoke the other day he suggested that Ottawa is being tough on the provinces, being difficult to get along with because of the French Canadians in Quebec, that somehow the Federal Government is being prejudicial to us in Saskatchewan so that it can get more votes in Quebec. The old East-West argument, blame the French Canadians. Someone should tell the Minister of Education that the Federal Liberal Party already does quite well in Quebec, thank you. Then the Minister of Education goes on to say that we protect Saskatchewan consumers by Bill 42, that it gives provisions for buying out the freehold rights of 25 oil companies. I wonder if he has read the Bill. If he has, I wonder what fantasy he is operating under that would suggest to the Minister of Education that freehold rights are to be bought?

The Minister from Estevan and others, express the fear that revenues returned to the Provincial Government from the Federal Government tax would somehow reduce our equalization payments, that this was such a terrible thing. He certainly seems to want his cake and eat it too. The suggestion that somehow when we derive more revenues that we should also continue to get equalization grants.

The Member from Touchwood (Mr. Meakes) says that he is very proud that his Government is ready to take on the great giant oil monopolies. He doesn't realize that he is not taking on the great giant oil monopolies, they could care less, they don't need us in Saskatchewan. The policies put forward in Bill 42 are simply to cut off your nose to spite your face.

The Member from Assiniboia (Mr. Lange) indicated that the main concern in passing legislation in this House is that he should somehow be re-elected, and that the good of Saskatchewan people are secondary to the self re-election of himself and his colleagues. I was very disappointed by the contribution by the Member from Assiniboia, he sank to some of the lows of many of his colleagues.

I think there is ample evidence to show that the Government doesn't understand the energy situation and the need for a national oil policy rather than to have 10 provincial policies. It is obvious that this Bill and the policies contained were put together in a rush by some of the academic planners in the Premier's office. Now we see 22 amendments, it has to be an absolute disgrace for a bill this comprehensive, this far reaching to be rushed in here and followed in a couple of days by 22 amendments.

This policy was not arrived at after any consultation with the industry or as to what effects it will produce. The Department of Mineral Resources, I have been told, was not meaningfully involved in the formulation of Bill 42. Saskoil officials were not meaningfully involved in Bill 42. We are being asked to commit ourselves, and the people of Saskatchewan to very far-reaching policies with a bill that was put

together in a few days by a few academics. I think we just have to remember back a year or so ago when The Litter Act was brought in that didn't work out quite as well as it should have. Minister's opposite said, "Well it looked good on paper but it didn't work out so well when we put it into operation." This is the type of thing we are being asked to pass on such an important matter as energy.

This Bill 42 is unnecessary at this time. The Federal Government protects us, or so say Tommy Douglas and David Lewis. On December 7th, David Lewis seemed to think this country is being protected. He said Mr. Trudeau dealt with every major change demanded by the NDP and altered federal policies enough for the NDP to support the Liberal Government without hesitation against the non-confidence motion of the Progressive Conservatives. He said, that the Government adopted our program, he was very enthusiastic. So what is the immediate rush to put this forward. Tommy Douglas was most enthusiastic about the program put forward by the Federal Liberal Party.

This province is protected. There is no need for haste. To proceed with this Bill after being requested not to by the Federal Government — after having the reassurance of the federal action to prevent windfall products and which is attested to by the NDP Federal Party, to do this, to proceed with this now is indecent. To proceed is to invite a constitutional fight in which Saskatchewan stands to lose far more than it gains, it cannot hope to possibly win.

Premier Blakeney should be prepared to go to Ottawa in January to negotiate on behalf of the Saskatchewan people. They have been given a very good base upon which to start negotiations. The Federal Government has promised 100 per cent of return of the federal tax, 50 per cent outright and 50 per cent in oil development within our province. That is a good offer, a generous offer.

I won't argue the fact, that we in Saskatchewan have our wants and desires, our freight rates, our tariffs and lack of industrial development within our province, these have been our concerns and they still are. The energy crisis hasn't dimmed these but it is no reason at all to go into Ottawa using these as a club over the head. It just won't work.

I should like to speak in support of my colleague from Regina Lakeview (Mr. Malone). I share his support for the conservation and control of the oil resources. I believe that the problem has to be attacked from the national basis.

Can anyone believe in the suggestion that somehow we conserve our resources entirely for Saskatchewan people. This suggests that we would put a wall around our province. And while everybody else ran out of oil, we would still, in Saskatchewan, have all we needed. This is ridiculous, it is impossible.

There is a national concern even though there is not a national crisis. The only crisis is in transportation at this time. But I admit that there is a national concern.

There are two reasons for not supporting this Bill. First of all, I believe that we must have a national approach, not a narrow regional, provincial approach. Also we should have a

co-operative approach with the Federal Government and not one of conflict and confrontation. My second reason for not supporting the Bill is the provisions in Section 4. This is the section that deals with confiscation. It is not really expropriation, it is confiscation. It is not buying, as the Minister of Education would suggest, it is simply confiscation.

The principle of denying the right to own private property is a principle that I can't support. The principle that our Government has the right to seize private property will not receive my support.

The NDP opposite are using the current situation to justify this seizure. First of all they are using the concern that the public have for the energy situation, taking advantage of the current mood of the people to justify this confiscation. Secondly they are justifying this confiscation on the grounds that it is all right to confiscate property if it belongs to someone big or rich. I won't accept either of these reasons.

SOME HON. MEMBERS: — Hear, hear!

MR. MacDONALD: — I won't accept taking advantage of the changeable mood of the public. And I won't accept confiscating on the grounds that someone is rich enough to be able to afford it. It is a dangerous precedent to suggest that if you are successful or rich you will be subjected to confiscation.

If the principle of confiscation is just for the company that owns mineral rights, then it is equally justified to confiscate the holdings of farmers with less than two sections. The principle of confiscation is no more justified for one party than another. The principle of confiscation will be just as tempting to this Government to take over other private property.

I don't think that it is sensationalism to suggest that in the face of world wheat shortages resulting in high prices for wheat that this Government would take exactly the same steps as they are taking in the oil industry. I don't think it is sensationalism to suggest the same principle would be applied to private business such as the meat packing industry or other manufacturing industries. The principle of confiscation of private property is either right or it is wrong.

SOME HON. MEMBERS: — Hear, hear!

MR. MacDONALD: — The passage of this Bill will have set a precedent that would be easily followed by the Government opposite. I say it is a principle I cannot support.

Section 4 which gives Blakeney the right to confiscate is not necessary. This Bill is not necessary to control and conserve our resources. It is simply an excuse to realize the first and most necessary step to nationalize the oil industry.

Mr. Speaker, I close by asking the Government Members opposite to take a sane and reasonable approach. An approach that is in the best interest of Saskatchewan people and Canadian people, and in national unity. Send this Bill to Committee, take time to realize the consequences that will arise from this

attitude as contained in the Bill and go to the federal conference on January 22nd and then base a decision on this Bill with a full understanding of the different ramifications of this Bill.

Mr. Speaker, I support the amendment but will not support the motion.

SOME HON. MEMBERS: — Hear, hear!

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

MR. K.R. MacLEOD: (Regina Albert Park) — Mr. Speaker, I should like to speak briefly to the amendment proposed by my colleague from Wilkie.

When this Bill was first presented to the House, Mr. Speaker, there was some uncertainty as to the distribution of the revenues which were being derived by the Federal Government from the export tax, or what we have come to call, the export tax on oil.

Since that time, however, and as of today, the Federal Government has stated, with a fair clarity, that all of the proceeds derived by the Federal Government from this tax will be returned in one form or another to the Province of Saskatchewan. It is, therefore, a matter of some conjecture as to why the Provincial Government is so determined to go ahead with the Bill.

