

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session - Seventeenth Legislature
62nd Day

Wednesday, May 1, 1974.

The Assembly met at 10:00 o'clock a.m.
On the Orders of the Day

ANNOUNCEMENTS

FLOOD COMPENSATION PROGRAM

HON. D.W. CODY (Minister of Co-operatives): — Mr. Speaker, before the Orders of the Day I wish to make an announcement on our Government policy on financial assistance to local government authorities and individuals who were victims during the past few weeks of the highest water levels in Saskatchewan's history. In some communities epic battles have been fought and won. Those efforts have prevented many millions of dollars in damage. But in fighting those battles, costs were incurred and municipalities, individuals, businesses and primary agricultural enterprises have suffered losses. To help compensate for those losses the Provincial Cabinet has approved a general policy worked out at constant meetings during the past week and week-end by a committee of provincial department officials.

The policy I will outline is designed to assist municipalities in meeting the costs they incurred and to provide compensation to individuals and small businessmen covering the essential costs of restoring their properties to pre-flood condition. I must stress that compensation will be at a level to restore properties to pre-flood condition, not at replacement value. Where replacement is required, compensation will be at actual cash value.

Where unusual flood damage has occurred, the Provincial Government is prepared to assume responsibility for the major portion of allowable costs faced by municipal authorities. However, the municipalities will be asked to bear a share of those costs, based on an amount equal to two mills on their assessments.

I want to say here, Mr. Speaker, that this is in no way any relationship to claims which will be made by individuals or small businesses. What I am saying is that for municipalities there will be a threshold before compensation begins, beyond that threshold the Provincial Government will compensate for the full balance of essential costs directly related to emergency flood measures and restoration of municipal property.

In the case of Lumsden for example, the direct costs to the municipality will be less than \$2,500, with the Province paying the balance of agreed costs. Moose Jaw will have to pick up about the first \$80,000. A special flood compensation agency to administer flood compensation is being established. The mechanics of how compensation applications are to be made are also still being worked out. I hope to make announcements on both very soon.

May 1, 1974

The basic concepts of the 1974 Flood Compensation Program are as follows:

1. Assistance to provide coverage of costs incurred in the immediate disaster period, including reconnaissance and containment of floods, implementation of plans to safeguard the health and welfare of citizens and security of victims and their property.
2. Post-disaster assistance to local government authorities for restoring community and government property to pre-disaster conditions.
3. Post-disaster assistance to private individuals to restore their dwellings, real and personal property to conditions similar to pre-disaster condition.
4. Post-disaster assistance to restore hospitals and charitable institutions.
5. Post-disaster assistance to restore small businesses. Farmers will be able to apply for compensation covering damages to their homes on the same basis as other flood victims.

Consideration is being given in the meantime to compensation of certain other types of losses by farmers.

Consideration is also being given to future means of dealing with areas where there is a high risk of flooding on a recurring basis.

For the purposes of compensation under the policy, I have outlined, small businesses will be defined as those which are owner managed. Other types of business may make special application for assistance with each case considered on its own merit.

The forms of compensation announced today are in addition to the flood victim dislocation grant program, I announced in the Legislature last week. Under that program a grant of \$7 per day is paid to anyone forced to leave home for more than 48 hours due to flood or the threat of flood. It was designed to partially compensate flood victims for basic living costs on an interim basis.

There are several exclusions involved in the new policy I have outlined to you today. For example, financial assistance will be limited to those costs directly associated with the flood and its immediate effects. The provincial compensation will not cover costs already recoverable through insurance or other recourse by the courts.

Also excluded will be:

1. The costs of projects designed to reduce the chance of a recurrence of the disaster or to assist the post-disaster economy of an area or community.

In this regard, Mr. Speaker, I can tell you that we as a Government are certainly trying to deal with the Federal Government with regard to having some of the implementations and the recommendations of the Qu'Appelle Basin Study implemented.

2. Losses to large businesses and industry.
3. Losses to Crown Corporations.
4. Costs which could normally be recovered in whole or in part through some other government program.
5. Normal operating expenses such as maintenance.
6. Costs not considered essential to restoration of a home, livelihood or essential community services. Such non-essential items would include summer cottages, boat houses and docks, pleasure boats and trailers, recreational vehicles and equipment, flowers, shrubs, trees, jewellery, art work, furs, etc.

Eligibility will also be limited to damage in areas designated by the municipality and approved by the province.

The 1974 Flood Policy was drawn up in consultation with Federal Government officials. We are confident that in subsequent negotiations with the Federal Government it will be prepared to reimburse Saskatchewan for a substantial share of its costs.

I wish to announce in conclusion that provision is being made for partial advances against claims. Such a partial advance could be allowed after registration of a claim and preliminary assessment of damage.

Mr. Speaker, we think that it is a good program and one which should adequately look after individuals, small businessmen and municipalities.

SOME HON. MEMBERS: — Hear, hear!

MR. J.G. LANE (Lumsden): — We were extremely disappointed to learn that the Minister stated that the policy was drawn up by the Provincial Government officials who were meeting over the week-end. Representations were made to the Minister and the Government opposite that municipal officials be involved in the determination of the program. I am sure the Ministers have already received some criticism by municipal representatives as to, for example, the per capita grant which they feel does not necessarily solve many of the problems that have arisen.

We note that many parts of the program are certainly welcome. I am especially pleased that the Government has now given the assurance that the costs of flooding will only cost the town of Lumsden \$2,500. Because the costs of clean-up, the costs of repairing the dykes and the costs of building and maintaining the dykes of course is astronomical. I am extremely pleased as representative of Lumsden to know that that will be the limit that the town will be responsible for.

We note some other concerns that municipal officials raised with the Government that seemingly were not considered. There is the matter of business disruption and loss of income for people who fought the floods, this applies again across the province.

May 1, 1974

We are concerned too and perhaps not hearing what the Minister said, there was a great body of information that came out this morning, we should like to know what the Government's position is on financial assistance to farmers who have had large areas of crop lands flooded, crop lands that would be seeded in normal years and will not be able to produce a crop this year. Not only does this apply to grain farmers, it will also apply to the market gardeners, many whom will not be able to produce a crop this year.

We would hope that the Minister would consider these matters that were raised by municipal organizations to the Minister himself. We have urged and we urged last week and we urge again that any changes in the policy, any future policy be done in consultation with the municipal officials who are more in tune with what the problems are in their localities and not provincial department officials. I think the Government made a serious error in ignoring municipal governments who have some good ideas, some practical ideas and I would hope that there be less priority given to departmental officials, and more to the municipal officials who are directly concerned.

MR. CODY: — Mr. Speaker, I think I should answer a couple of the questions which the Member raised.

MR. SPEAKER: — We are not debating the statement.

QUESTIONS

NOTES FOUND IN HALLWAY RE THE NORTH

MR. D.G. STEUART (Leader of the Opposition): — Mr. Speaker, I should like to direct a question to the Minister of Industry (Mr. Thorson) or the Premier, I don't know for sure whom I should direct the question to, but maybe it will become apparent when I outline it. Being a rather neat and tidy chap I noticed out in the hallway this little piece of paper, some notes, and it may be very valuable to one of the Ministers if he would like to claim it. When I read it I would like to know which Minister it belongs to. I can return it because I think it is some very important notes for them and then maybe you could give the explanation to us of exactly what it means.

