

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session - Eighteenth Legislature
17th Day

Monday, December 8, 1975.

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

On the Orders of the Day

WELCOME TO STUDENTS

MR. J. G. LANE (Qu'Appelle): — Mr. Speaker, I would like to introduce to you and to the Members of this Assembly, I believe it is 17 Grade Twelve students from the Greenall High School in Balgonie. They are accompanied by their teacher, Mr. Antochow and bus driver, Ernie Lang. It gives me a great deal of pleasure to welcome them to the Assembly. It is interesting Mr. Antochow has always shown a great deal of interest in the workings of government and has transmitted that to his students over the many years. He has arranged that the students would be able to stay and watch proceedings at least until 4:00 or 4:30 this afternoon. So I think that the interest Mr. Antochow has shown is to be commended.

Again I welcome them to the Assembly through you, Mr. Speaker, and I would ask all Members to join me in wishing them an interesting afternoon and a safe journey home.

HON. MEMBERS: — Hear, hear!

Questions

Fire at IMC Mine at Esterhazy

MR. L. W. BIRKBECK (Moosomin): — Mr. Speaker, before the Orders of the Day I should like to direct a question to the Hon. Member for Regina North West and Minister of Mineral Resources (Mr. Whelan).

Is he aware that over the weekend a fire did considerable damage to the storage facilities at the K2 site of the IMC mine at Esterhazy?

HON. E. C. WHELAN (Minister of Mineral Resources): — In answer to the Hon. Member's question. Yes according to the news reports, what the Press says, there was a fire there, yes.

MR. BIRKBECK: — A supplementary question. In view of the fact the Saskatchewan Crown Corporation would have only storage facilities in Saskatchewan, what would you do with your surplus of potash now in times when sales are supposedly in good standing and also keeping in mind you are pricing yourself out to the market at \$70 a ton, let alone a proposed \$100?

MR. WHELAN: — It is quite obvious, Mr. Speaker, that the Member opposite didn't read your ruling about straight forward short questions. I think if the Hon. Member wants me to answer a detailed question like that, he should put it on the Order Paper.

Firing of SPC Employees in July

MR. R. E. NELSON (Assiniboia-Gravelbourg): — Mr. Speaker, I have a question I wish to direct to the Hon. Minister in charge of Saskatchewan Power Corporation. Two of your employees of SPC were forced to resign last July for not reporting a contract that had to be renegotiated. The Minister stated at the time the province's potential loss was millions of dollars and that was the reason for the firing. I am told, Mr. Speaker, by reliable sources that this contract with Trans Canada Pipe Lines has been renegotiated and in fact the millions of dollars predicted lost has actually been little or nothing at all. I should like to know if this is correct?

HON. J. R. MESSER (Minister of Industry & Commerce): — Mr. Speaker, there has been a renegotiation underway with Trans Canada Pipe Lines and in fact another contract has been signed with them, but I do not think this Legislative Assembly is the place to debate whether there is a significant loss in the renegotiating of that contract or not. It should be best dealt with in Crown Corporations.

MR. NELSON: — Mr. Speaker, a supplementary question. Is there any loss?

MR. MESSER: — That question, Mr. Speaker, can be pursued in Crown Corporations.

MR. NELSON: — A second supplementary. Mr. Speaker, would the reason that he is not giving us the answer possibly be because the actual reason for the firing was the increase in gas and electrical prices that these two officials wanted to put on last April and that the Government actually held off until after the June election strictly for political reasons?

SOME HON. MEMBERS: — Hear, hear!

MR. MESSER: — Absolutely not, Mr. Speaker, there was a thorough investigation carried out within Saskatchewan Power Corporation before a decision was made in regard to two employees that the Member makes reference to. If there was any recovering of losses it was only through the negotiation of other diligent corporation employees who were able to recover some of those losses that negligence of the other two people in question created.

SOME HON. MEMBERS: — Hear, hear!

Investigation Into Personal Rights and Privileges

MR. J. L. SKOBERG (Moose Jaw North): — Mr. Speaker, a question to the Hon. Attorney General and the House Leader, in view of the concern . . .

MR. MALONE: — On a Point of Order. Mr. Speaker, I believe it is a tradition in this House, if not the practice and the rule, that all questions that are asked in the Question Period are asked by Opposition Members and not the Government backbenchers.

SOME HON. MEMBERS: — Hear, hear!

MR. SPEAKER: — Order! I believe historically, the purpose of the Question Period is for any Member representing any constituency to seek information from the Government.

SOME HON. MEMBERS: — Hear, hear!

MR. SKOBERG: — Mr. Speaker, once again, a question for the Hon. Attorney general and House Leader, in view of the concern being expressed by the Hon. Member for Duck Lake - Prince Albert (Mr. Steuart) that he is being discriminated against by the monopoly media, would the Attorney General say if he would or could initiate an investigation into such problems that does infringe on personal rights and privileges?

MR. STEUART: — Did you bring your music, Roy?

HON. R. ROMANOW (Attorney General): — No, I didn't. Mr. Speaker, I should like to say to the Hon. Member that I read the story and the accusation in the newspaper by the Hon. Member for Prince Albert - Duck Lake. The Member asked me whether or not an investigation can or could be started by the Department of the Attorney General, at least I gather that to be the thrust of the Hon. Member's question. My answer to him would be that I would ask the Hon. Leader of the Opposition or any other Member who believes that there is evidence upon which monopoly action can be shown, to forward to my Department officials or to myself and we would then be prepared to consider it with a view to considering whether or not subsequent action should or should not be taken. The point that I am saying is that at this stage of the game, judging from a newspaper report only, I am doubtful that anything can be done by myself or my Department officials.

MR. D. G. STEUART (Leader of the Opposition): — Mr. Speaker, on a Point of Privilege. My Point of Privilege is that the Member who asked the question has imputed certain statements to me that I don't think I made. But I would say that if we decide we want any investigation we will go to the proper sources. I agree you couldn't do anything, we will go to the proper sources which would be the Department of Justice in Ottawa.

SOME HON. MEMBERS: — Hear, hear!

Wholesale Price of Beer

HON. N. E. BYERS (Minister of the Environment): — Mr. Speaker, I took a question on notice Friday from the Hon. Member for Swift Current (Mr. Ham), who asked for an explanation as to why the wholesale price of beer to the licensees or the hotel keepers is higher than the price charged the consumer at the liquor store.

May I say in connection with the recent price increase, that the two cents per bottle increase awarded the brewers is simply passed on to the customer at the Liquor Board store, raising the price from \$3.70 to \$3.95. The higher price to the licensee, however, is designed to increase the licensee's revenue by five cents per bottle. Under the old price structure, the licensee's purchase price was \$3.62½ for a package of 12. The selling price was \$4.20, so that his cost per bottle was 30 cents, and the selling price was 50 cents, and the licensee's revenue was 20 cents per bottle. Under the new arrangement, the hotel keeper or the licensee will pay \$4.17½, the selling price will be \$4.75 so that his cost per bottle is 35 cents. However, the selling price rises to 60 cents so that his revenue increases from 20 cents to 25 cents per bottle. The licensee's revenue was 20 cents, while under the new price structure it will be 25 cents per bottle.