Obviously it is not now just merely to bring back to Saskatchewan all the proceeds of the export tax which are raised by the Federal Government on the Saskatchewan crude. It must be something more than this. It is now clear to us that the Provincial Government wants to seize the industry, regardless, and that the arguments raised by the Government in support of the Bill were a mere sham, a cover for its real intentions. The real intentions of the Government are to seize control of the oil industry in Saskatchewan under the cover and disguise of the energy crisis.

Mr. Speaker, it is therefore essential that we do what we can to have this Bill brought to the public for further examination in order that the motives of the Government and the effect the Bill will have on the people and the province be fully examined. One of the serious effects that this will have on the province is the effect on our relations with other parts of Canada. It is very fortunate, indeed, that to this point other parts of Canada have been very generous in dealing with Saskatchewan and have not been willing to call a spade a spade. Other parts of Canada have been tolerant of the remarks of the Premier. Even though other parts of Canada are aware that the Provincial Government appears intent, not only upon getting all the money from the export tax which it will get, but wants to get and gouge money out of eastern Canada and wants to take advantage of an unfortunate situation. As I say, the rest of Canada has been very tolerant of the New Democratic Party to date. Perhaps we should allow them to proceed with this wilful action, this determination on their part to push through a bill which has the sole and exclusive intent of bringing under Saskatchewan NDP Government domination, the entire oil industry, and it is in fact, determined to carry out an ideological plank

by taking over the industry, and as I say, doing so under the smokescreen of the energy crisis.

If the Government were serious in its effort to assist Saskatchewan, by increasing the royalties coming to Saskatchewan from crude going to the rest of Canada, it would, as my colleague from Wilkie said, be willing to impose a graduated royalty. I suggest this would be the kind of thing which would allow for some reasonable differentiation between those producers which are in good areas and those producers which are not. What the Government fails to recognize is that some areas produce crude rather easily and the profits which are taken by some of these people at \$3.47 per barrel is a good deal easier to earn than some other areas. One of the difficulties is that some areas will find that they simply cannot operate at a profit.

I predict, Mr. Speaker, we will see, within the next year, a number of fields which are marginal fields today, actually dropped from production simply because the only way they can sustain increased production is with an increased rate of pay.

Some of them have stayed on at this time at a break-even figure anticipating an increase in the price of crude that will accrue to them. They now see this vision destroyed and this hope cast aside. Frankly, Mr. Speaker, some fields in Saskatchewan will be shut down. Other fields, of course, being profitable fields today at the rates indicated in Schedule II, will continue to operate. But the result, Mr. Speaker, will be the reduction in the total production from Saskatchewan crude in the coming months.

Dealing with the mineral tax. The difficulty with that is that, if the mineral tax is too small, there will be no encouragement to people to develop these acreages at all. They can be too readily held, year after year, as speculation. On the other hand if the royalty is too high, it prevents the necessary accumulation of land holdings which are required before developments are likely.

There is no question about it, Mr. Speaker, that companies must of necessity assemble reasonable amounts of land before they can go ahead with any exploratory work. The difficulty then is that the companies will find themselves in a quandary. At three cents an acre it was clearly not enough. At 10 cents an acre it was far more logical; 20 cents an acre was starting to be quite a burden upon the industry. Frankly, I thought 20 cents was a proper amount to set as a tax on freehold acreage, because on the one hand companies could not hold these amounts, these acreages indefinitely without developing them. On the other hand they could afford to assemble tracts of land for the purposes of arranging development plans.

I believe those who are knowledgeable at all in the industry understand that no company is going to take a half section or quarter section of land, get a permit and drill on it because if they are successful the only way they can really pay off is by having adjacent lands that are available for production.

What is happening by pushing the price to 50 cents? Quite frankly I think that the companies will find that they will fall into two categories. They will make a decision on the one

hand to make quick developments of those areas which look promising and which already have studies and perhaps seismographic work. There may be an urge to some early development of some of these tracts of lands, Mr. Speaker, but for the rest where the assembly has only begun, or where, early developmental work has been planned, these will not be continued and I have no doubt the companies will make every effort to get out from under the 50 cent an acre mineral tax, which is generally too big a burden for them to bear. It is too big a burden because most oil companies are anxious not to put their money in land holdings but they want to put their money in actual drilling of wells. As the oilmen say, we don't want to pay it to the owner, we want to put it in the ground. And quite frankly, the 50 cent an acre, apart from some developments which are likely to occur as a result of well advanced programs, will probably result in a large divesting of land holdings by these companies. The Government of Saskatchewan, if its purpose is to acquire large tracts of land by this mineral tax, Mr. Speaker, will undoubtedly be successful.

Mr. Speaker, I think the full extent of this problem is certainly not something that I am fully aware of. It is certainly not something that the Government can be fully aware of. There has been inadequate consultation with the industry. I am sure that, not only will the Opposition co-operate in any program to bring this to the attention of the people, not only would the Opposition co-operate to have a committee set up to investigate this as quickly as possible, I am sure that the industry would be quite prepared to give every assistance to the Government to show them what the likely results will be of the Bill that is now before us. With the intentions of this Government to have things brought to committee, I find it difficult to believe that the Members opposite would vote against the referral of this particular Bill to a committee. In fact I have listened to a number of speeches by the Hon. Members on the other side and so persuasive are they, particularly the Attorney General, when he gets up to speak, I must say I am totally persuaded that the committee system is a great system. It is a marvellous system and one which brings a great deal of knowledge to this House and consequently having been totally sold on the committee system by the Hon. Members, I am sure that they will back up their words with deeds and will refer this Bill, as is suggested by the amendment.

I wanted to say, about the remarks of the Hon. Member for Touchwood (Mr. Meakes) when he spoke earlier, that his suggestion as a pipeline to Montreal as a backup or safety valve as he called it, is in fact, the kind of an idea that Canada should be adopting.

It is part of my suggestion for a national oil policy that Canada must have a capacity which can be used in case of necessity, and that capacity will be either under-utilized or perhaps not utilized at all except in cases of emergency. I also recognize that if this is done that this additional capacity, which is not limited, of course, simply to a pipeline to Montreal but envisages the whole of the petroleum structure, this additional capacity should be considered a national asset and as such a financial contribution from the Federal Government is essential. I want to say to the Member for Touchwood that in this area he and I appear to be in complete agreement.

Under the circumstances, Mr. Speaker, one wonders why the

Government is intending to push on so vigorously to pass the Bill. It appears that on one occasion the Province of Saskatchewan has a chance to put thumb screws to other parts of Canada and they are going to take advantage of this opportunity. I can assure you that if the Liberals were in power we would, more than amply, guard the interests of Saskatchewan people, but it is not our intention to destroy Confederation in the process or to act like big fellows. If the Hon. Premier wants to act like a big fellow, that is great but it isn't great for the people of Saskatchewan or the people of Canada. If several more opportunities like this crop up, undoubtedly, he will change the title from Premier to Prime Minister as other big fellows have done.

Mr. Speaker, it seems that with all the original objectives claimed by the Minister and by the Premier having been accomplished, namely, the acquisition by Saskatchewan in one form or another of all the export tax, there is no need for urgency anymore. If, indeed, the Premier feels that they need to be armed with some bargaining strength the mere presence of this Bill on the Order Paper should serve as sufficient noise or sufficient threat that it should get the attention of other parts of Canada. In fact, it already has.

To proceed further to give a stronger hand to the Minister in his negotiations with Ottawa, is, quite frankly, going too far. It is perhaps using an elephant gun to shoot a mouse. The additional amount accomplished is not nearly in proportion to the tremendous threat that this Bill is.

The one thing that I should say is that it should not go unnoticed that the Government has, in fact, rolled back the prices in Schedule II and, in fact, in Schedule III. These are not current prices at all and the Government has simply averaged out, over a period of time, which is suitable to the Government and they have used that average as the one which they will accept. What they have really done, Mr. Speaker, they have chosen the figure that they had in mind and then have gone back far enough to have the average come out to that result. I suppose that it is a marvellous piece of mathematics and then you can say that this is the average over this particular period of time.