Anyway, the note, this one is dated April 26th and it's got:

Aspen Pulp Line, larger share of equity, public information program, tougher line on environmental issues — careful to preserve wood requirements for the native people.

Another one is April 29th, 1974 and it's got:

Options — Government owned — KFL (I presume that's K.F. Landegger) to manage market. Change in percentages for sawmill and pulp mill. Integrated complex probably up to 49 per cent. Meadow Lake sawmill could be useful to SFP (I suppose that is Saskatchewan Forest Products).

Then there is a little bracket that's got "Bingham". I presume that is one of your planners. Then its got another interesting one, "Kalmakoff demurs". Well what he does, he doesn't agree anyway. Then its got:

Principle okay, the price will be tough.

Better believe it will be tough if you try to get an extra 19 per cent. Then its got down here something rather interesting.

P & W have given notes which can be called if KFL is not in control 5 1/2 per cent.

Of course that comes from the old contract when we borrowed the money.

Now I will gladly hand this over to whoever it belongs to, if he is ready to claim it.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — Will you send this to the Attorney General? I am sure these are very important notes. From what I can gather this Government is going to negotiate with KFL, Mr. Landegger, to get 49 per cent of a complex sawmill, aspen line pulp mill at Prince Albert. I hope they can convince Mr. Kalmakoff and Bingham seems to be on side. I wonder then if the Attorney General since he has claimed this if he would get up and finally admit that they are negotiating with Mr. Landegger for an aspen line, for a sawmill at Prince Albert? I wonder if they would admit this now, since especially today we've got the white spruce people here trying to get a fair deal so they can stay in the bush and make a living and since this is May Day, you know the peoples' day in all the other socialist countries in the word. I would think in celebration of May Day that that social government would announce that the native brotherhood are down here trying to get a fair deal from the Minister, whom I presume they are meeting with today, and would be given a fair day so that we could all celebrate May Day in a very honest and open manner.

HON. A.E. BLAKENEY (Premier): — Mr. Speaker, I feel very ill qualified to comment on this. I feel that the Member for Athabasca (Mr. Guy) should be the one for commenting because he has a long history in the House of dealing with matters which are retrieved from waste baskets . . .

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — . . . and this apparently is yet another bit of material that has been retrieved from somebody's waste basket. And I can assure Hon. Members that this does not represent a statement of Government policy. When there is additional Government policy to announce about this or when the Opposition wishes to know about this matter, I would suggest that they obtain their information from the Government and not from the waste baskets or the corners where they are apparently extracting this material as a basis for comments and doubtless for supplementary questions.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — All right, I will have a supplementary question. Since the Premier has offered to tell the truth and reveal the situation, would the Premier now stand up and tell this House of the negotiations that are going on between his Government or any of its agencies, Mr. Kalmakoff, Bingham, etc., and all the other high priced help he has, and KFL (Mr. Landegger) and Parsons and Whittemore, and Domtar? In other words do you want to get up now and admit the truth about the negotiations you are carrying on with everybody from all over the nation and outside the nation for the wood and the timber rights of northern Saskatchewan while the people are here meeting with your Minister trying to get fair rights for native Saskatchewan people? Maybe you would like to clear the air and we will give you the opportunity now.

MR. BLAKENEY: — Mr. Speaker, I think it is pretty obvious that it is a little bit difficult to respond to a question of whether or not we are negotiating with everybody in the country, or was that the phrase? And the answer is, no, we are not negotiating with everybody in the country. It will be known I think that there have been discussions between persons in the Government and persons in the Landegger organization. There is nothing hidden about that, there is certainly nothing to announce and nothing that approaches the position of finalized negotiations. The discussions have concerned poplar and not spruce and therefore anything that is said does not in any way affect the White Spruce Producers Association or anything of that nature. I am not aware of any negotiations with respect to Domtar. Maybe Members opposite may be able to provide me with additional material . . .

SOME HON. MEMBERS: — Hear, hear!

MR. BLAKENEY: — . . . based upon their material that they apparently have access to. But I am unaware of any negotiations along that line and when there is something further to announce to the House there will be an announcement in due course.

PEOPLES' WOOD PRODUCERS BOARD

MR. J.G. RICHARDS (Saskatoon University): — Mr. Speaker, I should like to address a question to the Premier. I understand that the representatives of the Peoples' Wood Producers Board and of the White Spruce Lumbermen's Association met with the Minister of Natural Resources yesterday afternoon. Members of that organization are down in my office at the moment awaiting word as to when the next meetings will occur. Can the Premier state whether there has been progress with these meetings? Obviously there are negotiations still in process. Can the Premier say what is the general line of the Government's argument and what he hopes will be a reasonable outcome, and whether these people will be getting their cutting rights and other demands that are involved and when will the next meeting be, could I assume it will be later during the course of the day today?

MR. BLAKENEY: — Mr. Speaker, I am not fully informed of the result of the meetings but I have some knowledge of them. I understand

there was a meeting yesterday afternoon and another meeting that evening and I believe there is another meeting this morning at 10:15, although of that I am not sure. It is my understanding that the discussions have ranged over a fair number of subjects. Certainly one of the issues is whether or not the current Government policy of not issuing permits to hardly anybody is to be continued. It will be known that our Government has objected to the alienation of the forests on a permit or geographic basis to Simpson Timer and to MacMillan Bloedel and to Parsons and Whittemore and that we have attempted to convert all cutting rights into either volume cutting rights or alternatively rights to cut pursuant to arrangements with the Saskatchewan Forest Products Corporation. We believe that the type of individual permit of the 21 B variety which grew up in the last several years is basically an undesirable development, if proliferated, and it will be known to Members on both sides of the House that we have indicated to current 21 B holders that these permits will not be renewed. We are of the view that cutting rights means the right to ready and free access to timber pursuant to arrangements with the Saskatchewan Forest Products Corporation and it is our view that such arrangements can be worked out, and we are more than willing to work them out with native co-ops in the North. There are, I am advised, fairly active cutting programs being carried on by two or three native co-ops, one at Beauval, one at Green Lake and the Etomami co-op at Reserve, I believe, are in the woods. I'm not sure the extent to which the Nisbet one has been cutting this winter, but I think some wood has been cut, and we are pleased with this. We should like to see additional cutting and we do not think that all of the impediments to additional cutting are cutting rights. We think that, for example, in some areas there could have been substantially more cut with existing rights, and, therefore, we are not aware that the limitations are all in cutting rights.

But whatever they may be, we are prepared to examine the limitations because our desire is to first free the forest from specific alienation in specific geographic areas — and you have heard all the arguments for that; secondly, to encourage just as much actual cutting by native people as is possible. We are pleased to see that it is very extensive in some areas and we should like to see it more extensive in other areas. As will be known, we have offered to finance on a continuing basis, a central co-op formed by native wood cutting co-ops, based upon a formula based upon the wood production. This offer stands and we are hopeful that this will mature in the near future.

MR. RICHARDS: — A supplementary, Mr. Speaker. One of the bones of contention, and this is a difficult and excruciating problem, has been the mistrust into which Saskatchewan Forest Products has fallen among many people in the North. It is good in principle to have public involvement and not to alienate the rights of the forests. On the other hand there exists mistrust as to whether the Saskatchewan Forest Products is in effect acting as a marketing board trying to maximize returns to local people, or whether it, in effect, acts as a profit maximizing corporation.