I could give him the details as to the changes. One of the major changes will be in the method under which the E & H tax revenues are calculated. It is proposed now that the licensee will pay 28 cents per package of 12 purchased from the Saskatchewan Liquor Board, that is up from 19 cents or an increase of 11 cents. An arrangement has been worked out that this will bring in an average of 28 cents per bottle on a package of 12. It is fairly detailed mathematical explanation, and I shall be glad to give him that information.

May I say, however, that one of the reasons for the difference in price between the Liquor Board price and the price charged the licensees, is that when the rebate program was established, the licensees were assessed a tariff of 14 cents per case to finance the rebate system. That is for beer sold through the hotels. This 14 cents is not applied at the Saskatchewan Liquor Board because the Province of Saskatchewan would not want to be accused of subsidizing any part of the rebate system.

MR. D. M. HAM (Swift Current): — A supplementary question, Mr. Speaker. Does the Minister not agree with the policy, it is obvious the Board's intention to phase out the off-sales of beer?

MR. BYERS: — Would the Hon. Member repeat the question?

MR. HAM: — Would the Minister not agree that it is the obvious intention of the Board to phase out off-sale beer at licensed premises?

MR. BYERS: — No, it is not the intention to phase out off-sale beer at the licensed premises. However, under some circumstances it is more convenient for the licensee, I understand, to purchase his beer directly from the Liquor Board Store. Not in all cases but in some and so he has that option.

MR. HAM: — A second supplementary, Mr. Speaker. How does the Minister justify the situation with the Government's stated position on small business.

MR. BYERS: — The Government's stated position, and not only the Government's stated position, but its record of performance is to take steps to help the small businessmen. One of the programs that this Government approved to assist the small town hotels, which were in very, very dire straits under the former government, and which we acted on very quickly, was to institute and approve the rebate system. This has proven to be a very great boost to many small town hotel operators who are frequently a man and wife operation and without this program may have been closed up and out of business long before now.

Question Period

MR. W. H. STODALKA (Maple Creek): — Mr. Speaker, I should like to direct a question to the Minister in charge of the Liquor Board.

MR. SPEAKER: — Order! We have had four questions.

MR. MALONE: — Mr. Speaker, on a Point of Order, we have only had two questions. I believe the Member for Assiniboia-Gravelbourg asked a question and the Member for Moosomin asked a question. The Member opposite asked a question which I hope you will not consider as a question and within the Question Period. The Minister just responded to a question that was asked of him a day earlier.

MR. SPEAKER: — According to my recollection the Member for Moosomin asked two questions, the Member for Moose Jaw North asked one question. That totals four.

MR. MALONE: — Mr. Speaker, I believe the Member for Moosomin indicated that he was asking a supplementary question.

MR. SPEAKER: — Well, it's not my problem to frame the questions, it is my problem to differentiate between a question and a supplementary. I suggest to you the Member for Moosomin was asking two questions, not a question and a supplementary. It was obvious to the Members in the House at the time that he did it.

MR. MALONE: — Surely, Mr. Speaker, if that is your position you should have told us at that time, that you were accepting the question not as a supplementary but as another question and given us a chance to be recognized by you.

MR. SPEAKER: — Perhaps I should have said that I accepted the supposed supplementary as a question, however, that would not have changed the reflection of what is happening right now. It still would have been a question.

MR. PENNER: — Mr. Speaker, on what basis is the fact that the Member for Moosomin asked two questions, really two questions? On what basis do you make your ruling?

MR. SPEAKER: — On the basis that it was not a supplementary but a second question.

MR. PENNER: — Is that in a manner of a subjective analysis? It seems to me we might ask the Member for Moosomin whether it was a supplementary that he intended or whether it wasn't. On the Point of Order further, do I take it from your ruling today that you are going to allow Government backbenchers to ask questions in Question Period and count them as the four questions that we now are using in this Session.

MR. SPEAKER: — That has always been the case in this Chamber and will continue to be the case.

MR. STEUART: — On the contrary, it was a year or two years ago when the former Speaker ruled just the opposite to what you are ruling and the basis of it being that since the backbenchers on that side are supporters of the Government they have the right at any time to ask Ministers any questions that they want and get answers, while on the other side the only time we can ask questions of the Ministers in the hope of getting an answer, is in this Chamber and I think that was the basis that the former Speaker ruled that they should - there is no reason they can't ask questions, I am not suggesting they can't ask questions - but they should not be counted because what will happen with over twice as many people on that side as on this side and totalled, they can make a mockery of the Question Period which is the one time in parliamentary procedure when you can hold the Government accountable. They can ask questions, which of course is the obvious and ridiculous question that the Member asked, asking questions that set the Ministers up, and make a mockery of the entire question period which has developed in parliamentary democracy as one of the most essential privileges given to the House of Parliament or the Legislative Assemblies to hold Governments accountable.

SOME HON. MEMBERS: — Hear, hear!

MR. SKOBERG: — Mr. Speaker, I think the parliamentary procedure recognized by the Houses of Parliament both in this country and in England distinctly allows Government Members on this side to ask questions. In fact if the Hon. Member wants to question the type of questions asked by myself as an individual then that is his right but, Mr. Speaker, on a Point of Privilege and a Point of Procedure. I think you will agree that in the House of Commons in Ottawa many questions are asked on the side of the Government and that is included in the total time that it takes to ask those questions. I think the position taken right now is rather hypocritical to say the least.

MR. SPEAKER: — If I could interrupt you for a moment. The Leader of the Opposition says there is a ruling with regard to this matter and I would, at this time, ask the Chamber to give me time to check that ruling. For the time being I shall adhere to the statement I made earlier, that any Member from any constituency can ask questions in the Chamber and at this point I see nothing wrong with that. I think we should proceed with the next order of business.

MR. C. P. MacDONALD (Indian Head-Wolseley): — On a Point of Order, would you at the same time, Mr. Speaker, consider the reason for your subjective decision as to whether a question is an original question or a supplementary, because what may result, 61 Members of this Assembly may interpret a question as a supplementary, and then you, Sir, in your own subjective judgment, might determine it's an original question, and in that way literally frustrate the whole concept of the question period of the Assembly. So I would ask in your ruling that you also give us how you would make the decision as to whether a question is supplementary or an original because it is certainly the common practice of the Assembly when one man gets up to ask a question he then rises again to his feet with a follow-up supplementary, either once or twice.

Now Members on this side of the House should have the knowledge as to whether or not you are going to make that judgment as to whether it's an original, or a supplementary, and I would hate to see the concept of the question period frustrated because of a subjective judgment of your own, rather than ours.

MR. E. F. A. MERCHANT (Regina Wascana): — Mr. Speaker, on a Point of Order, I only wanted to ask whether within that ruling that one Member might ask two successive questions you would judge that it would be possible for one Member having risen to catch your eye and then ask all four questions and all eight supplementaries. And I suggest to you, that with the most restrictive question period, probably in the Commonwealth and certainly in this country, a skimpy question period, that it could result in every Member of the Opposition rising and that one Member who caught your eye dominating the question period. Mr. Speaker, if I might make some comment further, I would hope that in your ruling you might consider if you chose to continue with the principle that one Member of the Opposition could ask more than one question, to state that that question would have to be divided, that the pair of questions would have to be divided by a question from some other. I assumed, Mr. Speaker, because the Member for Maple Creek (Mr. Stodalka) had risen before the supplementary was asked that you were recognizing a supplementary. It seemed to me, Mr. Speaker, with all due respect that you would have recognized the Member for Maple Creek who had risen before the second supplementary was posed to you.