Let us not make any mistake, Mr. Speaker, what the Government then has done is rolled back the prices. It is amazing that some 10 months ago the Minister of Mineral Resources (Mr. Thorson) . . .

MR. ROMANOW: — . . . you are . . .

MR. MacLEOD: — Was I being interrupted? I was quite pleased to be interrupted there. I am pleased that the Attorney General has joined the debate and I was hoping that he would ask a question and which I would be quite willing to answer, but I see that he has thought better of it.

The problem, Mr. Speaker, is that the Government has rolled back these prices substantially to suit their own purposes. It is contrary to what the Minister of Mineral Resources himself said on February 15, 1973 when he seemed to be pleased that prices were rising, which would do two things as I have mentioned — first of all bring more royalties to the province

and, secondly, would make otherwise unproductive areas and uneconomic areas, productive and economic.

As a result, Mr. Speaker, I should like to suggest that this Bill should go to the Committee, if for no other reason than the fact that we have not properly identified the people who are damaged by the Bill. If the Minister of Mineral Resources will check his records on drilling licenses, issued within the past five years, I suspect that he will be surprised to learn of the high percentage of drilling licenses which were actually granted to very small producers. Very small companies, some of them Saskatchewan companies, who have depended upon farm outs from the larger companies for their very existence.

The result of this Bill, Mr. Speaker, will be to put out of business most of the small companies operating in Saskatchewan. Most of the people who get drilling licenses, if there be any at all in the next five years in Saskatchewan, will certainly not be the same type of people that received them in the past five years. I suggest that the Minister, before pushing this Bill through, should present to the House a breakdown of the actual people who have received drilling licenses in the past five years.

As a result, Mr. Speaker, I have listened to the debate and I am persuaded that the reasoning of the Hon. Member for Wilkie (Mr. McIsaac) is unassailable and that this matter should go to a committee and as a result, Mr. Speaker, I propose to support the amendment and regrettably I will not support the main motion.

SOME HON. MEMBERS: — Hear, hear!

MR. H.E. COUPLAND: (Meadow Lake) — Mr. Speaker, I should just like to say a few words before we vote on this Bill.

It seems to me that this NDP Government seems determined to kill private industry in this province by bringing in a bill such as Bill 42. But I think we can take some comfort from the fact that it has been the private industry which has made Saskatchewan and Canada self-sufficient in oil and gas over the years, and this in spite of political interference from all parties and especially the NDP.

We, on this side of the House, Mr. Speaker, believe in sound energy policies for Saskatchewan, but this does not mean complete takeover and control of the oil industry. This Bill 42 will cause tremendous losses to the people of Saskatchewan. Sure, the Government may grab a few dollars now of their so-called windfall profits, but what about the future?

This Bill will stop investment in our province, investment not only in the oil industry, but in any other kind of industry. Who would trust the Government after bringing in a Bill such as this?

Mr. Speaker, when investment dries up, like it will, just try to imagine the number of jobs that will dry up and disappear. We have heard about the brain drain from our province. In fact, the Members to your right have said, at times, that we should force people to stay in the province who receive their education here. I say, Mr. Speaker, that Bill 42 will speed

up this brain drain to an unprecedented rate. I wonder what the NDP Government will do about it? Build a wall around the province the same as there is in other parts of the world? I hope not.

Mr. Speaker, I predict the loss of millions of dollars to Alberta in forest complexes as a start of the exodus of capital from the Province of Saskatchewan due to the policies of the Government opposite.

SOME HON. MEMBERS: — Hear, hear!

MR. COUPLAND: — I predict, Mr. Speaker, that the same thing is going to happen in oil exploration in Saskatchewan. We, in the northwest part of Saskatchewan, finally had some interest shown in exploration north of Meadow Lake, but I predict now that this interest will be dampened, if not stopped.

It was interesting in an open line program, not too many days ago, where the Premier was supposed to have said that the Government will spend approximately \$25 million in exploration work in the province. I wonder if this is meant in the whole province or if it was meant up in the northwest, which was the impression that the people up there got from his answer. I wonder who will do this exploration work. It certainly won't be private industry, I don't suppose, and Saskoil is not off the ground, so I don't see how it can be them.

Mr. Speaker, this Bill 42 is not necessary at this time as has been said by Members on this side of the House. The Member for Moosomin (Mr. Gardner) pointed out how easy it is, by changing a few words in a bill such as this, that could make it apply to our farm lands.

Members might say that this won't happen, but we saw what was done by The Forest Act, whereby the Government can cancel any contract. How can people of this province have any confidence in the NDP Government or trust them to honor any lease or contract they have with the Government, whether it be a timber lease, farm lease, grazing lease, oil lease or any other lease, or any other agreement that has been signed by that Government opposite?

This NDP Government just cannot be trusted to honor any agreement that it makes. I predict that the potash industry is the next to be nationalized. After them, who next? Probably the farms. Or could it be the druggists or maybe it will be the machine dealers?

Mr. Speaker, this NDP Government will not stop in its search for power over the lives of the people of Saskatchewan. As I said earlier, this Bill is not necessary at this time because the Federal Liberal Government was on its toes and put regulations in to conserve profits from oil for the people of Saskatchewan, when the Government opposite was sitting on its thumbs. When they woke up, Mr. Speaker, their first thought was nationalization and hence this Bill.

I would hope that they will vote for the amendment to defer this Bill and let people, whom they profess to protect, have a voice in the matter and at least wait until they sit down with the other provinces and the Federal Government at the

Energy Conference to come up with some policies. They may not need this Bill after that Conference. Why won't they wait and see? If they won't, Mr. Speaker, then it is a clear indication that they want to use the energy crisis as an excuse for their actions in passing this Bill.

Mr. Speaker, I urge them and implore them to vote for the amendment to hold up this Bill and let's see what happens at the Energy Conference.

I will support the amendment and vote against the Bill.

SOME HON. MEMBERS: — Hear, hear!

MR. E.F. GARDNER: (Moosomin) — Mr. Speaker, I should like to say a word or two on the amendment, very briefly.

You know when I went home two weeks ago from this Legislature there was great excitement in my home town, an oil rig was prepared to move in and start drilling two miles east, two and a half miles south of the town of Kennedy. This is right adjacent to my farm. Last Saturday . . .

MR. ENGEL: — Got the oil rights?

MR. GARDNER: — No, I don't as a matter of fact. Last Saturday when I went home there was great disappointment around the district. The word was out that something unexpected had happened and that they were not now going to drill the well, at least not for the time being. Of course, those of us who are here know what happened rather unexpectedly.

I should like to take a look, for a moment, at why we are here at this time. We know that the Premier told the Press and the people of this province that he would present controversial bills, hold them over to the next session. This was pretty well accepted and he made it very clear. But now he wants to push this Bill through and to date it is the only controversial Bill that we have really seen. He wants to push it through in a very few days. The public, therefore, is justified in having pretty serious doubts about the integrity of the Premier.

This is a situation that should concern all of us because I doubt that any one of us want this in our province. And in order to restore his integrity, the Premier should announce right away that he is going to defer this one controversial bill until the main session. Otherwise, Mr. Speaker, the public are going to feel that they were right in saying that this is not a regular fall session, it is not a new idea of the Premier to call a fall session, this is a special session, called by the NDP for one specific reason. And for one reason only and that is a special session to take over the oil business in Saskatchewan. This is all that we have done at this Session, this is all that we were given to do by the NDP Government opposite.

We are giving Premier Blakeney a way out, we are giving him the chance to regain his credibility and we would hope that he takes it. The Government says that the people of the province are in favor of this Bill and many of you opposite

have mentioned this in your speeches, and if this is true I would think that it would be to your advantage to let it sit on the Order Paper for a couple of months and let the people of Saskatchewan sit back, look at it closely and according to you, enjoy it.