Has the Premier any comments upon how he might see a resolution of that particular aspect of mistrust of Saskatchewan Forest Products?

MR. BLAKENEY: — Well I think, shortly put, that the Member for Saskatoon University (Mr. Richards) raises a pretty fundamental point, and that is that if there is a white spruce stand which can be harvested for, let us say, \$100 per thousand, and which can yield to someone a profit of \$20 or \$25 per thousand, this year, not necessarily next year or last year, but with this a given lumber market, whether that profit belongs in whole or in part to any particular permit holder. This is the nub of the problem, we have said we don't think that the profit from the extraction of white spruce belongs to Parsons and Whittemore and/or Simpson Timber. We try to handle that with respect to dues admittedly, but we also try to handle it with respect to having Saskatchewan Forest Products be there and we are simply not prepared to concede that holders of 21 B permits, white or native, should have the full benefit of the current high lumber prices and that no profit should accrue to the other citizens of Saskatchewan. We are perfectly prepared to negotiate on the split. But if the proposition is that a permit holder should be able to get a permit and pay what are relatively minimum dues at the moment and have all of the rest to himself, then we are not prepared to concede that proposition at this time. We are certainly prepared to say that with respect to native co-ops there is a case for either having a contract price or some other arrangement which yields to them a higher price than an ordinary contractor, at least at the outset, but we are not prepared to concede that the forest should be alienated to any particular permit holder in a manner so that the Crown's total return is only in the stumpage and all the return goes to the permit holder, whether he be white or native.

MR. A.R. GUY (Athabasca): — Mr. Speaker, I should like to direct a question to the Premier on the same subject.

After listening to him, I'm not sure that the Premier is really aware of the problem. There are two problems here I think, because there are two groups of people involved. There are the white spruce producers who used to have cutting rights when we were the government, and have now been sort of kicked out and any dealings that they have to go through are with the Saskatchewan Forest Products, and they are not getting a fair price. They are not getting the market price for their products, in fact they are getting a very low price. The second group is the people's wood cutting co-op and their problem is that they come in here — and I don't know whether the Premier is aware of it or not — and I hope you are, but they come here and they talk to your Ministers and they get one story and then they go back home and they try to proceed along the lines which they have been told would happen down here and they back home and it doesn't happen. I hope that you will tell your Ministers to be open and honest with them and if the authorities don't want to give them certain rights and privileges, then don't tell them here and send them home just to get rid of them, and then not carry through the commitments that have been made. I understand that this is part of the problem.

MR. BLAKENEY: — Well, Mr. Speaker, I think I'm familiar with the fact that this is a two-headed problem and I take the position that the situation of the 21 B permit holders is different from that of the native co-ops, and we have certainly said different things to those two groups.

With respect to the second point you make that there are representations made by the Department of Natural Resources, or the Department of Tourism and Renewable Resources, or the Department of Northern Saskatchewan, or some other Government agency here in Regina, which doesn't happen in the field, I am not aware of this but I will be pleased to have the Hon. Member or the representatives of the Wood Producers Board indicate what representations they were given here in Regina, and by whom, and which were not adhered to in the field.

SECOND READINGS

HON. E. KRAMER (Minister of Highways) moved second reading of Bill No. 106 - **An Act to amend The Highways Act.**

He said: Mr. Speaker, Bill 106 does two or three things. First of all it increases our advance account by a nominal amount of \$2 million, which I think in retrospect should probably have been a bit higher. Secondly, smaller items, we are trying to facilitate the permission or granting of permits at weigh scales, and competent people at weigh scales who can assess whether or not a permit shall be given. Quite often people come through at night, they have to try to phone long distance to get permits and we can, with responsible people at weigh scales, probably facilitate these.

There are two or three other things where holes are being plugged with regard to weight restrictions and so on. We are going to be allowed to give assistance to airports and urban transit. The questions that normally will be asked, I believe, will be when we go into Committee. I am pleased now to move second reading.

MR. J.G. LANE (Lumsden): — Just a comment, Mr. Minister, you say that you wanted to give the weigh scale operators the power to grant permits. The Act and the proposed amendments go considerably further than that and allow any person designated by the Minister and it is considerably broader than you have stated. Certainly you could restrict it to certain people, and if it is the Government's intention to allow a large number of people and a raft of people to issue permits, I wish the Minister would make it clear.

Motion agreed to and Bill read a second time.

HON. W.A. ROBBINS (Minister of Finance) moved second reading of Bill No. 124 — **An Act to amend The Superannuation (Supplementary Provisions) Act.**

He said: Mr. Speaker, this particular Bill deals with The Superannuation (Supplementary Provisions) Act, which covers five Acts - The Saskatchewan Power Corporation Superannuation Act; The Sask Tel Superannuation Act; Public Service Superannuation Act; Liquor Board Superannuation Act; and The Workmen's Compensation Superannuation Act.

I want to preface my remarks with a general statement with relation to pensions. I think the House is generally familiar with my stance on pensions. I contend that pensions should be matched in terms of contributions, that those contributions plus the time and earning factors should provide the pension for

May 1, 1974

the individual, and they should be vested and locked-in for that person and no one else regardless of his service so that when that person does reach pensionable age he or she will have a pension for that period of employment. I am completely convinced that until we do that we will never solve the pension problem.

I admit, quite readily, Mr. Speaker, that the amendments to The Superannuation (Supplementary Provisions) Act which are now before the House in this Bill, are in reality ad hoc amendments. In one respect one of the amendments is simply correcting an inequity within an inequity, if I might put it that way. The amendment contained in Section 5 of the Bill corrects an inequity which has arisen in the superannuation plans. In essence it enables employees who have left the service and elected to take a deferred pension to retire at age 60 on the same basis as superannuates retiring directly from the service.

I think Members are familiar with the fact that an individual who has attained 30 years of age and who had ten years service, and leaves the Public Service, or any of the four other governmental agencies or Crown corporations covered by this particular Act, has had the right to elect to take a deferred pension payable at 65. The age at which a former employee with a deferred pension may retire is now being reduced in this Bill from 65 to 60. If he has 15 years service, but less than 20, there will be an actuarially calculated reduction in his pension of three per cent for each year under 20 years, and that's in line with the situation with respect to the people who retire directly out of the service. If he has 20 years service there will be no reduction.

The second section, section 7E will provide supplementary allowances for superannuates, their widows and/or children and it represents, admittedly, an ad hoc adjustment pending completion of the actuarial study related to the Fyles Report which should be completed within the next three months. While an escalator type adjustment tied perhaps to the rise in the consumer price index is contemplated, and recommended, for the five similar pension plans in this Report, the question of the possibility of some increases in the employees' contributions must also be considered, similar to that which has occurred in The Teacher's Superannuation Plan. Currently an actuarial study is being carried out in relation to this is an attempt to find out what additional sums may be required in contributions to meet this need. This is the basic reason for the type of adjustment proposed in this amendment at this time.

I trust, Mr. Speaker, this gives the House sufficient information with respect to the two amendments in the Bill. Mr. Speaker, I should like to move second reading of the Bill.

MR. J.C. McISAAC (Wilkie): — Mr. Speaker, just a brief comment. I would support the measures the Minister has put before us and there are essentially two basic moves that he is making — one to make available, as he pointed out, to those people who have now left the government service, the same options with respect to a deferred pension that they would have had had they remained in the employ of the government. And there's nothing wrong with that move or that measure — it's a good one.