MR. SPEAKER: — I thank the Members for their comments on this matter and I shall certainly get an opinion for them. I think the Member for Regina Wascana (Mr. Merchant) carried the situation to a ridiculous extent in that he suggests that I would recognize one Member for four questions and eight supplementaries.

I must remind you again, as I have in the past, of my ruling on the 27th of November, wherein I state in part;

Regarding supplementary questions - two are allowed for oral question period. The purpose of a supplementary question is to seek specific clarification of the answer to the main question. The supplementary question must also be brief and to the point and must seek and not offer information to the Assembly.

I shall leave the Members with that for the present time.

MR. G. LANE (Qu'Appelle): — Mr. Speaker, just one more comment on the Point of Order.

There were several precedents. One, that the Member for Moose Jaw North (Mr. Skoberg) has talked about time, and his arguments are totally irrelevant to the situation that exists in Saskatchewan where a certain number of questions are allowed. In Ottawa, to which he refers, in the House of Parliament of Canada, a stated time period is set of 40 minutes and any number of questions can be asked in this time period. Now it's quite proper if your ruling stands, Mr. Speaker, for Government Members to dominate the question period, which, as has been indicated will totally frustrate the whole concept of the question period.

The other aspect that hasn't been touched upon, Mr. Speaker, is the fact that the Member for Swift Current (Mr. Ham) was asking questions about an announcement that the Minister was making today. Now that has traditionally in this House been as a matter of clarification and has never come up in question period. Mr. Speaker, I think that the question period is being usurped and the concept is being totally destroyed if these rulings stand, Mr. Speaker. I would ask that you would seriously consider exactly what your rulings will do to the question period in this House, which is restrictive, so restrictive, and secondly, I think, Mr. Speaker, your ruling with respect should consider in reality what the questions are designed to do which is to hold the Government to account and not merely ask questions of clarification as the Hon. Member did when he was referring to the general announcement made by the Minister of the Environment (Mr. Byers).

MR. SPEAKER: — Well I think it's quite clear, if I may try to finalize this point, that the Member for Moose Jaw specifically said he was referring to a question period in another jurisdiction where there was a time limit, and he wasn't referring to a specific number of questions.

The Member for Swift Current was asking supplementaries on a question that was asked on a previous day, which are quite legitimate, as I see it. I will take any other comments that the Member made under consideration when I come up with the ruling.

Approximate Date of Recessing Fall Session

MR. R. H. BAILEY (Rosetown-Elrose): — Mr. Speaker, before the Orders of the Day, I wonder if I could beg leave of this Assembly, and this is certainly not a question. A goodly number of Members on both sides of this House (and I know this in talking to them) have experienced great difficulty in obtaining suitable living accommodations for the fall Session, and many of our short-term leases are running out. I'm sure that all Members, are quite willing to stay in this House during this fall Session, and debate the issue, but in view of the fact that our accommodations and leases are running out and that many of us on both sides of the House, Mr. Speaker, have heavy commitments in business or the professions, I wonder if the parties could agree and within a few days to present to this House for the convenience

of all Members of this House, the approximate date of the recessing of this fall Assembly.

MR. SPEAKER: — Order. I'm sure that the Hon. Member for Rosetown-Elrose had his tongue in his cheek and was directing his comments to the House Leader and the Leader of the Opposition. I'm sure they will take it into consideration. It's not a matter that I have to decide on.

Second Readings

HON. E. B. SHILLINGTON (Minister of Consumer Affairs) moved second reading of Bill No. 16 - **An Act to amend The Residential Tenancies Act, 1973.**

He said: Mr. Speaker, the legislation which is before the House is an Act to amend The Residential Tenancies Act. It is, of course, as all Members know, an Act which will control rent, and for the sake of simplicity I refer to it as the Rent Control Legislation.

The Rent Control Legislation is an attempt to deal with two separate but related problems. The oldest of those problems is a critical shortage of rental accommodation in the city of Regina. Indeed the problem is by no means limited to Regina - there's a critical shortage of rental accommodation throughout the province. I'm sure very few urban Members would be unaware of that and rural Members who come to this city for this Session, have experienced the problem. The problem didn't arise yesterday, it has been with us for some time. In September of 1973, I sought to find another apartment for a variety of reasons. I looked for a day and a half and took the first apartment I found. That was in 1973 at a time when our vacancy rate was in excess of one per cent. And the situation proceeded to deteriorate. By a year ago it was down to less than one per cent, the vacancy rate went down to one-half of one per cent; one-fifth of one percent and by the time late summer came the vacancy rate was down to one-tenth of one per cent, and now we are told by Statistics Canada that there is virtually no vacancy rate at all. This is a situation which I thought to be impossible.

That critical shortage of apartments has resulted in two problems. One, and it's not the most serious, is that there is little inducement on landlords to keep apartments in good repair. They can rent anything that is at all liveable. I have many acquaintances who are making well above the average income, \$10 to \$12,000 a year, who are staying in really second and third-rate accommodation because that's all they could find.

But the more serious problem is that there isn't any control over the amount of rent a landlord can charge. There's no such thing as a free market. A landlord, in the current market, can increase his rent by ten per cent, he can increase it by 110 per cent, he can increase it by 210 per cent, and he can still rent the accommodation.

This legislation is an attempt to meet both of those problems, but the latter problem of lack of any control over more rent is the more serious.

During the election those Members who read our literature will be aware that we talked about a rent review board to meet the situation. I understand the rent review board to be a board which gives a tenant the right to go to court and ask a judge to find that a rent increase was unreasonable. But that doesn't prohibit a landlord increasing his rent, it just gives a tenant some means of appeal.

As the summer wore on I think many Government Members began to wonder if that program would be adequate. The shortage of rental accommodation was getting worse, and indeed a committee which was set up by the Department of Consumer Affairs tended to confirm the suspicions of some Government Members that a rent review might not work. One of the things which the committee found was that the rights which a tenant had under the existing legislation weren't being enforced. The existing machinery as many Members will be aware, is that there is a provincial mediation board which seeks to mediate disputes, and if the provincial mediation board is unsuccessful, then the tenant or the landlord has to go to court. Now it was the finding of the committee that tenants weren't going to court, rather they would let the matter drop before they would go to court. There were a number of reasons for this. The obvious and always present reluctance of people to go to court was the amount involved often doesn't warrant hiring a lawyer and the attendant expense. But by far the most serious reason why tenants wouldn't take the matters to court was they were afraid of being kicked out of their apartments. In the current rental situation that was disaster. We found that tenants weren't enforcing their rights.

As all Members will be aware, on October 13, Prime Minister Trudeau announced the Wage and Price Controls and if we were toying with the idea of rent controls before that, that announcement really cemented our position. The Prime Minister asked that the provinces respond to the federal proposals in a number of ways. One of the ways they asked us to respond was to bring rent control. This Bill, is in part, a response to that request, but it should be kept in mind by Members that it isn't just in response to that request, it's in response to a problem which has existed in this province for a long time. The shortage of apartments has existed in all provinces of Canada, but we have by far the worst situation.