If the Government doesn't do this we can only assume then that there is one reason for their very indecent haste, they want to push this Bill through before the people of the province are aware of its implications. And, for this reason, I feel again, that they should defer this Bill until the main Session. I will support the amendment.

SOME HON. MEMBERS: — Hear, hear!

MR. C.P. MacDONALD: (Milestone) — Mr. Speaker, I want to add a word to what my colleagues have said concerning the deferment of the Bill.

Unfortunately Members of the Government side of the House have stood on their feet and suggested that it is the Liberals that are recommending the deferment of this Bill, that the industry has been very silent and the people of Saskatchewan haven't really recognized the total implication of this Bill. I have here in my hand a document that was presented to our senior civil servants in the Government, this morning, with the intention of presenting it to the Minister of Mineral Resources (Mr. Thorson) but unfortunately they couldn't find him. I am not sure if he refused to meet with them or was unavailable. It's not from a major oil company, it's not from one of those great multinational corporations that are making hundreds of millions of dollars, it happens to be from some independent consultants. All Saskatchewan people, they are engineers, geologists, drillers, people who have contracted with the companies of Saskatchewan for many, many years and they have presented this brief. It is a short one and I am going to read it for the record, because it does present the very argument we have tried to present to the Members of the Government to indicate the importance and the necessity of setting aside this legislation until the industry is heard. I don't mean only the international corporations, but those small people who work in Saskatchewan and have been the real spark plug of the industry for many years, who have done the majority of the drilling, who have done the majority of the geological work. I would point out that not only is this brief an indication, but the Minister of Mineral Resources (Mr. Thorson) could tell us that there is a large delegation coming from the Canadian oil centre, if you want to call it, Calgary, in the next few days to meet with the Minister to try to impress upon him just exactly what are the effects of this Bill for the future investment of the private sector of the industry. What it will mean to exploration and development. What it will mean, because of the lack of trust and betrayal by this Government of the private sector, of the oil industry. I am going to read this brief because it is a rather interesting one:

This Bill has only come to our detailed attention following its tabling on Monday, December 10th, 1973. We were given no advance warnings of its content nor were we consulted regarding its drafting although we, as independent professional consultants, residing in Saskatchewan through choice, will be directly affected by its passage. We are suspicious of the intent of Bill 42

because of the haste with which it is being made into law.

Notice that line — because of the haste with which it is being made into law.

We believe in the principle that people who are likely to be affected by any law must be consulted for legislation to be democratic. The contents of Bill 42 are at the least disturbing. We cannot believe that this Act will effect democratically any relief to an energy problem that this province may now have or in the future and may indeed, have a negative effect on both Saskatchewan and Canada. The immediate effect of Bill 42 has been withdrawal of support of the Crown sale held December 11, 1973.

And I understand even though there have been many companies, and I could name you seven or eight, who withdrew their bids but because of the energy crisis and the oil shortage there was a renewed interest in Saskatchewan by several active exploration companies that have, in the past and intended in the future, to contribute to the development of our resources. Because of the timing of the introduction of Bill 42 very few companies represented at the sale were aware of the contents.

We believe had the information been available earlier the relatively high level of interest would have been reduced drastically.

Another point they bring out that no one has mentioned.

Bill 42 even in this preliminary stage has caused banks to put in abeyance approved loan applications made by several Saskatchewan headquartered companies in that Section 82 of the Bank Act requires lodging of a mortgage on the certificate of title as collateral for oil productive loans. Something that the Minister of Mineral Resources should be aware of.

In other words for a small company to receive a loan in Saskatchewan from a bank, they must put up the title to obtain the mortgage which now they no longer hold and therefore the banks will no longer provide a loan.

Due to the expropriation clause in the Bill, banks are uncertain of the rights of companies to develop pre-title land. Many small Saskatchewan companies do not have avenues other than bank financing to explore or develop in the province. Other Saskatchewan companies who have recently achieved independent financing are forced to return investments to their shareholders, many of whom are Saskatchewan residents who, for the first time, are investing in their own resource and are now being denied forecast growth potential, their stock due in the main to the price freeze aspect of the Bill.

The Saskatchewan Oil and Gas Corporation, Saskoil, will appear to have lost several immediate participating opportunities and will likely face large problems in attracting any future participation.

We know of several companies which have indicated a curtailment of rather extensive drilling plans

scheduled for 1974, with the effect that the level of drilling will rapidly decrease when the full effects of Bill 42 are realized. There was an upsurge of drilling activity this fall, hampered only by a steel shortage and tubular goods. The facts that costs of drilling incompletions are up almost 40 per cent over last year, we believe did not affect the marked improved rate of drilling starts. Long-term effects of Bill 42 will have an exodus on technological talents including geologists, engineers, land men and geophysicists, who by their own choice established businesses under more adverse conditions than were present elsewhere, due to their provincial roots and beliefs in the future of oil industry of this province. Saskoil as it was conceived did not reduce her enthusiasm for our province's future despite some continuing industry apprehension. It would seem, however, that Saskoil's role has been greatly diminished in providing for any serious exploration output in the near future. The best experience of the resident professional exploration personnel is essential for any effective new exploration program. Their absence will raise the risk level and cost of exploration to whoever conducts such exploration, be it federal, provincial or private industry. This is due to the many years of experience in various areas of the province and their track record of success recognized by industry. The oil service industry i.e. drilling contractors, service rig operators, cementers, loggers, well perforators, testers, pouring services, water haulers, truckers and independent operators, many of whom are small individual firms, will face oblivion.

This is small, independent, Saskatchewan businessmen talking.

SOME HON. MEMBERS: — Hear, hear!

MR. MacDONALD: (Milestone) — Many of these service personnel are heavily in debt through purchase of new equipment and facilities and . anticipating increased business from the oil industry. In the Estevan area alone there are 600 families directly affected by this adverse legislation. Other areas directly affected include light personnel, in Gull Lake, Kindersley, Shaunavon, Swift Current and Lloydminster, many of whom are still unaware of the implications of this Bill. These small communities can ill afford to lose any further payroll spending, municipal taxes and other revenues generated by exploration activities.

In summation, we believe that detrimental aspects of Bill 42 so far outweigh useful sections, that the Bill should be set aside for detailed study and industry input.

The very thing that this amendment asks for. This is not the Liberal Party, this is not the Liberal Opposition, this is small independent businessman, people who have operated in the oil industry in this province ever since it was originated, particularly by Saskatchewan based consultants and others directly affected by the proposed legislation.

The signatories to this submission are and have always

been available for consultation and discussion with regard to industry matters.

I would hope that this, if not the pleas of the Liberal Opposition, the pleas of commonsense business in this province, those small businessmen, Saskatchewan based companies who have been operating in this province ever since the inception of the oil industry, will wake the Minister up, wake the Government up, set aside this Bill, give an opportunity for input of the industry and then pass the Bill if they so desire after they have had an opportunity for this input.

Mr. Speaker, I certainly appeal to the Members of the Government to listen to this brief, to take the opportunity to hear the members of the Canadian Petroleum Association who are coming from the capital of the oil industry to Saskatchewan later this week to discuss this very Bill with the Minister of Mineral Resources. These members of the oil industry want an opportunity to have some input into something as vital as this Bill that will affect their industry in the years ahead.

Mr. Speaker, I do support the amendment.

SOME HON. MEMBERS: — Hear, hear!

MR. D.G. STEUART: (Leader of the Opposition) — Mr. Speaker, speaking very briefly to the amendment, the request that is implied in this amendment is to refer this very vital Bill to a committee to allow the public to be heard. This morning I telephoned the Executive Secretary of the SARM, Saskatchewan Association of Rural Municipalities, to get their reaction to this Bill. You may question what this Bill has got to do with the Rural Municipal Association. Well, just this.