The other amendment in section 3, which will boost pensions to some extent until such time as an actuarial study comes up with more accurate figures, is a good move. I think we can certainly support these two moves.

I might say, in the Minister's opening remarks, he went on to point out some of the desirable factors he likes to see included in pension plans, and I don't really quarrel with those, but I do quarrel with one implication of those remarks, Mr. Minister, that if a fund is vested and set up and the government's share put in and the individual share, that will resolve any future pension problems. It will help, but it isn't going to resolve the biggest problem now, of course, with respect to any pension be it old age pension, or pension for civil servants, or whoever you may be, and that's the problem of inflation. That's been a problem with pension plans — and a real problem — with pensions generally. While the move suggested by the Minister would help alleviate the influence of inflation, the erosion of inflation, I think it is pretty obvious that it won't solve all of the problems.

MR. ROBBINS: — I should just like to make one comment with respect to the remarks of the Hon. Member for Wilkie.

I agree inflation is a tremendous problem for pensions and pensions will not solve that problem, they can only ameliorate it. We could solve the problem to some degree, and obviously the solution isn't immediate, it's down the road 25 years away, and that's why people, perhaps are loath to face it. If you have vested and locked in that money it would not be a factor in flowing back in the form of refunds paid to people who terminate their employment. This money goes back into the spending stream, which is obviously a factor in relation to the inflationary trend.

Motion agreed to and Bill read a second time.

HON. E.L. COWLEY (Minister of Mineral Resources) moved second reading of Bill No. 127 — **An Act to amend The Mineral Resources Act.**

He said: Mr. Speaker, before moving second reading of this Bill to amend The Mineral Resources Act, I want to say a few words in explanation and in support of the changes contained in this Bill.

Mr. Speaker, this Bill is complementary to Bill No. 128, which I intend to speak on in more detail. Bill No. 128 will amend The Oil and Gas Conservation Stabilization and Development Act, 1973. Essentially what is proposed in this particular Bill is that the provisions in Bill 42, with respect to the royalty surcharge, are now being formally placed in The Mineral Resources Act. There is no change in policy.

Members will note that the well-head prices contained in the schedule for heavy oil will be moved up by 25 cents effective the 1st of June.

I want to point out to Members that, to date since January 1, 1974, this has been effected by having the international well-head price for this type of oil set 25 cents lower.

May 1, 1974

Consequently there is no change in policy contained in this particular move.

Mr. Speaker, I move second reading of Bill No. 127 — An Act to amend The Mineral Resources Act.

Motion agreed to and Bill read a second time.

MR. E. COWLEY (Minister of Mineral Resources) moved second reading of Bill No. 128 — **An Act to amend The Oil and Gas Conservation Stabilization and Development Act, 1973.**

He said: Mr. Speaker, before dealing with the specific amendments to The Oil and Gas Conservation Stabilization and Development Act, I wish to make a few comments.

The intent of the legislation, I wish to point out to the House, Mr. Speaker, has not been changed. It remains our resolve to obtain for the owners of our resources, the people of Saskatchewan, a fair return from that depleting resource.

Members of the House will be aware that after a great deal of consultation with industry both through their organizations and through meetings with individual companies, we have set out in regulation form the drilling and price incentives for the industry in terms of new oil, enhanced recovery and the production from marginal wells.

Mr. Speaker, we have attempted to make clear to the industry what the rules of the game, if you like, will be, down the road, with respect to this valuable depleting natural resource in this province. Mr. Speaker, we have recognized the increased costs that will be incurred by the industry, or anyone else for that matter, in finding new oil, but we have at the same time continued a policy of attempting to obtain for the people of Saskatchewan a fair return on that new oil and at the same time providing a reasonable rate of return to those who search for that new oil commensurate with the risks involved in these particular types of operations.

Turning now to the amendments, Mr. Speaker, section 4 provides for the tax to be levied on the price the producer actually receives for his oil and under special circumstances, where the oil is sold for less than the fair value, perhaps to avoid the tax, section 4(a) gives the Minister the right to assess the tax on the basis of what the producer should have received for his oil in the period under consideration. I suspect, Mr. Speaker, that this provision will not likely be necessary. The name of the fund into which the revenues are to be deposited has been changed to the Energy and Resource Development Fund. One of the reasons for that, Mr. Speaker, is that it is somewhat easier to remember, but also because the use of the funds has been broadened to include all energy and mineral resource development projects.

This change is based upon the clear recognition that our oil and gas reserves are a limited and depleting resource and that new reserves and alternative sources of energy must be found if we are to maintain constant sources of energy and bring some great degree of stability to our mineral resource industry in the years to come.

The expansion of the use of these funds for development purposes is in line with our arrangement with the Federal Government whereby moneys accruing to the fund will not be considered for equalization purposes, it will not lower our provincial revenues on that account.

Schedules II and III to the original Act have been changed to increase the basic and premium well-head prices for heavy crudes by 25 cents a barrel, similar to the manner that they are in The Mineral Resources Act. This change gives recognition, as we have given since the introduction of the Bill, to the relatively higher cost of producing heavy crude and consequent lower rates of return on such oil.

The majority of the amendments are for the purpose of clarification. This is the purpose for expanding the definitions contained in the original Bill. This comment would also apply to the amendments to sections 5, 7, 10, 13, 16, 20, 26, 28, 31, 33 and 34. The Mineral Resources Act and the regulations I have already mentioned have been amended so as to be compatible with the amendments to The Oil and Gas Conservation Stabilization and Development Act.

Therefore, Mr. Speaker, I move second reading of a Bill to amend The Oil and Gas Conservation Stabilization and Development Act, 1973.

MR. D.G. STEUART (Leader of the Opposition): — Mr. Speaker, I didn't speak on the other Bill because these two Bills, and the other one coming up are all part of the continuing package for the Government's policy to eventually confiscate all the oil rights and be involved in the development of sources of energy through the actions of the Government. So I will make some comments on this particular Bill at this time.

To begin with the Minister attempts to downplay these two Bills, especially this Bill, saying that there are just some changes to sort of bring it into line. But he knows better than that. There are some significant changes in this Bill. This Bill will now cover other forms of energy, give them the power to uncover other forms of energy as I read it. Including such forms of energy as coal and uranium.

Again it is part of the package to give the Government total control in these fields. I find it rather ironical that the Minister says this is aimed — the whole purpose of Bill 42 and these other Bills — at giving the full return or better return to the people for this diminishing resource. Of course the resource is diminishing and it is diminishing a great deal faster under the NDP than it has at any other time in our history and will continue to because we are just driving the people out who would help us develop and find energy resources.

I should like the Minister — and he has been down there and he knows the answer — to ask the working people in Estevan, Swift Current and in Weyburn, the working people, the small businessmen, the Saskatchewan based people who have been driven out of business who have been forced out of business who are now unemployed, whether in fact this action by the Government is bringing back the greatest return from this resource to the people of Saskatchewan.

May 1, 1974

He talks about consultation. If you had talked to anybody in the industry, I am not talking about the big people again, but if you talked to them, the total oil industry, both large and small, they will tell you that consultation with the present Government is a poor joke. What happens is they are called in and they are given pronouncements. Just as the potash industry was called in Monday and they flew in from all over Canada and the United States, they were called in and they were given pronouncements, they said this is what we are going to do to you. Then the next day these Bills are brought in and of course as will be seen later, they are setting the stage to do exactly to the potash industry what they are doing now to the oil industry. They can do this same thing now to the coal industry and to the uranium industry as soon as they see fit.