Let us look very briefly, Mr. Speaker, at what the legislation does.

First of all, whom does the Bill apply to? I have received some flack on this from tenants. I want to take this opportunity to explain why it covers the residential tenancies that it does. Indeed, I had one tenant this morning on a hot line show accuse me of being entirely on the side of the landlord. I'm not sure how many of the landlords heard that, but it has received some criticism from tenants.

Back in 1972 when we brought in The Residential Tenancies Act, we were attempting to update the legislation. The old Landlord and Tenant Act had been in existence for over 100 years. It had been drafted in an era when there was personal contact between the landlord and the tenant. The landlord and the tenant knew each other, most tenancies were business arrangements. They often dealt on a more or less equal basis.

The Residential Tenancies Act recognized that this relationship had changed radically. With respect to many leases, the tenants never saw their landlords from the time they moved in until the time they moved out. In many cases they were not equals, the landlords were corporations with far more bargaining power. Accordingly, when we drafted the definition of a residential tenancies, we made a couple of exceptions. We accepted those situation where the landlord rents one of the premises besides his own in the house which he lives. And the reason for that was that there was personal contact there, presumably if that is all he rents they deal more or less as equals, that was accepted in the Bill. We also accepted the situation where a landlord only rents one other premises besides his own in another house. Again the same considerations apply, there is personal contact between the landlord and tenant and they deal more or less as equals.

Now when we were drafting the Rent Control legislation a thought occurred to us that perhaps that definition wasn't adequate. We considered the problem of bringing in those two exceptions. After considering it we decided to leave the definition as it was in the old Act. We didn't have any evidence that there really was a serious problem with these types of tenancies and in any case we weren't quite sure what the new definition should be. In the legislation the Cabinet has been given the power to include other residential tenancies by regulation if we find indeed that there is a problem with the tenancies.

It also, of course, excludes YMCAs, hotels, nursing homes, I think for obvious reasons. None of those are really residential tenancies they are a different relationship really. With respect to nursing homes I may say that the Department of Social Services already controls the rates and perhaps that was the governing consideration there. It also omits the Salvation Army, again for obvious reasons, they are a charity. They are not making much of a profit I imagine.

To get into the meat of the Bill, the rent controls themselves. In very simple terms the rent controls provide that rents cannot increase in 1975 by more than ten per cent. To put it in a legalistic fashion, that is the rent on January 1, 1976, cannot be ten per cent higher than it was on December 31, 1974. Where the rent has been increased more than ten per cent the landlord has to return the excess for the three months of December, November and October. I suppose the logical date to start that rollback would have been October 13, the date when the announcements were made. That makes for some pretty complex mathematics for some landlords, we rounded it off to October 1.

The legislation further provides that a rent increase cannot come sooner than one year from the last rent increase.

Finally the legislation provides that the rentalsman - I'll explain that office in a moment - can waive the ceiling. There may well be situations where landlords' costs have increased more than ten per cent. If that is the case the rentalsman has the authority and the discretion to grant them an increase above ten per cent.

If you look at it in that way, landlords get the higher of ten per cent or their costs. Now one might ask how that fits

into the logic of the wage and price controls where wage earners get ten per cent, businesses get their costs. I think the answer is that landlords are neither big businesses nor are they wage earners. The rent controls which we have are a hybrid form of control. We feel that they are a reasonable compromise.

Let me give you some examples of how the rent increases will work in practice. Let us take a rather simple example of a rent which on December 31st, 1974, was \$100. If in July 1, 1975, he increased it to \$110 and left it that way until the end of the year, that landlord has increased his rent by ten per cent, from \$100 to \$110. The rent must remain at that level until the time for his next increase July 1, 1976. I may not have mentioned that landlords will be allowed an eight per cent increase in 1976.

Let me take an example of a situation where they raised it too much. Let us say that on July 1, he increased the rent to \$130 - just to keep it simple, let us suppose there were no other increases, it doesn't really affect the example if there were - he has increased the rent by 30 per cent. The rent on January 1, 1976 must go down from \$130 to \$110. The excess of \$20 must be returned for the months of December, November and October, the tenant gets a \$60 refund. Legislation provides that landlords must pay this by March 31, 1976. Again they can apply to the rentalsman for more time to pay if they need it or they can deduct it from future rents.

Before I leave the matter of rent controls - I don't want to leave the impression that all landlords should immediately come forward for an exemption from the ten per cent guideline. Our research indicates that the costs of most landlords have been increased by less than ten per cent. We believe that the ten per cent will give most of them their costs plus a bit. Now there may be exceptional circumstances. The city of Regina has been enforcing with some vigor, fire regulations recently and some landlords in Regina may have higher costs than the ten per cent. I think all of you can think of examples of this sort. However, we believe that these will be the exceptions to the rule.

The legislation also changes the definition of rent. Rent in the previous legislation was just what you paid for the premises and other costs were in addition. The landlords like anyone else, believe that they are not causing inflation, they are just catching up. I think it is fair to say that many landlords are going to resent the legislation and are going to feel no obligation to try and support it and make it work. Some are going to try and evade it. This has been true in all jurisdictions which have brought in rent control legislation. One of the ways that some do it, is to tack on the costs elsewhere, they get a few extra bucks by charging \$75 for the key when you move in, add \$20 to the cost of your parking stall per month, change the washing machines, instead of costing a quarter it costs 75 cents to wash your clothes and so on. We have changed the definition of rent so that rent includes all moneys which pass between a landlord and a tenant for whatever service. Rent also includes changes in services, that is, if services are decreased it is deemed to be an increase in rent, the amount in the cost of the decrease in service.

I mentioned earlier that we had a committee which was

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struck which had found that tenants weren't enforcing their rights. They would go to the Provincial Mediation Board. The Provincial Mediation Board would attempt to mediate a dispute and where they weren't successful that was often the end of it even though the Mediation Board might feel that the tenant had a good argument. Now we have attempted to deal with this situation through the office of the rentalsman.

In the Province of Saskatchewan there will be one chief rentalsman and a number of rentalsmen throughout the province with deputies where necessary. The current thinking is that there might be four or five centres throughout the province with a rentalsman. For those people who support the feminist movement, and I am one of them, we tried to get a name other than rentalsman and we couldn't find anything to get your tongue around, rentalsperson, a little awkward, rentaler, somehow didn't sound right. So we settled with rentalsman. We did try to find a neutral word.

The office of rentalsman, will have the power to order compliance with the Act. They have the power to order compliance with the Act not only with respect to rent increases but with respect to other statutory conditions in the Act. This means that for many purposes the rentalsman will carry out the functions which were normally carried out by the magistrates. There will be an appeal from the order of the rentalsman to a body called the Rent Appeal Commission. The Rent Appeal Commission will be independent of government, it will have a free hand in hearing the appeals and will provide a settlement appellant function. There will be not appeal from the orders of the Rent Appeal Commission except on matters of jurisdiction which we don't want to exclude.

I should add in passing that the Rent Appeal Commission will also have some research functions, that is, they will attempt to see how well the Act is working, how it may be changed and so on.