There are something like 116 rural municipalities in which oil production now occurs and as a result of oil production and oil wells in these 116 rural municipalities there is a tax base there for RMs of about \$5 million. Now \$5 million is extremely important to these 116 RMs. It means about \$40,000 or \$50,000 a year on the average. This is threatened, not in total by any means, but a serious cutback as is being proposed under this Bill will not mean that the oil industry, I am told, will cut back 20 or 30 or 40 per cent whatever the Government orders but will not cut back 20 or 30 per cent in every well. I am informed that they have already begun to close down wells and the oil industry will naturally take a look at marginal wells, wells that may call for some extra spending, wells that are marginal in their production and these will be closed out altogether. Other wells that are good producers will be left in operation 90 or 100 per cent. Every time they close one of these wells down and remove the rigs it means less assessment and less taxation for the rural municipalities in which they occur. I asked them if they were aware of this Bill and what their stand on it was, after all \$5 million worth of taxation to the rural municipalities of this province is pretty important. They told me that Mr. Murphy, the president, was out of the province and that they were aware that the Bill was being passed but they were not aware of what implications it had as far as the rural municipalities were concerned.

I checked with some of the towns and some cities like Lloydminster and Weyburn that have a great stake in the oil

industry in this province. Towns like Lloydminster, Kindersley, Gull Lake, Maple Creek, quite a number of smaller towns, some fair sized towns and some small cities, have been built up to a great extent by the revenue and by the jobs produced in the oil industry. I checked with some of these people to see what effect they thought this Bill would have on the future of their cities and their towns. Everyone I checked with who was involved in these urban municipal areas said the same thing. "Well, we haven't had time to study the consequences, we don't really know, we just heard it on the radio and the television, there are two sides to this and we would like to have a chance to look at the Bill, study the Bill so that we realize the implications and perhaps make representation to the Government." Now these people are not going to be heard, they haven't been heard and they are not going to be heard. So I point this out to indicate to the Government that there are more people to be heard in regard to this Bill and far more people affected than merely the oil industry. The oil industry, of course, is very directly affected and should be listened to. The industry itself should have a chance to present its case now that it knows what the Bill contains. But there are other people. There are rural municipalities and urban municipalities and their associations that I think should also be given an opportunity to be heard and have the Bill explained to them. They might, as I said before, even have some suggestions that the Government might find meritorious and would make this a better bill.

You know when we were the Government I remember if we had five or six House amendments to bring in you would be embarrassed, it would mean that the Bill had been badly drafted or that there had been some things overlooked or hastily prepared. Three or four or five amendments were usually cause for somebody to have their toes stepped on or be reprimanded in the Attorney General's Department or whoever drafted the bill and brought it to the House. We've got 22 House amendments already and we haven't even considered this Bill. This indicates, Mr. Speaker, that the Bill was hastily drawn, badly drawn, serious situations were overlooked, or bad judgments were made about things that the Government now realizes should have been changed. Again, I suggest, with deference to the Premier and the Minister, give the people of this province a chance to take a look at this Bill before you rush it through. By your own actions, 22 House amendments, you have indicated that there are a great many things wrong with the first draft you brought in. You are going to ask this House to consider this many and I understand there might even be some more amendments.

Mr. Premier, Mr. Minister and the Members of the Government, I ask you to consider seriously this amendment. It isn't going to stop the Bill, it isn't going to mean that the Premier can't go to that conference in Ottawa with the power of this Bill. He doesn't need the power of this Bill, the very fact that he says we are going to pass this Bill is all the power he needs — 44 Members on that side and 15.7 on this side. He knows he can pass the Bill any time he wants, so I ask him to reconsider this, take it to committee and let people be heard. I don't think there is that much rush and I think that the action that we take, and it is very serious action, and when the Bill is finally passed it will be a far better Bill and the action you take as a Government will be a more thoughtful action and one that I think would do as little harm as possible in the future, not only to the oil industry, but for all our natural resources for the future of this province.

MR. T.M. WEATHERALD: (Cannington) — Mr. Speaker, I want to be very brief because my colleagues have mentioned a number of the concerns we have. I think the fact that we have presented to us 22 amendments becomes a complete farce of the legislative process. I say that because giving to us 22 amendments at this time is significant, not only to the Members of the Legislature, but it is much more significant when one considers all the people of Saskatchewan. Certainly the amendments should not be the private preserve of only the Members of this Legislature. The amendments should be available some time before the legislation is passed for all the people of Saskatchewan to study and make representation on. To present 22 amendments to a bill of this importance at such a late date, when there is no possibility of the public and the province seeing them, studying them and passing their comments on makes a farce of the whole legislative process, in my opinion. I think it is a very valid reason why the Bill should be sent to a committee for some further studies.

Another comment that came to mind today that is simply an example of some of the problems that this legislation could bring about and of which I would be interested in hearing the comments of the Minister responsible when he closes debate, is that the example of where companies that have not paid their debts in the past have had many of the rural municipalities file claims against their mineral rights for taxes. There are cases of where companies have gone bankrupt, where companies have failed to pay their back taxes that have run into several thousands of dollars and the rural municipalities have been able to file a claim against their mineral rights, which has stood up in court and allowed the municipality to be able to retrieve some of their lost taxes. Now, for example, in this case where the Government will become the owner of the mineral rights upon the production of oil, I personally fail to see what recourse any of the rural municipalities will have or where they may file to claim some back taxation owing them. I think this is only an example, but it can run to many thousands of dollars on some particular claims where companies have not paid back taxes in a given year. Of course, with the Government now becoming the possessor of the mineral rights, precisely how an RM will go about collecting these owed taxes, I don't know.

Mr. Speaker, I think the other overriding concern must certainly be the Government's past record of breaking contracts. More and more one hears throughout the Province of Saskatchewan that a contract with the Government of Saskatchewan isn't worth anything and I think the evidence of the Government's changing of The Forestry Act, their evidence of the willingness to rip up all contracts more or less, with the oil companies in this legislation, indicates, Mr. Speaker, the lack of faith that any individual can have in the Province of Saskatchewan when they sign a contract with them.

I think the second point that is of concern, and has been mentioned on numerous occasions, is the bargaining position the Government has assumed. It may well be that the bargaining position the Government has assumed in this case — Saskatchewan versus the rest of Canada — may be in our interest at this particular moment. Personally I doubt this, I doubt if it is in our interest in the long term because unfortunately we are going to create a great deal of animosity in the rest of Canada and I think that the Province of Ontario will have much less sympathy for our cause and our concern than they would have if

we approached this problem in a more systematic manner.

The other matter which was brought to my attention during the debate was the great emphasis the Government put on the conservation of oil and I was quite interested to read a clipping I picked out of a local newspaper when I was home on the weekend. The Government, from the Premier on through to the Minister, made a great deal of political hay on the aspect of conserving our oil resources for the future. Well, this seems to fall somewhat at odds with what the Minister himself has said very recently. For example, in the December 12th issue of one of the local papers there is a press release by the Minister, Mr. Thorson, saying:

Cut Back in Export of Crude Due to Federal Restrictions.

The cut back in exports of Saskatchewan crude oil in November — December is the result of federal export restrictions, not the action of the Provincial Government.

I might say, Mr. Speaker, that in this respect the Provincial Government has been making great claims to the fact they should be conserving our oil. Mr. Thorson said in a news statement that:

He wanted to clear an apparent misunderstanding about the directive issued on November 26 to all oil producers and pipeline companies from the Department of Mineral Resources. The National Energy Board sets export quotas for Canada, Mr. Thorson said. In November and December some refineries taking Saskatchewan crude decided that they would rather take less of our crude and more from Alberta in order to fulfil their quotas.

I take it from this statement that the Hon. Minister of Mineral Resources (Mr. Thorson) was disturbed that Saskatchewan couldn't sell more oil and yet in the presentations to us in this Bill the Government seems to be taking the position we should be conserving oil. All I say, Mr. Speaker, is they can't have it both ways. The Minister, as recently as December 12th of this year, is claiming that we have been prevented from selling oil due to the National Energy Board and at the same time they are saying we are selling too much oil.