The so-called incentives that are imbedded in this legislation or have been announced are too little and too late. We are not competitive with Alberta, with a result that the oil industry is not going to stay here and of course Saskoil has so far produced nothing but one or two jobs for some of the friends of the Government opposite.

The other thing in this Bill that is new — there are several new things in this Bill — but another thing that is new is the additional power it gives to the Minister. That is in section 4(a). That is where the Minister is satisfied that the oil income which is subject to taxation under section 4 has been disposed of in any month at less than the well-head price, the same grade, he shall determine the well-head value of the oil to put the tax on it.

He makes it sound very simple. He says if they sell the oil cheaper in an attempt to avoid paying the tax he can decide if that wasn't the proper price and he will charge them the tax on what he thinks is the proper price. There may be other situations. This gives the Minister the power not only to set the price, he has that now, but also to say if someone has to sell in a distress situation or to say at any time, I don't think that price was high enough, I am going to charge you tax on a higher price. Again, more power to one individual, one more power over this industry handed over to the Minister. One more reason why these people won't stay here, why we won't get those back who have already left.

The other reason for this Bill is the lawsuit they face. What they are doing here is hedging their bet. They obviously don't appear to be sure that they will win the lawsuit, they don't appear to have any confidence in their case and I don't think I blame them. So what they are saying is, in case we lose this court case, then, they still can't throw the whole Bill out. I said this last night when I was interviewed. The Minister said, well you can call it that if you want. Of course that is exactly what it is. You just have to read it to see.

I don't know what else is in here because this Bill was handed to us and we just saw it yesterday. The more we read it the more little hooks and barbs we find in this Bill, the more power we find that it gives to the Government. I want more time, Mr. Speaker, to study this Bill with our people, to study what effect it is going to have, not just on the oil industry but on other industries developing sources of energy in this province, so I beg leave to adjourn the debate. But before I ask that, I

say again, that this is part of the package for the confiscation of the oil industry and for the total control of the oil industry. It is just one more step that is going to hurt the ordinary people of this province who are engaged in this industry. It is going to hurt all the people in the province because we are driving out the only people up to this point in history who found any oil, who developed any oil and it seems to me the height of stupidity to drive these people out when we have all the power to control them as we are doing now. All we have to do is give them a reasonable deal, the same deal they will be given in Alberta, for example, I think they would stay here and then if Saskoil gets off the ground and succeeds in finding any oil you have got one more group in the search for oil and the search for energy. The action of this Government drives out the people who have proven their worth to this province and turns it over to Saskoil, unproven not even off the ground yet. I beg leave to adjourn the debate.

Debate adjourned.

MR. COWLEY (Minister of Mineral Resources) moved second reading of Bill No. 129 — **An Act to amend The Mineral Taxation Act.**

He said: Mr. Speaker, in rising to move second reading of an Act to amend The Mineral Taxation Act, I also wish to make a few comments in explaining the provisions which are contained in this particular Bill.

There are essentially four parts to the amendments. The first part in the Bill deals with the exemption which is provided at this time from the mineral acreage tax for coal rights. This particular exemption is a carry over from a time prior to the exemption of freehold owners who had less than 3,200 acres. Consequently this change will have little or no effect or impact on small coal right holders in the province of freehold land. Also it will have no effect on anyone who holds the mineral rights to coal in conjunction with the mineral rights to any other mineral because they would already be covered by this. As I say, this was a carry over from the time before the 3,200 acre exemption and essentially it is tidying up and cleaning up the Act at this particular time.

The second part of the Bill, new subsection 6 of section 3, is to bring land held in trust for an individual into the same position as land held directly by an individual for purposes of the mineral acreage tax. This subsection grants an exemption of mineral acreage tax to beneficial owners of minerals under a trust agreement with a trust company similar with the present exemptions to individuals who own 3,200 acres or less of minerals in fee simple. Determining the exempted acreage both minerals owned in fee simple and owned beneficially under a trust are totaled.

Mr. Speaker, the third part of this Bill deals with mineral rights transfers and is an attempt to provide a safeguard against the transfer of mineral rights for the purpose of avoiding the mineral acreage tax. There are exemptions provided in the Bill for transfers to surface holders, for example, if a clear transfer is made to a surface holder this is exempted by the provisions of the Bill. Also other exemptions can be made in the event that there are some particular problems with this very complex area of legislation in order to protect the

May 1, 1974

taxing power of the province. The Lieutenant-Governor-in-Council has the right to make further exemptions in the event that the terms of this particular section are too restrictive.

As I say there is a clear exemption in there for transfer to the surface rights owners and there undoubtedly will have to be some adjustments in consultation with people who propose transfers in the regulations in order to allow certain other sections.

Mr. Speaker, the fourth and probably the most important section of the Bill, deals with the right to levy a tax on the potash industry.

Mr. Speaker, over the past year we have seen a most dramatic increase in the price of potash, and in the demand for Saskatchewan potash. Current forecasts are for a continuation of this trend in the next few years. The earnings of the industry have and we believe will continue to increase dramatically. Under this circumstance we do not feel that it is unreasonable for the owners of this resource, the people of the province, to ask for a reasonable share of the increased earnings.

Section 25(a) is essentially enabling legislation. It will enable the Government to increase the levy on the potash producers and to obtain for the people of the province an increased portion of the gains realized as a result in the upsurge in the price and demand.

Mr. Speaker, in 1971, during the provincial election campaign, we made a commitment to the people of this province to obtain a greater share of resource revenues for the people of the province. This is a step, Mr. Speaker, in that direction. The new levy will be a property tax or a reserve tax based on the value of reserves and the refining plant. The precise form which the levy will take is currently being discussed with the industry.

Mr. Speaker, I noted the comments the Leader of the Opposition made with respect to the meetings with the potash industry. We have met with them and we have presented them with some proposals. We propose to wait and to meet with them again before making any definite decisions with respect to the precise terms that the taxes will take. Mr. Speaker, it is our desire to arrive at a formula which will provide a fair rate of return to the industry commensurate with the risk which they have taken during the last few years, while at the same time obtaining for the people of this province a fairer return for the exploitation of this particular valuable resource.

Mr. Speaker, we shall attempt to frame the formula in such a manner as to encourage the expansion of the Saskatchewan industry and to encourage increased access for Saskatchewan potash into the world market. I do not need to remind the Members that this is a period of infancy, I suppose you could say, for the potash industry in Saskatchewan relative to potash industries around the world. It is incumbent upon any government to design its potash policies in such a way as to promote the interest of Saskatchewan potash and the whole industry, not only at this time, but into the future. And, therefore, we must keep an eye not only to the return in terms of dollars to the people of the province, but also an eye to the return in

terms of markets captured for the future for the people of this province.

Mr. Speaker, I think this legislation is a step in the right direction. It will obtain for the people of this province a greater share of the potash revenues, which are much higher than they were in the past, because as I have mentioned of increased markets and because of increased prices. Therefore, Mr. Speaker, I take pleasure in moving Bill No. 129.

SOME HON. MEMBERS: — Hear, hear!