That is sort of an overview of the Act.

Let me deal for just a moment with some of the arguments that are going to be made by landlords. I may say that I have had some pretty candid discussions with landlords. One issue they raise is the freedom issue. They say you are restricting our freedom. I think you have to admit the accuracy to that statement. We are not admitting the validity of the argument but you have to admit that perhaps we have done that. The reason why we have had to do it is because many landlords were abusing that freedom. Freedoms abused are freedoms lost. We hope that at some time the rent control legislation will be suspended or repealed and be back to business as usual. In the current market, landlords were abusing the freedoms they had. We felt it necessary to restrict them. Of course it is also a part of the wage and price controls, and of course they do restrict freedom. The hope is that the cure is not worse than the disease. Members may have different views whether that statement is accurate.

Another argument I have encountered is that you interfere with the normal process of demand and supply. Somehow or other apartment blocks are likened to the anti-freeze situation. Remember two winters ago we had a critical shortage of anti-freeze because the petroleum companies could make more

money using the petroleum products in plastics than they could in anti-freeze. You basically use the same materials. There was a shortage of anti-freeze and the price went up. Next winter there was an adequate supply of anti-freeze, the price being realistic. Somehow the landlords suggest to me that that is going to happen in the rental field. Our experience has been that that just isn't so. We have had a critical shortage of apartments for several years, over that period of years the rent has been rising. There have been, it is fair to say in Regina, very few apartments which have been actually opened in the last few years. I am sure the same is true in Saskatoon. There have been some apartments in which construction has started, but the pace is pretty sluggish. We are going to have a tight apartment situation for some time to come. We feel that the process of demand and supply simply wasn't working the way the free market advocates suggest it should.

There is another criticism, and this is a real concern for the Government. I think all Members should realize that rent controls are a short term solution at best, nothing more than that. The only solution which will work in the long run is an adequate number of apartments. If you don't recognize that statement, you are just kidding yourselves. We recognize the validity of it. When the landlords say that that is the end of any new construction, that is a matter of concern obviously. We have made provision for that in the Act. We believe that once developers have an opportunity to review the legislation fairly and calmly in the cold light of morning they will see it is fair. The Act does provide a five year exemption for apartments. I should add, because it is not immediately obvious in reading the Act that if an apartment is leased for the first time after October 1, 1975, you can set the first rent at whatever you want, thereafter the controls apply. For those apartments for which construction was started before October 1, 1975 but finished afterwards, the first rent is free and then the controls apply. If construction starts after October 1, then there are no controls for five years. We believe that that is fair, that is basically what the other provinces are doing.

Another criticism has been made of the Bill, is that it locks in inequities. I think all of us know of situations where you have two apartments side by side and you can't tell the difference unless you see the name of the apartment. They are exactly the same, probably built by the same developer but somehow the ownership of the apartments are different. One landlord took advantage of every opportunity to raise his rent and by December 31, 1974, he had a very high rent in place. The other landlord held on as long as he could, didn't want to gouge and on December 31, 1974, his rent was quite a bit lower. Landlords have suggested to me that the legislation locks in inequities. I think that is basically right. But that is a criticism of wage and price controls generally.

All Members can think of wage earners who were militant, and they got high increases. Other wage earners much more passive, took less, doing basically the same work. Now the wage and price control of the Federal Government does not allow that, because you can't. There is no way you can have a system of wage and price controls which recognizes those inequities. If you want an example a little closer to home, I think many MLA's who haven't had a pay increase for four years could make a good argument about getting 40 or 50 per cent,

which is about the cost of living increase since the last pay increase here. I think many Members of this House feel very reluctant to take that sort of a pay increase, and I am one of them. But it is true of wage and price controls, they lock in inequities.

As I said earlier, the hope is that the cure is not worse than the disease. Nobody is pretending there aren't inequities in the wage and price controls. In this respect, any criticism you make of the rent control legislation can be made just as well with the wage controls and the price controls.

Unquestionably the most controversial part of this legislation will be the setting of the base rent as of December 31, 1974, and the rebates for the three months. In a superficial sort of way it was attractive for us to go with simple controls at this time, say no more than ten per cent next year and so on, and leave the situation as it was. It was attractive, because it wouldn't have been controversial. I recognize that some landlords would have complained and said you are going to inhibit construction and so on. But in the context of wage and price controls, I think those criticisms would have been pretty hollow. As I say from the point of view of someone who wants to get a Bill through the House unscarred that was an attractive proposal. But the problem with it was that it just wasn't fair. There had been excessive increases, landlords had charged more than they had earned and more than they needed to make a fair return on their investment. We felt that a portion of the overcharging should be returned. If a thief goes to a store and steals something, what is stolen has to be returned. I am not in any sense comparing landlords to thieves. Landlords I say again, like anyone else, took advantage of the situation as anyone would. The point of similarity is that I feel that in the very tight market situation, and charged more than they had earned and more than was reasonable. We think a portion of it ought to be returned.

If Members find it at all persuasive, other provincial governments in Canada of both Liberal and Tory complexions according to our information will also have rollbacks and rebates in their legislation. Ontario is a notable example of that.

I think it is fair to say that we go back a little further for our base rent. My understanding is that in Ontario July 1 is the key date. The maximum allowable rent increases are set as of July 1, no more than ten per cent and in Ontario the rollbacks go back to July 1, it is my understanding. We did it a little differently. We have a much tighter apartment situation than Ontario and we felt that we were justified in going back a little farther, December 31, 1974. If you required landlords to rebate the excess back to December 31, 1974, we believe it would drive many of them into bankruptcy. So we chose another date which has some logic, October 1, the date approximately when the controls were started.

I said earlier that landlords are like everyone else. Landlords believe that they don't cause inflation, they are just catching up, they are all like everyone else. If you talk to wage earners, wage earners will tell you that if you control prices, wages take care of themselves. If you don't

need wage controls, all you need is price controls. If you talk to businesses, businessmen will tell you, you don't need price controls, all you need is wage controls, look after my wage costs and the free market will determine my prices. Landlords say the same thing, look after the prices and wages I pay, and my rents look after themselves. Landlords are like everyone else and the rent controls recognize that. In drafting the legislation, our aim was to be fair to all concerned. I think we recognized that any form of rent controls was going to be more popular with tenants than landlords and I didn't expect universal acclaim from landlords, but I do believe that once they've had an opportunity to view the legislation, in the light of the situation in Saskatchewan, and in the light of what other provinces are doing, they will realize it's a fair Bill.

I hope that all Hon. Members will join me in giving approval to this legislation. Therefore, Mr. Speaker, I move, seconded by the Hon. Member for Prince Albert-Duck Lake (D. G. Steuart) that an Act to amend The Residential Tenancies be now read a second time.

SOME HON. MEMBERS: — Hear, hear!

MR. D. G. STEUART (Leader of the Opposition): — Mr. Speaker, I find the Minister's statement that they tried to be fair in this Bill, to be a bit amusing. If they tried really hard to be fair, they missed the mark by a wide margin up to this point, unless they are prepared to change the Bill. He says he thinks in time the landlords will come to find this is not so bad and be content with it. It's a little like the judge saying, you know after we've hung you, we suggest after you've been hung a while that you really won't do much complaining. It will be a little late then for some of them.