Mr. Speaker, I think that my colleagues in the last little while have made a good case of many people in Saskatchewan that could well suffer from this legislation. I think we have also made our case that we do support the control of our oil resources in a different manner to what the Government has put forward. I think the suggestion put forward by the Opposition that excess profits should be taxed, is quite acceptable. I think that this can and should be done without disturbing all of the other operatives of the oil industry in our province and the Government's action in this regard will result in less investment for our province and certainly a set-back for the industry as a whole.

Mr. Speaker, I will be supporting the amendment but not the motion.

SOME HON. MEMBERS: — Hear, hear!

MR. J. RICHARDS: (Saskatoon University) — Mr. Speaker, very briefly on the amendment.

I rise, basically I think, in support of the idea of the amendment. There is a strong parallel I would argue between the policies that have been pursued, or are being pursued, in Ottawa and Regina. Saskatchewan has Saskoil and Canada federally is supposed to have "CanOil" or as some have derogatorily said 'oil can', and both are interested in the idea of price freezes to prevent any further profiteering by the oil companies above the present level. However, the obvious difference is, besides the question of wrangling over who should get the revenue from the export tax and who should be paying the implicit subsidy by holding the price down to current levels, that this is obviously a disagreement between the two governments. The major difference is that the Federal Government has belatedly and half-heartedly been forced into some kind of policy which has done some kinds of things in some kind of manner to come to grips with the issue. This Government, provincially, has come on with a good deal of coherent criticism of the oil corporations and whereas the Federal Government, I think, is not particularly popular for its energy issues, which are perceived as being half-hearted, the Provincial Government has managed to generate a fair degree of popularity for its policies, which I think is an indication that the public if fed up with the private oil empires and with the private oil companies running this show and that the public is prepared for a great deal of radical change on this issue.

The reason that I will basically support the amendment not to pass the Bill at this juncture is that I agree with the Leader of the Opposition (Mr. Steuart) and various others of the Liberals who said that this Bill in its present form on the Order Paper provides all the clout which the Minister may want to have at the Federal-Provincial Conference in January. But I suppose the Government feels that it must pass the Bill now or lose face and therefore they must proceed as the fates have put it. But if the Government were prepared not to proceed now and were prepared to play a serious political role in the intervening six months, or three months, or whatever time is involved, to getting out and organizing their people, to presenting the case to the public in general and presenting some specifics about how the oil companies have operated, I think that the Government would be surprised about the extent of public support there would be for far more radical policies than are involved in this Bill as it now stands. This Bill, which I have said before, Mr. Speaker, is basically the initial bargaining tool with Ottawa in negotiation over the revenues from the export tax and the subsidy involved in keeping the price low. This Bill is not, as several Members have said, directed against the oil companies. It allows the oil companies to keep the profits which they have earned during unjustified price increases in the last 12 months.

I think that if the Members opposite went out to the country and were involved in a political process which hearings could involve, they would discover that the people of Saskatchewan understand a great deal more about this issue than they are willing to give them credit for and the people would be prepared to support a much more radical policy. Accordingly, this Government could then come back to this Legislature with a bill which would be a good deal tougher and which could, in fact, propose provincial nationalization or provincialization, to use

the Premier's expression on several occasions, of the oil industry. I invite the Members opposite to consider whether they couldn't politically engage in such a process over the winter and actually test out what I think both they and I know is a great deal of public support throughout this province for a nationalized petroleum industry indicated in Gallup polls, indicated in letters which one receives, and indicated at public meetings and they could come back with a sense of confidence that the prattlings of the Liberal Party on behalf of the independent petroleum association and on behalf of the oil corporations is nothing more than that. Prattling on behalf of corporate interests which is not representative of where the people of Saskatchewan are at.

And so I would say, rather than proceed with the Bill in its present form I think it would be an interesting experiment if the Members were up to it, actually to take the Liberals seriously on this one, proceed with the hearings around the province.

MR. SMISHEK: — They are getting to you, John!

MR. RICHARDS: — Sorry, sorry! I wasn't meaning, Mr. Speaker, to introduce undue levity into the matter. I think that the issue is crucial and I think when the history is written about this Session, this Legislature, the 17th Legislature of Saskatchewan, the crucial issue will perhaps be seen to have been the energy issue and how it was handled, whether with mediocrity, badly or well. Accordingly, Mr. Speaker, I would invite Members, in conclusion, to support the amendment making sure that they interpret it in inappropriate socialist manner. I just want to say, in conclusion, this is my explanation of why I intend to vote in favor of this special legislative committee to conduct public hearings on this Bill.

Amendment negatived on the following recorded division:

YEAS — 14

Messieurs

Steuart	McIsaac	MacDonald (Moose Jaw)
Coupland	Gardner	Wiebe
Boldt	Weatherald	Malone
Grant	MacLeod	Richards
MacDonald (Milestone)	Lane	

NAYS — 34

Messieurs

Blakeney	MacMurchy	Taylor
Dyck	Pepper	Faris
Meakes	Michayluk	Cody
Wood	Byers	Gross
Smishek	Thorson	Feduniak
Romanow	Carlson	Comer
Messer	Engel	Lange
Snyder	Owens	Hanson
Thibault	Robbins	Oliver
Larson	Tchorzewski	Feschuk
Kowalchuk	Cowley	Kaeding
Baker		

The debate continues on the Motion.

HON. K. THORSON: (Minister of Industry and Commerce) — Mr. Speaker, I listened with considerable interest to the statements made by those who participated in the debate and I should like to congratulate all of them for setting out their position as clearly as they were able to do under the circumstances.

May I just take a moment initially to congratulate the Member for Regina Lakeview (Mr. Malone) on his maiden speech, in this Assembly, and in this debate. It is said that there is no more difficult place in which to make a speech than in the Legislature or in Parliament, and I think I would bear witness to that from my own experience and perhaps the Member for Regina Lakeview would share that thought with me. Making speeches in public halls, or in courts of law, is a relatively easier task than making a speech in an Assembly. But I thought he made a very worthwhile contribution to the debate, in expressing a point of view which I have heard expressed in other ways from other Members of the Opposition. Yet, Mr. Speaker, with all of that, I could not agree with him. He said that the legislation is not necessary for three reasons. First he said, it is not necessary to pass the legislation in order for the Province of Saskatchewan to assert its rights under the constitution. Because, after all, Ottawa doesn't want to usurp the position of the province with respect to development of the natural resource of oil and if Ottawa did want to do so it could declare oil and all works associated with the development and production and transportation of oil as works for the general benefit of Canada.

Well, Mr. Speaker, frankly, if Ottawa would do that openly and clearly make such a declaration that in all of the provinces of Canada, not only Saskatchewan, but in all of the provinces of Canada, oil was going to be treated as a matter under the general section which provides for works for the general good of Canada under our Constitution — The British North America Act — that would be one thing. We might then all understand that Ottawa is assuming responsibility for the management and development of this natural resource in the way it assumes responsibility for some other matters of national importance.

But the Federal Government at Ottawa has not made such a declaration. Rather it has made a collateral attack on the jurisdiction of the provinces with respect to natural resources. First, as is so well known, by launching itself into an action in court started by a company producing potash in Saskatchewan in a totally unprecedented way by wishing to become a plaintiff, not just an intervener to argue the constitutional issues that may be before the court, but to put itself in the position of a plaintiff to carry on the action, regardless of what happens to the original plaintiff or its interest, and in order to try presumably to strike down the regulations of the Province of Saskatchewan and the legislation that supports those regulations with respect to the conservation and the production of potash in Saskatchewan.

Secondly, Mr. Speaker, Ottawa presumes, apparently, by imposing an export tax that now applies to the production and sale of crude oil, to tax the production of a natural resource which comes primarily from two provinces of western Canada.