MR. D.G. STEUART (Leader of the Opposition): — Mr. Speaker, we have seen a lot of bad Bills, we have seen a lot of arrogant power grabs by the NDP Government opposite, but this Bill without a doubt, will go farther in setting a new policy and do more harm to future investment in the Province of Saskatchewan when its contents become known and studied by potential investors, both in this province, in this nation, and outside this nation, than any other Bill, even Bill No. 42.

What does this say? Well, to begin with let's just deal with what it does to the farmers and the interference in the normal freedom of enterprise. Freedom of enterprise is one freedom; we have freedom of speech — at least we still have in this country; we have freedom of the press — we still have in this country but I don't know how long it will last if those people opposite stay. We have some freedom of enterprise that means, for the edification of the Members opposite, it means the right of people to deal with each other; to hold contracts; to buy and sell.

Of course, there are limitations on all our freedoms including freedom of speech, including freedom of religion, including freedom of the press. There are some limitations and there must be and should be limitations on our freedom of enterprise.

Let's take a look at what these people opposite are doing to that particular freedom and let me point out for some of the Members who so blithely mouth some of these cliches that are spouted over there about big business, or rip-offs, or profiteering that what happens when you lose one of these freedoms, the freedom for people to deal openly and honestly with each other. When you lose that freedom then all your other freedoms stand in jeopardy. Let's see what this is doing.

This Government placed a 50 cent an acre mineral tax on all land held by anyone over 3,200 acres. This tax is, in effect, confiscation. There are a great many mineral rights, some of them were handed to the CPR, years and years ago even before this province was formed. Some of them were handed to the Hudson's Bay Company; some of them purchased by large and small corporations and companies since that time. Whether the Government of the day should have given the CPR mineral rights or whether they should have given the Hudson's Bay mineral rights, that can be debated from now until doomsday, but the corporations and companies, large and small, came into this province and they purchased mineral rights. And, again, some of them hoodwinked the farmers, some of them bamboozled the

May 1, 1974

farmers, some of them talked the farmers out of their rights. That also is a fact. Others paid for the mineral rights the proper way and the farmers were extremely pleased to sell to them and have received revenue since then.

However, we arrived at that situation and that is where we are. This Government decided to put a tax that is literally confiscation on them. So some of the companies decided that what they would do, rather than continue to pay this 50 cent tax on all the mineral rights they hold, they would give back to the farmers, who own the land, the mineral rights and at the same time make an agreement with them for 20 or 21 years that if minerals were found on their land, farmers would get 12 1/2 per cent and they would get 87 1/2 per cent. Let's look at the situation.

The farmers today don't own the mineral rights. If oil is found on a farm all that the farmer will get is a small payment for the disturbance, not even enough to pay for the trouble and the nuisance that he has to put up with. That is all that he will get, that is all he will get today and that is all that he will get in the future.

Had the companies been allowed to give him back the mineral rights and make a contract in exchange for 20 or 21 years or 15 years or whatever, had any minerals been found or no minerals had been found, neither would be any better off except that the company would still hold those and the farmer would have an opportunity some day, if there were minerals found, of reaping a very great reward.

The Government moved in and said, no, we are not going to do that. We are not going to allow the companies to give back the mineral rights, if they make any other agreement, any other deal, oral or written, at the same time. So what the companies will probably do is this — they will high grade the property. They will decide which of the property they think has some value and they will continue probably to pay the 50 cents and hold onto it. Other property they will let it go, they will let the mineral rights go back to the Crown and that exactly, of course, is what this Government wants. They want to get the mineral rights back without paying for them. It is confiscation without even a semblance of paying and in fact, as a Member says here, it is theft and that is exactly what it is.

Now make sure what they are doing to the farmers. Farmers under this other plan would have an opportunity of getting something, but this Government is moving in and saying, no, you can't do business that way and we are not going to let you. Somebody said that it is a rip-off. You tell the farmer who now owns the land but doesn't own the mineral rights, that because of the Government's action, when someone is going to give them the mineral rights, if oil was found within the next 21 years he would get 12 1/2 per cent, which could be very valuable, it could be thousands and thousands of dollars, he gets nothing now, if no oil was found for 20 or 21 years he would get the mineral rights back and they would then belong to him in perpetuity and he could do whatever he wanted with them. You say that's a rip-off? Yes, it is a rip-off. It is a rip-off by the Blakeney NDP Government and there is no mistake about it.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — The farmers should realize this because if they can do it in this instance the next step they can take is to say, "We will only allow farmers to sell land to each other under certain circumstances." In other words when the Government takes the step that they are taking in this Bill to interfere in a normal business relationship between farmers and businessmen, one man and another, a company or another individual or two companies in this province, they can do it in this case and they are going to do it. They will use their majority over there to push it through. Their unthinking backbenchers mouthing their usual socialist nonsense and drivel will vote as they are told to vote. They won't even study it. I guarantee you that they haven't even read the Bill. And if they do read it they won't understand it.

Let's see what else this Bill does, besides deny the farmers the opportunity to get something. I am going to tell you that there could be 40,000 or 50,000 farmers involved in this. There are 40,000 or 50,000 farmers in this province who own the land but the mineral rights are owned by someone else. So that is how many farmers would have been given the opportunity to receive their mineral rights in exchange for a fair contract and you people by your Government action, by this Bill, are going to deny them that right and don't make any mistake, that is exactly what you are doing.

Let's see what else they are doing. The Minister says, oh yes, we are going to move in on the potash industry, we are going to get a fair return. Another very nice mother love statement. Let's look at the history of the potash industry in this province.

The potash industry came into this province with the Potash Company of America up in Saskatoon, back in the CCF days when Tommy Douglas was the Premier of this province. And with the Potash Company of America they made a very good deal. I don't disagree with them. We were aware for many, many years that we had potash in the Province of Saskatchewan. We were also aware that it was 2,500 feet down at the shallowest and there were fantastic problems, the Blairmore Sands and other problems that had to be solved, before that potash could be brought to the surface and sold as a viable industry.

And so Mr. Douglas and his CCF Government made a deal with the Potash Company of America and gave them a 20 or 25 year, very low rate of royalty for the potash. So they put the mine down and they actually brought some potash up and then the problems of the Blairmore Sands that everyone had expected came into being and that mine was flooded. That particular company by the standards of large international companies is not extremely large. They lost something in the neighborhood of \$13 million before they got into real production and they almost abandoned it.

The Government of that day was very concerned and well they should have been. Because if the Potash Company of America had abandoned their mine in Saskatoon at that time we may not have seen any other company risk the \$60-70 million it cost at that time to try and get our potash up out of the ground.

May 1, 1974

The CCF Government of that day and the people of Saskatchewan at that time were extremely happy. I can remember the great headlines and the happiness and the jubilation in Saskatoon and in this whole province with the chance of getting a new industry to back up agriculture. Here this company had invested \$50-60 million, lost \$13 million and were still ready to come back and try it again. They pumped the mine out and they got back into operation. It was after that that some other private investor learned a new way and this new way came from Germany, as a matter of fact. To go down through the Blairmore Sands was very costly, the shafts cost at least \$10 million each to retrieve that potash and bring it to the surface and sell it around the world. Potash would then be used as fertilizer to help grow food for a hungry world and to help give us a basic industry and supply thousands of Saskatchewan people with well-paying jobs.

We were very happy at that time to welcome the potash industry in and they actually invested almost \$1 billion of risk capital. And nobody, none of those people over there who are still here from the old CCF days, had anything but praise for the potash industry. They were made welcome, we were happy to see another basis for industry in this province to take off a load from the back of our farmers. We were happy to see private investment come in here and risk their money to provide jobs and tax revenue.