Let me make it very clear in talking about the principle of this Bill, that speaking for the Liberal Caucus and the Liberal Party, we want rent control during this time of the fight, anti-inflation fight. We want a rent control act, we want a rent control bill. But we also want controls on other prices and including Crown corporations and including those prices over which that Government has total control.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — We also want to see this Government take its place and play its responsibility on controls in other costs that are forcing up prices and causing inflation to continue to mount in our province and that includes incomes and wages. In other words, Mr. Speaker, we want the NDP to face their responsibility and come up and come up quickly with an anti-inflation package, that includes all the ingredients that any anti-inflation package must. The control of incomes, the control of wages, the control of prices and a proper and fair control of rent.

People in this province are being hurt and hurt badly by inflation. They are frightened by inflation. Senior citizens are looking for leadership, people on low incomes are looking for leadership and while rents got out of line, rents have been raised out of proportion to costs are serious and they are working a hardship on many people. They are only one of the

causes of inflation. I charge the NDP are now and have been for the last three weeks or four weeks playing politics with the worst and the most dangerous crisis that faced the people of this province and this nation for a long time and that is runaway inflation.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — And I ask them to quit stalling and show some leadership. One of the few Ministers who's left a real question mark, one of the few Ministers representing any province has left a real question mark about whether the province intends to co-operate in any way with the Federal Government and with most other provincial governments in a fight against inflation, has been Saskatchewan, has been our Minister of Finance, Mr. Smishek.

Now what kind of rent controls do we want to see? What kind of rent controls will we support? To begin with they must be fair as possible, both to tenants and to landlords. I say as fair as possible. Whenever you put on controls it's difficult and impossible to be totally fair and totally equitable. They must have a time limit on them. You know I find it strange that down in Ottawa, the federal cousins to the NDP, one of the reasons or one of the excuses they are giving for not supporting the Federal Government plan is that they want a shorter time period. They don't want to see it last so long. Yet, here we have this Government refusing to put any time limit on this proposed rent control act. I think this is most serious. We want to see some time limit and I think so do the people. They want to know where they stand.

If there is to be a rollback, it should be confined to those landlords who have been gouging. Now we all know the cases, heard them of landlords slipping rent increases, notice of rent increases under the door the night the Prime Minister announced that the Federal Government was going to launch an anti-inflation program. We are aware that many landlords throughout this province have been raising rents this last year, especially this last short while, raising rents beyond anything that can be justified by increased costs. This has been working an extreme hardship on a great many people. Those rents should be rolled back. No one argues that. But what about the individuals, the landlords who have kept their rent increases, either haven't raised them at all or kept them within reason. I'm willing to bet that if a fair assessment is made, we'd find that most landlords have acted in a reasonable manner. So here the Government again is taking some people who have acted irresponsibly and in fact are gouging, and they are treating everyone the same. They are casting a shadow and they are casting serious doubts on the moral attitude of all people who are engaged as landlords, engaged in renting facilities in this province because of the irresponsible actions of some. I don't know whether it's a few or not, it may be very many of them. If it is, then we say get those people. Roll those rents back. But for those people who have acted responsibly, I say this shotgun approach, that the Government is taking is unfair.

One of the reasons the Minister uses, it would take a great deal of bureaucracy. Well, this is strange. I have never seen this Government to hold back from hiring new people, renting new space, adding new people on the payroll because they didn't want to increase the bureaucracy. In fact, they have added

thousands of people to the payroll since they came into the government for far less important reasons than proper and fair rent control..

Now, if the Government forces back, by law, rents, even if they allow a better measure of fairness than this Bill now proposes, then why are they not prepared at the same time to do to themselves what they are going to do by law to others. We are calling on them to roll back the sharp increases that they brought in this year, heating, light, insurance and telephones, to use four very serious examples.

What they are saying in effect is it's all right for us to gouge the public and in telephones they are not even anticipating they are raising rates in anticipating in two or three years that they are going to need these increases to keep Sask Tel on a business like basis. So if there was ever gouging by anyone, the NDP Government is setting an example. But I don't hear them saying, we're going to make the landlords roll back, but we're going to set the example and roll back cost too.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — Are they prepared to meet with the municipalities. The municipalities have raised costs in the last year. They have had to. They have raised taxes, they have Henry's sewer tax for example is a new one, they have raised lots of charges. These are all costs to all people, including the landlords. Now, the municipalities need those increases, but is this Government prepared then, when they are forcing some people to roll back, to sit down with the municipalities and give them extra grants so they can make exceptions to the same people that are being forced to roll back their prices?

Mr. Speaker, surely one of the bases of any rent control act, must be that it does not discourage the building of new accommodation. If it does and I say this Bill will discourage that, it is already discouraging the building of new rental accommodation, then we are going to face in three or four years a problem that makes what we have today, look very small, pale by comparison.

Now, the Minister says this Bill will help the problem. Well unless it's amended or changed, if he's got any common sense, he's either talking nonsense or he hasn't got any realization or any understanding of the problems and what goes into making people invest their money in rental accommodation. This Bill will in fact just do the opposite.

There is another question that is raised. The question of the tenant who rents from an individual who only has one rental accommodation. Rents one house or an apartment in his own home. The Minister says, we decided not to touch those people because of the personal contact they can have between landlord and one single tenant. Well, I don't know how many people he has talked to that rent one house or one apartment, but I can tell you some of the personal contact is pretty bad. Now most of those people again, are acting very responsibly, but again you can have just as much gouging by an individual who only rents one house that you can have from an individual who has 50 or 60 apartment blocks or houses to rent. His argument is nonsense. I say there are hundreds or maybe thousands of people

in this province who are renting from individuals who only have one accommodation, rent one home or one apartment. Those people are entitled from their government to exactly the same protection as anyone else.

Mr. Speaker, let me again make it very clear. You have got to have rent controls, if you are going to have a package that deals with anti-inflation that tries to come to terms with this most serious problem. But this Government has chosen one group. Why? They have chosen one group to single out because they think this is very popular. Of course, there are far more tenants than there are landlords.

I hope they are not going to use this anti-inflation and come out with an approach that gets the kind of people they want to get. They are getting the potash industry. Now it looks as if they are going to get the landlords and they will decide who they are going to get on an individual basis without ever coming in a responsible way to terms with the fight against inflation. The lead time. Surely the Government opposite and the Minister opposite knows that the lead time between planning and renting apartment blocks or rental accommodation is three to four years.

Now if he knows anything, he knows that planning right now has been stopped, has ground to a halt and unless this situation is changed and changed very rapidly, as I said before, we are going to have a situation three or four years down the road that will be far more desperate than we have now, and it's bad enough today. The only answer, the final answer to this whole problem is to get more space, more houses, more apartments available for rent. That's the answer. Supply and demand. If you have a situation like you have now where practically one hundred per cent of the accommodation is in use and there are long waiting lists, there is no pressure on anyone to bring down rents, but when there is an excess as there was a few years ago, you never had any problem with rent gouging four or five years ago because there was an excess. There were far more rental accommodations than there were people to rent them. But today the situation is different. But unless you take a sensible approach and a fair approach, the situation won't improve in the years ahead, it will get worse.