It is interesting to note that when the tax was first announced from Ottawa none of us were told what the Federal Government had in mind with respect to the distribution of the revenues. What a difference it has made, over these past three months, from early September until early December. Now, from having no apparent intention to distribute any of the money to the provinces where the resource was developed, now the latest announced position of the Federal Government is that it will pay directly back to each province 50 per cent of these revenues and the other 50 per cent it would spend in the province from whence the revenue came. That's quite a transformation, Mr. Speaker, in the federal position and frankly it makes me more suspicious than ever that they have really no respect for the rights of the provinces with respect to natural resources under our constitution and under the rules of Confederation as we have always understood them.

SOME HON. MEMBERS: — Hear, hear!

MR. THORSON: — I think it makes it more essential than ever that we make it clear by the passage of this Bill, that so far as the people and the Government of Saskatchewan are concerned, we assert our rights under the constitution.

The Member for Regina Lakeview (Mr. Malone) suggests that Part IV of our Bill, which takes title to the producing oil and gas lands from 25 companies back to the Crown may not be effective, may not be sufficient to make our legislation safe from legal attack. Mr. Speaker, with all respect I submit that it will make it safe from legal attack because it will make it clear that in Saskatchewan, just as is being done in Alberta, the legislation deals with property in the Province of Saskatchewan just as their legislation deals with property in the Province of Alberta.

Then the Member for Regina Lakeview suggests we don't need to pass this Bill because we are on our way, presumably at last, to a Federal-Provincial Conference on energy with First Ministers taking part and that we can, when we get to the Conference, if I took my notes correctly, we can then find out what Ottawa really intends to do. Mr. Speaker, I would much rather go to the Conference not being certain about what Ottawa intends to do but being certain about what Saskatchewan intends to do in making that certainty known to the Federal Government.

SOME HON. MEMBERS: — Hear, hear!

MR. THORSON: — I have said it has been very interesting to watch the change in views of the Opposition in this debate. They started out by suggesting that there was somehow a foot dragging on the part of the Provincial Government, that we were moving too slowly, that we had been sitting on our hands while Ottawa was doing the job that we should have been doing. That is what they were saying a week ago, Mr. Speaker. But now they are saying we should not go so fast, we should not get on with the job, we should delay passage of the Bill. A week ago we were moving too slowly, now they say we shouldn't go so fast as we propose by making the Bill effective for the first part of January 1974. Mr. Speaker, that is a difficult transformation for them to make but transformations of that kind have never phased the Liberal Party of Saskatchewan.

One thing seems to be quite clear if I understand the position of the Liberal Party in Saskatchewan and in Ottawa, that is, that oil producers in Saskatchewan should not take into their own hands the new additional revenues that will be available from future increases in the price of crude oil produced and sold.

MR. MacDONALD: (Milestone) — No, just not their rights!

MR. THORSON: — All right, Mr. Speaker, the Member for Milestone I take it wants to punctuate it, that the position of the Saskatchewan Liberal Party and the position of the Federal Liberal Party is that these future additional revenues should come into a public treasury into the hands of governments and not into the hands of private oil producers. If that is correct, then clearly the only point at issue is whether or not these revenues come into the hands of the provincial government, where the production of the resource is going on or whether they come into the hands of the Federal Government. Now, Mr. Speaker, I don't know if the Saskatchewan Liberals are still in the same position as they were when they started in this debate, because it has been very hard for them to keep up with all the changes that are going on in Ottawa. But Ottawa, the Ottawa Liberals are now saying that the Federal Government should collect all the money, but the oil companies shouldn't, that the Federal Government should pay half of it back to the province and the other half the Federal Government should spend in the province where the revenue came from. Now, Mr. Speaker, if that is their position, that the money should come back to the province which made it available from the exploitation of the oil, then I submit again, Mr. Speaker, in the interests of preserving the rules of Confederation as we have always understood them, these revenues should come to the province, to the Provincial Government which has the first claim on them. We should be able to spend them according to our priorities within this province and not have the tax on the resource development in our province taken away to Ottawa where their views and their considerations take precedence over ours.

SOME HON. MEMBERS: — Hear, hear!

MR. THORSON: — Mr. Speaker, there were many points raised by the various speakers. No doubt in committee I will have an opportunity to deal with each one of them if they wish to raise them, there were so many, I really cannot in the interests of brevity in this debate deal with them all one by one. I do want to emphasize this: that nothing in the passage of this Bill changes the financial position of the oil producers in Saskatchewan from their present situation or from the situation that has existed since the Federal Government imposed the export tax on sales of crude oil going out of Canada and called for and made effective a voluntary freeze on the price of crude oil sold in Canada. I didn't hear any Members of the Liberal Opposition in Saskatchewan crying out against the actions of the Government which imposed an export tax and which imposed the price freeze on domestic sales, which in effect froze the revenues or the rate of revenues for all of the oil producers in Saskatchewan and in Alberta effective October 1st of this year.

It seems very strange, indeed, that now the freezing of those revenues for oil producers is, if I could take them

seriously in this House, going to result in such a severe slowdown in oil activity, present and in the future. Apparently that doesn't have that effect when the Federal Liberal Government poses the freeze but according to the Members of the Opposition in this House that only occurs if the Provincial Government appropriates those additional revenues into the Provincial Treasury.

I want also to make it clear, Mr. Speaker, that in Part IV of the Bill we are taking title not to individual land titles or not to titles owned by individuals but only titles presently registered in the name of companies and then only to the extent that the title covers producing oil and gas lands. Mr. Speaker, when we have done that to secure our legal position under the Constitution those companies will continue to have exactly the same rights to collect their royalties as they have today. They will still have the rights to collect the royalty according to the leases that apply to their title, they will continue to have that right so long as they wish to have it. Of course, the price at which it is sold insofar as the operator and the royalty owner is concerned is frozen at the 1973 price levels.

Now, Mr. Speaker, surely it isn't fitting for the Opposition to object to that because it is being done by the Provincial Government, but to support it if it is done by the Federal Government.

Let the people in the industry understand clearly where the Liberal Opposition stands on this matter. Mr. Speaker, I suspect that they would like to stand all over on this matter, they would like to say one thing to one group and another thing to another group. They would like to tell the consumers that they are opposed to excess profits in the oil industry, but when they are talking to the oil industry people, then they would like to say, isn't it terrible that those people in the Provincial Government of Saskatchewan are stepping in to freeze future price increases for the industry.

Mr. Speaker, about a year ago when the price rises for crude oil began their present upward trend, I said then that the increasing price for crude oil would attract a larger and larger interest on the part of the public and would almost certainly mean a larger measure of government intervention into the oil industry and that clearly is what has happened over the past year. It has happened in Ottawa, it has happened in Edmonton and it is happening in Regina, and properly so. As these crude oil prices go up and as all members of the public, whether they are consumers in a domestic sense, or farmers who need fuel for their operations or people in industry, everyone in the community in every sector of the community understands how important it is to maintain a low-cost policy for the energy we need in our economy. Everybody in every sector of the economy, in every community, properly expects the governments at Ottawa and in the provincial capitals not to stand idly by and see the people victimized by rising crude oil prices without taking some hand to protect them from those rising prices.

SOME HON. MEMBERS: — Hear, hear!

MR. THORSON: — That is what is going on and that is going to continue to go on. There is no point whatever in the Liberal Opposition trying to take different positions for different

people. Let them come forward honestly and fairly and indicate clearly to the people in the industry, as well as to the people who are only consumers of energy, that the Government has a responsibility to determine before the oil industry determines it, what the prices will be and has a responsibility to determine where our supplies will be used, at what rates and how we will preserve our long-term security of supply for energy and at what prices we will pay in the future.