Then the potash industry hit a slump. What did the NDP say all over the province? Terrible planning! I used to listen to them on this side. The Government shouldn't have allowed them to come in! That is an example of capitalism at its worst. These people walked in, they over-exploited this resource, the markets of the world have slumped and now they are in trouble. And they were in trouble and they did overestimate the market, and they did overestimate their ability to sell potash on the markets of the world. There were many reasons, some no one could foresee. Certain countries of the world, Great Britain, for example, decided to put into operation very marginal potash holdings, very marginal potash findings to supply their own farmers with that very necessary ingredient. No one could foresee that. With the result the potash market slumped.

We were the Government and we took some action. We were threatened, the potash industry of Saskatchewan and I would point out to the Members for Saskatoon that it is very, very important to their area, something like 12,000 people in this province depending on it for their jobs, quite a substantial amount of revenue for the Province of Saskatchewan and the promise of a great deal more revenue in the future. So we took action.

We were threatened by the Government in Washington, the Federal Government of the United States, that if we did not do something about the price they would put dumping duties against the potash coming in from Saskatchewan. Had that happened it would have been a disaster. So we put in pro-rationing and we put in a base price.

What did the CCF do, the NDP? They attacked it! They attacked it as a government sponsored cartel. They attacked it in their campaign, they were going to end this terrible government sponsored cartel that was holding up the price of

fertilizer to the hungry people of the world. Oh, they were going to change it immediately and they were going to think of nationalizing or socializing the potash industry.

What happened? The NDP became the Government and they sat down with the potash industry. Did they end pro-rationing? Did they put an end to the floor price? Of course, they didn't. They even made pro-rationing go farther, they even made it tougher. They raised the price, the royalties, and no one objects to that because the potash industry that was down and out began to come back. But it is very interesting. I never heard any of the Members opposite when they were here in Opposition, or when they were running around attempting to hoodwink the people, as they did, to give them the confidence so that they could become the Government of this province, saying we will move into that industry and we will take it over. And if these people have risked their money we will pay it back. I don't even hear them saying that now. I don't hear the Minister standing up and saying, these people came into this province; they risked their money and they lost money. They had, let's call them windfall losses, and so we will pay back some of this money. Oh, no, what they are saying now is that the industry that was in trouble, the industry that was sick, the industry that we welcomed with open arms, both CCF, socialists, NDP, Liberals, Conservatives alike, we were proud to see them come into this province. We enticed them to come in. We gave them verbal commitments. Tommy Douglas and his Government, you can find them, verbal commitments that they would be treated decently.

AN HON. MEMBER: — They are.

MR. STEUART: — They are eh? They are being treated like a bunch of bandits, by the worst bunch of bandits that ever lived, across that side of the House, the NDP.

Let's look at how they are being treated. This year, for the first time the potash industry in three or four years is coming out of the valley. The demand is up and they are going to go over the top and start making a profit. So what does this Government do? Immediately they move in and say, first we are going to give you a return on your investment that we think is reasonable and then we are going to grab the rest of the profits. Okay, that is right, that is exactly what they are going to do. No thanks for the losses you took; no consideration for the risk you took; no consideration for the word that people like Tommy Douglas or Woodrow Lloyd gave to them when they came in. No consideration, break their word, tear up the contract, trample on everything that they have done in the past. Decency, honor, truth mean absolutely nothing to the Members opposite, to the Government.

What are they going to do now? They are saying now that they are going to move in and skim off any profits that they see fit. What can the potash industry do? They can't do anything. They are like the farmers with the estate's tax. They can't pick up that mine, that hole and move out and so they are trapped. The Government won't even buy them out and nationalize them. They haven't got the decency and the integrity to their own so-called beliefs to say we will buy them out and run this industry ourselves as a socialized industry. They haven't got the decency to keep their word, given and implied, to this industry. What they are going to do is leave them here

May 1, 1974

and then literally put their hands in the industry's pockets and steal the profits.

They say this is fair. Let's look at what it will do to the future. It is very interesting that right now, we should be getting new people in the potash industry. Today's world market demands that any sensible government would be out encouraging new people to come in and invest in our great potash resources. We have enough potash in this province to supply world need for the next three, four or five hundred years. We have the greatest deposits of potash known to this day anywhere in the world. This ingredient is becoming more in demand, the market is growing very rapidly and will continue to grow, although there may be some ups and downs. The Government should be enticing new people to come in because if left alone our potash industry can out-perform and out-produce any other potash industry in the world. Why? Because we've got the best deposits and we've got the most modern industry.

What's going to happen as a result of this Bill and this action of this Government? I guarantee that no one, no one will come in here and risk 70, 80, or \$100 million to put in a potash mine when they are under the control of a government with the morals, the lack of morals that that Government has indicated in this Bill and has exhibited ever since they came to power. They just won't come in.

Now, maybe you say we'll go into the potash industry ourselves. There is some indication here that they are going to try to get into the marketing of potash. If you look at this Bill you'll find that they can take their royalties and their taxation on the potash industry and the industry in kind. In other words, the Minister can say to the potash industry or the oil industry, you will deliver this value of oil or potash to where we say at the price we say, when we say.

I don't know exactly why they've done that except that the possibility is there that they are going to try to muscle in on the potash industry first in the marketing and then if they are successful they might move back and try to get into the mining. That's the only reason I can see for that, although there may be some other explanation.

So, Mr. Speaker, when you look at this Bill and we've had very little time to look at it, you see that there are the most serious implications in this Bill, probably the most serious implications for the future of the development of our resources of any Bill that has been put in front of this House, because it proves what happened to the oil industry. Well, you might say and people in the investment industry are saying, well, it happened to some extent in Alberta, it was a peculiar situation brought about by forces over which the Government of Saskatchewan certainly has no control over the Government of Canada or the Arab power play. There is just no question that the profits for the oil industry are beyond, if they would have got the full world market price, way beyond anything that was reasonable or acceptable. And the oil industry was prepared of course, to accept that government, both at the provincial and national level would move in and share in those profits with the people of this country. Nobody argued that.

All right! That was a separate situation, but when we see the same government now moving in and applying the same pattern

to the potash industry, an industry that is just barely, as they say, coming out of the valley, now we know exactly what the pattern is. We know what the pattern is, it's very clear. Well, fine. If the Government opposite is going to develop our resources as a socialist government, I would disagree, but at least I would say they were being honest, at least I would say if they gave proper compensation to the people who had invested their time and their money in this province, if they were being reasonably fair and equitable, I would say that while I disagreed with their philosophy at least they were honorable people. But they're not. They have broken faith with the people who elected them because they are not prepared to develop our resources as a socialist government. They have broken faith with the people who invested their time, their money, risked their capital, their know-how in this province. They have broken their word, they've broken their contract, they've broken the word in the contract of people like Woodrow Lloyd and Tommy Douglas and people who sat on that side of the House. They enticed these people, asked these people, encouraged these people, begged these people, to come in and invest their money in our province to help us develop our resources, on the assumption that we were honorable people, that we were decent people, that they could expect any government to keep its word, to keep its written contract. But they have found out that the Blakeney administration's word means absolutely nothing. Its contract means even less.

SOME HON. MEMBERS — Hear, hear!