Now this may be the excuse the Government's looking for. We may end up two or three years down the road and have the Government saying about people who wanted to invest their money in building apartment blocks or houses to rent exactly the same thing as they are saying to the potash industry, you failed to expand so we've got to move in. They are setting the stage for exactly the same thing. No one will invest their money to build apartment blocks unless they know they can make a reasonable profit. This Government is using either the head in the sand attitude towards this problem or they are doing it deliberately and we'll see another intrusion of the NDP socialist Government into what has normally been the private sector of the economy, another power grab by a government that has proven that it's power hungry.

Mr. Speaker, the idea of a rent control bill is good. But again, what we are saying is, accompany it by the other controls that are necessary to fight inflation within your area of responsibility.

SOME HON. MEMBERS: — Hear, hear!

MR. STEUART: — Take an honest look at that Bill. All the landlords, Mr. Minister, aren't crooks, all the landlords aren't gougers, there are some, there are some, but again the NDP can never hide their bitter hatred of anybody that invests money or anybody who's in business and it shines through this Bill once more very clearly. I'm sorry that some of the new Members and the new Minister who comes on reflects the same old tired dog-in-the-manger attitude that we've seen from these front benches for so long.

Mr. Speaker, I have more I want to say about this Bill and I want to just say before I ask for adjournment that there will be amendments brought forward, good amendments that can improve this Bill and I hope the Government doesn't take the attitude that they have all the wisdom, because they haven't nor do they have very much of the common-sense, that they will listen to the amendments, they'll pass them, they will work with Members on both sides of the House to make this a better Bill, before it becomes an Act, so that we can have as fair and as equitable a rent control as is possible.

I beg leave to adjourn the debate.

Debate adjourned.

ADJOURNED DEBATES

Second Readings

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Romanow that Bill No. 1 - An Act respecting the Development of Potash Resources in Saskatchewan be now read a second time.

HON. G. T. SNYDER (Minister of Labour): — Mr. Speaker, I welcome this opportunity to say a few words on Bill No. 1. I trust, Mr. Speaker, that I am not infringing on the time of Liberal Opposition Members who obviously are devoted to delaying tactics and foot dragging and tedious repetition. I just draw attention of the Members opposite to this whole question of tedious repetition because one of these times the Leader of the Conservatives (Mr. Collver) is going to discover that rule in the Blue book which indicates that tedious repetition should not be a part of parliamentary debate and then you fellows are in real trouble.

I think it has to be said, Mr. Speaker, that any impartial observer would have to agree that the Liberal contribution to debate on both Bill 1 and Bill 2 have provided more length than depth to this debate and certainly more heat than light.

I don't intend to impose myself on Members of the House for a lengthy period of time, Mr. Speaker, but I do want to spend a few minutes this afternoon in an attempt to clarify what I believe to be some basic important facts about the resources of the Province of Saskatchewan and this Government's policy with respect to the development of those resources.

The first fact is this, Mr. Speaker. The resources of this

province belong in the first instance to the people who live here..

SOME HON. MEMBERS: — Hear, hear!

MR. SNYDER: — By law, Mr. Speaker, as well as by tradition, when the citizens of this province assumed the responsibility for the governing of their own affairs they also assumed ownership and control over the lands and the minerals of the Province of Saskatchewan. And in doing this, Mr. Speaker, we stopped being a colony within the British Empire. At the same time when we joined confederation back in 1905, we agreed to transfer to the Federal Government some of our sources of revenue such as the collection of customs duties. But we clearly retain for ourselves the use of and control of our lands, our mines, our minerals and any revenue they might produce. It may be that in years gone by, Mr. Speaker, we as a province were less than mature, perhaps less than aware of our own rich heritage and of our equally significant capacity for controlling our own destiny.

Now, however, Mr. Speaker, with growing maturity and confidence, the people of Saskatchewan I believe at this point in time are questioning former policies that allowed and indeed are still allowing our natural resources to be depleted without providing a reasonable return to the people of our province.

Therefore, Mr. Speaker, the second point that I wish to make is this. The era when resource policy consisted of bargaining away the profits from an industry or a resource in return for a temporary flurry of economic activity and of several hundred or several thousand new jobs has gone by. This pattern is one which we have seen in other countries even more than in our own. It has been seen that once a mineral has been mined out, only unemployment and disillusion were left behind because the wealth generated by the resources had long since left the country and were no longer available to those who had owned it in the first place.

The time, I think, has come, Mr. Speaker, when government policy must reflect the priorities set by an enlightened, sophisticated public. I believe the people of this province expect and have every right to expect strong and mature leadership at this time in our history. Government is responsible to the people for using these resources efficiently and wisely.

I come, Mr. Speaker, to point number three. Government cannot in good conscience forego all, or even most of the benefits inherent in the development of this great endowment of ours. That would be very poor stewardship indeed. I believe, Mr. Speaker, that most Canadians understand that in this country there exists a principle of public ownership of resources. This has been the case and the belief for a good period of time. This is neither new nor startling. We have been working with this concept in the Province of Saskatchewan for many years trying to develop policies which will guarantee to our citizens all the social and economic benefits to which they are entitled.

In developing our resources we have maintained a flexible approach in our province. We have dealt with the many private corporations and we have encouraged and assisted them. Developing the timber industry for example; we have had a mix of public, private and co-operative development. When the price of oil

rose in a spectacular way we moved to guarantee to the people of Saskatchewan that they would participate in those windfall prices.

In the case of our uranium resources, Mr. Speaker, we entered into joint ventures with private companies so as to share in the risks, but yes, also to ensure the people of Saskatchewan that we will also share in any future rewards.

In the vast majority of cases our relationships have been satisfactory. Through the traditional means of regulation and taxation we have been able to negotiate reasonable returns for the people of this province. However, where large corporations hold licenses to extract our resources and where they are unwilling to grant reasonable returns to those who own them, then we as a responsible Government, Mr. Speaker, must find a better way.

SOME HON. MEMBERS: — Hear, hear!

MR. SNYDER: — Our people, Mr. Speaker, cannot be expected to be satisfied with some increased activity when a new mine is constructed for example plus some employment afterwards. Certainly these are important items in our economy but all of us know that this is not the whole story by any means.

In private hands without careful regulation, the activity and the employment will last just as long, but when the resources have disappeared and the wealth of the provinces has disappeared nothing but disillusionment is left behind. With adequate public control, Mr. Speaker, the activity and the employment will last just as long but in addition the new wealth will remain to be used for other economic and social benefits. This is what we are dealing with in the Province of Saskatchewan today, Mr. Speaker. Priorities of the potash companies and their shareholders are clearly not coterminous with our objectives on behalf of the people of Saskatchewan.

As I said before, we attempted through the normal routes of regulation and taxation to guarantee a fair return from our potash reserves and furthermore, to guarantee the orderly expansion of that industry, and, Mr. Speaker, it was not successful. It got us nowhere. Now we must go another way.

Our experience with the potash companies has left us to consider this industry as a special case requiring another approach and we are proposing to add another facet to our policy by means of this Potash Development Bill.