Mr. Speaker, that's what all of this is about. Clearly the Provincial Government has some rights but it also has some responsibilities. It is under this Bill that we are determined to carry out our rights and our responsibilities at this particular time with respect to the oil industry within the province.

Mr. Speaker, some will argue that the price levels which we are permitting to prevail for the producers of oil in Saskatchewan are too high under this Bill. They argue and point out that it has been profitable to produce oil in Saskatchewan because the price of finding and producing a barrel of oil in Saskatchewan has never exceeded \$1.65, never got up to \$1.70 per barrel on basis of past costs and past activity. But the price for crude oil on the average was around the 1972 average and sometimes it was a little higher, but certainly was in the range of \$2.40 to \$2.50 per barrel on the average for many years. So if you can sell oil at \$2.44 a barrel and it is only costing \$1.60 to \$1.70 per barrel to produce it you must be making money and that was the position of the industry in 1972. Since then the prices have risen significantly and under our Bill we have allowed the oil companies to have the benefit of those price rises up to the average of the 1973 levels. So that if they were making money in 1972 they must be making more money in 1973. Perhaps the only real justification for not trying to roll back those prices is because of our distaste for retroactive legislation. Also because we recognize that costs are increasing and that historical costs of finding and producing oil will clearly not prevail in the future.

For those who argue that somehow this legislation will prevent people from taking part in an expansion of the oil industry, it must mean simply this: that people will not expand the oil industry in Saskatchewan unless they have before them the prospect of price increases beyond the present and average 1973 levels. In the Bill we are making provision so that those who are making money in the industry on expansion, exploration and development on research, on processing facilities in the province up to about 30 cents per barrel on the average — \$25 million in total at present rates of production — those who spend money in that way will be recognized by having an exemption from tax to that extent. If that requires \$25 million worth of expenditure on expanding the oil industry in Saskatchewan, that will be at least \$5 million. per year more than the industry has been spending in each of the last four years including 1973, when the expenditures on exploration have been on the average less than \$20 million per year.

In addition, we have said in the Bill that those companies who are carrying on exploration programs under an agreement entered into with the Minister, can exempt up to 50 per cent of those exploration costs from the tax that will be imposed by this new Bill. So surely, Mr. Speaker, no one can argue that there is no incentive in this Bill to explore because to argue

that, is to suggest that somehow or other the oil companies really are entitled to the excess profits that will arise from future price increases which have nothing to do with Canadian conditions. I repeat, again, as I said on the main motion that it strengthens the argument that if some of the people in the industry are bound to spend their exploration money elsewhere because of more favorable geology or favorable financial incentives, then it strengthens the argument for us keeping more of the money that is available from future price increases here in the province to use here in the province on expanding our reserves and expanding our oil industry within this province. To do it by way of incentives to the private sector and to do it ourselves with a Crown corporation like Saskoil.

Some say, well, it is too risky, you shouldn't do this. I just say, Mr. Speaker, in the past two years we have been entering into risky ventures of that type in the Saskatchewan Power Corporation in a very determined effort to try to make ourselves as independent as possible from price increases that will come if we are wholly dependent on the Trans-Canada Pipeline for our supplies of natural gas in the future. Our experience to date in these past two years of acquiring land and drilling lands and carrying on an exploration program for natural gas suggests that on the basis of the money we have spent we have found gas in place that is worth two or three times the amount of money we have spent. I think we can duplicate that kind of experience in Saskoil but more importantly with Saskoil, we will have at least one company, and I hope eventually a major company in Saskatchewan, which puts a high priority on exploration activities in Saskatchewan regardless of the geology or the financial situation in other places so far as the oil industry is concerned.

All of these things, Mr. Speaker, are advanced by the passage of this Bill. Now, finally, I want to emphasize again that in the approach to the development of an energy policy for Canada and Canadians including Saskatchewan citizens, this Government takes a co-operative approach and wants to participate with other provincial governments and with the Federal Government and with the industry in developing a policy on energy that serves us well as Canadians, assures us of a supply based on Canadian sources, assures us of reasonable and low prices for all Canadians in all parts of the country.

As a matter of fact, Mr. Speaker, we have certainly supported all of the suggestions that have been made over the past year for a National Energy Conference, in which the details of that could be worked out. Our Premier was at the conference of Premiers in Charlottetown in August, when all of the provinces in Canada called for such a conference. I was at the conference in Toronto on November 23rd, with all of the other provincial governments represented, meeting with the Federal Minister and, again, we supported the conference. It was not until after that, Mr. Speaker, that we finally got word from Ottawa that the Federal Government also agrees that there should be such a conference.

Now, Mr. Speaker, I frankly don't understand the position of the Liberal Party in Saskatchewan on this matter. What does it mean to say, as they say, that if we go to the conference taking a strong stand on the value of our natural resource of oil, that we are somehow being divisive, that we are somehow starting a chain of events which will lead to very

serious consequences for Saskatchewan. What are we to do at this conference? Are we to go there and say to the Federal Government and the other provinces, well, we have no idea of what our oil is worth, would you like to have it for nothing? Would that make us all better Canadians?

Surely, Mr. Speaker, not even the Liberal Opposition in Saskatchewan would urge the Government of Saskatchewan to take that position at a national conference on energy with respect to the value of Saskatchewan oil.

The oil that is being produced in Saskatchewan has a value. It can be measured in monetary terms on the basis of international prices or on the basis of prices that can and should prevail in Canada. We have never said that we must have the same price for our oil, sold in Canada, that is available on the international market. On the other hand, Mr. Speaker, if Canadians are going to pay foreigners the high international price, is it wrong for us to say that when you buy it from us at a lower price we would like to feel that that concession on our part is bringing a reciprocal benefit for the citizens of Saskatchewan also.

SOME HON. MEMBERS: — Hear, hear!

MR. THORSON: — I want to make it abundantly clear to this House and to the people of this province, to other provincial governments and to the Federal Government, that we have very strong views about the value of this natural resource. It is a limited and depleting resource. If we sell it, we have to recognize that some day we may be without it. We have to make sure that as we sell it we get the best possible value from that sale for our citizens in the short run and in the long run. And we intend to take that position at a national energy conference.

I repeat again, that we are prepared to make our contribution to a low-cost energy policy for all Canadians, based on Canadian conditions and Canadian costs.

SOME HON. MEMBERS: — Hear, hear!

MR. THORSON: — But that policy should recognize all of our conditions and all of our costs in western Canada. And, if we can make a contribution to a stronger economy in Canada, to a more united Canada, to the welfare of Canadians in other provinces, by supplying our oil at less than the international price, Mr. Speaker, I, for one, would support us doing that but I would not apologize and I do not apologize, for saying quite frankly to other Canadians and other provinces that in return for that our citizens should be better off on the basis of contributions which you and other provinces can make to our economy and to our provinces.

Mr. Speaker, I think that I have covered the issues which are central to the passage of this Bill. And for the reasons I set out, when I moved the motion to give it second reading, and for the reasons I have set out tonight, I urge the House to vote in favor of the motion to read Bill 42 for the second time.

SOME HON. MEMBERS: — Hear, hear!

Motion agreed to and Bill read a second time on the following Recorded Division:

YEAS — 36

Messieurs

Blakeney
Dyck
Meakes
Wood
Smishek
Romanow
Messer
Snyder
Kramer
Thibault
Larson
Kowalchuk

Baker
MacMurchy
Pepper
Michayluk
Byers
Thorson
Whelan
Carlson
Engel
Owens
Robbins
Tchorzewski

Cowley
Taylor
Faris
Cody
Gross
Feduniak
Comer
Lange
Hanson
Oliver
Feschuk
Kaeding

NAYS — 14

Messieurs

Steuart
Coupland
Boldt
Grant
MacDonald (Milestone)

McIsaac
Gardner
Weatherald
MacLeod
Lane

MacDonald (Moose Jaw)
Wiebe
Malone
Richards

The assembly adjourned at 9:30 o'clock p.m.