MR. STEUART: — Premier Blakeney and the Government on that side, backed by those backbenchers have dragged the name of Saskatchewan down into the gutter. We are considered a banana republic or even worse. We are the laughing stock of decent people throughout this nation. The laughing stock. This Bill absolutely proves it. You are incapable of keeping your word, you're a disaster, you're a disaster to the name of a decent political party and decent government. Mr. Speaker, this is, I think, one of the worst pieces of legislation that's ever been proposed in this Legislature. I don't even know all the implications yet because we just received it. The implications we recognize are bad.

I beg leave to adjourn the debate so that we can look at the rest of this Bill, find out what other barbs and hooks they've got hidden in it as well.

SOME HON. MEMBERS: — Hear, hear!

Debate adjourned.

ADJOURNED DEBATES

GOVERNMENT MOTION — CONSTITUENCY BOUNDARIES COMMISSION

The Assembly resumed the adjourned debate on the proposed Motion by the Hon. A.E. Blakeney:

That the final report of the Constituency Boundaries Commission established pursuant to The Constituency Boundaries Commission Act, 1972, laid before this Assembly by the Honourable Mr. Speaker recommending that the area of the province

(i) lying south of the dividing line as defined in section 14 of the said Act, be divided into 59 constituencies, and

(ii) lying north of the dividing line as defined in section 14 of the said Act be divided into two constituencies,

be hereby approved and adopted by this Assembly; that the descriptions of each of the constituencies as recommended by the said final report, except the description of the boundaries of the constituency of Saskatoon-Mayfair, be approved and adopted by this Assembly; and

That the final report of the Commission be altered by deleting the description of the constituency of Saskatoon-Mayfair, and substituting therefor the description as set out in the schedule which was attached to the final report, and that the final report of the Commission as so altered be approved and adopted by this Assembly.

MR. B.M. DYCK (Saskatoon City Park): — Mr. Speaker, as one who now represents a seat that will be dissolved in the next provincial election, I think, Mr. Speaker, I should say a few words about this Resolution. Other Members on this side of the House, have spoken about the good work of the Boundaries Commission. I too have no criticism to make of their work.

The Boundaries Commission consisted of the Hon. Mr. Justice P.H. Maguire, Court of Appeal, Saskatchewan; Dr. John Archer, Principal and Historian, University of Saskatchewan and the Clerk of this Legislative Assembly. Their task was to study and to make recommendations on the readjustment of the representation of the province's population. They fully realized that the right to vote is a cherished right, hard won in the past through resolute conviction. They also recognized that one elector's vote, should within reason rate equally with another elector's vote elsewhere in the province. They did not stray from this belief.

The Boundaries Commission tried to follow these guidelines, to keep in mind there should be a community of interest in each constituency, to keep in mind natural boundaries and traditional constituency boundaries wherever possible, to draw up constituency boundaries in such a manner as to have all constituencies with an equal number of people. With the exception of Athabasca and Cumberland, both north of the 54th parallel, the proposed constituencies have populations varying from some 14 to 16,000 people.

In many cases constituency boundaries follow rural municipality or urban municipality boundaries, while other constituency boundaries follow natural boundaries or traditional boundaries.

There are no longer constituencies which have boundaries that disregard rural municipality or urban municipality boundaries. There is no longer the situation where in one constituency it takes four votes to equal one vote in another constituency. This discrepancy was especially evident in the urban

areas of this province. I am thinking of Albert Park and Whitmore Park in Regina and City Park in Saskatoon. These three ridings have disappeared. Albert Park and Whitmore Park have been joined to form Regina South. City Park has been absorbed by the new ridings of Mayfair and Centre. Now all urban ridings are equal. They are equal in size. A true representation of democracy, Mr. Speaker.

Now, I should like to turn to Saskatoon City Park for a moment. I have represented that constituency since its creation in 1971. Formerly it had been a part of Saskatoon City Park University. As Saskatoon City Park University it represented some 17,000 voters. The Liberals won that seat in 1967 with 47 per cent of the popular vote, but the Liberals were not content to leave a good thing alone. So in 1971 the constituency was divided into two — City Park and University. City Park contains some 6,000 voters and University, some 9,800 voters. The sitting MLA for City Park University took a chance on the new University riding and lost. Despite this blatant Liberal gerrymander, which would have given the Liberals two representatives from this area, both City Park and University turned the Liberals out. The Liberals must be banging their heads against the wall for that bad mistake.

The Boundaries Commission has divided City Park, almost equally between Mayfair and Centre. The division was not made arbitrarily. The boundary follows the CPR line along 33rd Street in Saskatoon. The new riding of Saskatoon Mayfair takes into consideration both natural boundaries and traditional boundaries. It has no greater population than the other constituencies in Saskatoon. No one political party can take advantage of the other constituency.

The passing of this Bill will completely bring representative government to the people of Saskatchewan. The end of gerrymandering has come. I welcome and the people of my constituency welcome this Resolution.

MR. H. OWENS (Elrose): — Mr. Speaker, I wish to say a few words in support of this Resolution. Being a rural Member, I should say a displaced Member at the moment, I sincerely support the efforts that the Constituency Independent Boundaries Commission Report has provided.

My constituency boundaries are moved, so I am now a resident of the Kindersley area and I am very pleased to be residing in that area. I think I am fortunate for that area will be represented again by one of the most trustworthy and highly respected individuals in this Legislature at the moment and there is no doubt in my mind that he is going to be back for another session after 1975.

I am a little disappointed, Mr. Speaker, that the Opposition have not spoken more than they have in this debate, so I would have to suppose that the Member for Moosomin (Mr. Gardner) must have given their opinion, spoken for them, when he spoke on this Resolution on the 10th of April. And I should like to read from some of his remarks, verbatim, well, I should like to remind you, Sir, again and the people of Saskatchewan just what he did say. And on page 31 he said:

May 1, 1974

You know, Mr. Speaker, many of us were naive enough to believe, repeat, naive enough to believe that perhaps there would be such a thing as a strictly non-political boundary change.

I am surprised, Mr. Speaker, that a gentleman of his position would insinuate that these three gentlemen on this Commission were not non-political.

I should like to turn to page 34 where he indicates again:

Mr. Speaker, we could cover the province completely and show beyond any doubt how the boundary changes were carefully designed to accommodate the New Democratic Party.

Again, Mr. Speaker, this reflection on the people who represented this Government on the Commission. Highly respected men in their own professional capacities.

INSUFFICIENT NUMBER OF MEMBERS IN HOUSE — NO QUORUM

MR. A.R. GUY (Athabasca): — Mr. Speaker, I would like to bring to the attention of the House that there is not a quorum.

MR. SPEAKER: — I think that is correct. The Members can't come in now, the point has been raised that there is not a quorum in the House. Members cannot be counted who are now entering. The Clerk will take the names down of those who were in their seats.

Those who are coming in cannot take their seats right now. That includes the Member for Regina North West and the Member for Touchwood.

The point was raised by the Member for Athabasca, a few moments ago, that there was not a quorum. Standing Order No. 5 says that the presence of at least 15 Members of the Assembly including Mr. Speaker, shall be necessary to constitute a meeting of the Assembly for the exercising of its powers. The Clerk took the count which is provided for by the rules and including Mr. Speaker, there were not 15 Members in the Chamber. So under Standing Order 5(ii) the House will now stand adjourned until tomorrow at 10:00 a.m.

The Assembly adjourned at 11:36 o'clock a.m.