Saskatchewan will develop its own potash resources without giving up ownership or returns, Mr. Speaker. This presently seems to be the only way that we can be reasonably sure, not only of acceptable returns but also that we will be able to conserve or expand production in our own best interests.

We knew, Mr. Speaker, that we had a special problem when all the usual avenues of negotiation failed. That problem became crystal clear, Mr. Speaker, when the companies as part of their tax battle with this province refused to expand their capabilities or the capabilities of their existing mines. They clung to this refusal, Mr. Speaker, in the face of growing demand plus the very real chance that Saskatchewan could lose

its share of the rapidly expanding market. We knew then, Mr. Speaker, that the priorities of our people and those of the potash companies were very far apart indeed.

Mr. Speaker, while there is still a very important place for private business in our society, there is an equally important place for people who are not driven only by the profit motive. I believe that we have an abundance of dedicated people in the Province of Saskatchewan who want to work here, who want to have their head office here and want to be part of a strong, independent, responsible society.

SOME HON. MEMBERS: — Hear, hear!

MR. SNYDER: — They want to live in a province where the interests of the resident, not the distant shareholders will come first.

There are some people in this country, Mr. Speaker, who have been known to imply that a province like ours has to make sellout deals with large corporations because we don't possess the so-called technical knowledge to build the mines or the machinery or the transportation systems which are necessary to convert our natural resources into the social benefits which our people require.

The only way that this valuable foreign technology can be acquired, or so the story goes in the minds of some reactionary souls is through foreign ownership. I think a little careful thought shows this to be one of the several myths that we have been surrounded with for a couple of hundred years, Mr. Speaker.

Branch plant nations traditionally do very little in the way of innovations, and Canada, I am afraid and ashamed to say, Mr. Speaker, has the highest absolute per capita foreign ownership of any of the so-called developed nations in the world. I think this is the situation which causes us to be somewhat less than proud. Other countries have certainly found reliable methods of acquiring technology without surrendering ownership of their resources and industries, Mr. Speaker. They do it with carefully negotiated licensing arrangements, they do it by comprehensive regulations, joint ventures where possible and outright ownership where necessary, plus copying and improving technology and giving their own citizens the training necessary to do those jobs.

Certainly this province has been pleased to work out agreements with private developers of natural resources whereby a reasonable split of the profits could be arranged in return for the private sector's enterprise.

That only makes good sense, Mr. Speaker, and I have no doubt that we will do more of this in the future. Nevertheless assuming the Saskatchewan people are incapable of providing the managerial and technical talent in all cases is not only unjust it is also insulting and it is wasteful, Mr. Speaker.

I think most Members of this House are aware that this province has produced numerous talented, well-trained, experienced people, some of whom are even now working both in our Crown corporations and in the private sector to guarantee our citizens the social and economic benefits which a resource reasonably should be able to provide for them.

I cannot agree that we must cast our citizens in the role of the 'hewers of wood or the drawers of water' to be controlled and managed by outside interests. I suggest that this is a time to give up this neocolonial mentality once and for all. The people of this province are entirely capable of filling their roles as owners and managers and developers of their own wealth.

SOME HON. MEMBERS: — Hear, hear!

MR. SNYDER: — Mr. Speaker, having said this, allow me to review the main points that I have been attempting to make.

First of all it is clear that the province owns its resources. This isn't an issue, at least I don't believe it to be. The issue is the manner in which our citizens can gain the highest returns from the use of these resources and this involves consideration of the future as well as consideration of present circumstances.

Secondly the era of exploitive resource policies is over because our citizens are no longer willing to accept that set of circumstances.

Furthermore as the elected representatives of the people of this Government, I believe it has to be said, is in a position of stewardship. In other words it is our responsibility to safeguard the welfare of all of our citizens both now and in the future.

Thirdly, Mr. Speaker, there is no one simple answer to the aspects of this subject nor do I believe that there is any excuse for a doctrinaire approach, such as is being exhibited by the right wing sector of the political spectrum in the Province of Saskatchewan. To suggest that the large private corporations armed with their profit motive are the only agencies capable of developing our natural resources, is perfect nonsense, Mr. Speaker. Furthermore such nonsense is dangerous. We know for example that as foreign ownership in our country increases the flow of capital out of our country also increases. We know too that at present certain vital decisions affecting our economy are being made elsewhere; needless to say, those decisions are not based on our priority.

Knowing these things, Mr. Speaker, we look around and see that the petroleum industry is now over 99 per cent foreign owned and even the National Energy Board can't get straight answers to some very vital questions about our known oil and gas reserves in Canada. This is an incredibly tragic situation, Mr. Speaker. And one which I think would give every sane person in these Chambers cause for very serious thought. For too many years, Mr. Speaker, we have been exploiting nonrenewable resources so as to finance our imports of labor intensive products or finished goods and contenting ourselves, Mr. Speaker, with a few hundred or a few thousand jobs here in the so-called hinterland.

I think we have all heard Canadians in general boast about how rich we are. We point to this province or that province and we say it is abundantly endowed with this mineral deposit and that hydroelectric resource. And yet such boasting, Mr. Speaker, I think is somewhat foolish in the extreme when the

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province in question has turned over its wealth for exploitation by others and has agreed that in return it will settle for the creation of a few jobs for our people as drillers or miners.

Let me take a moment if I may, Mr. Speaker, just to quote a few words made by Eric Kierans back in 1973 on this subject. He had this to say:

A resource policy must be ultimately judged by the measure in which it attains the maximum social advantage from its endowments. That measure must be not merely the employment provided in the extraction process but also the proportion of the new wealth created that accrues to the people who own the resource and is retained by them.

Eric Kierans does not see this as a question of dogma, Mr. Speaker, nor do I. The plain fact is that government must not squander the resources of its people. It must see that there is employment, but infinitely more than that it must see that the resources are managed so as to yield the highest possible returns to the owners who are the people of this province.

Mr. Speaker, if private enterprise cannot accept this obligation to the citizens of our province, and this is not an unreasonable demand in my view, then a responsible government, Mr. Speaker, must take over and run the show itself. That, Mr. Speaker, is the proposition which is before us today and you will have gathered that I will be supporting this Bill on second reading.

SOME HON. MEMBERS: — Hear, hear!

MR. D. COLLVER (Leader of the Conservatives): — Mr. Speaker, the Minister invited me to look up in the Blue Book about tedious repetitious debate, I didn't look there but I did look under tedious and it is wearisome, irksome, or tiresome. I may have missed something, Mr. Speaker, it seems to me that all of the points made in the Minister's speech have been made before through the Throne Speech and I would ask him, did you make an extra point that we haven't heard already?

MR. SNYDER: — Yes.

MRS. E. G. EDWARDS (Saskatoon-Sutherland): — Mr. Speaker, I should like to join the debate on Bill No. 1. This is December 1975, and as this year draws to a close..

SOME HON. MEMBERS: — Hear, hear!

MRS. EDWARDS: — Thank you, correct so far. As this year draws to a close it would be a suitable time for our Legislative Assembly to recall some of the outstanding and memorable events that have taken place in Saskatchewan this year. Unfortunately, however, in Saskatchewan history if Bill No. 1 passes, 1975 will not be recorded for the good things that happened in our province.

It will go down in history as the year of the great disaster as far as business and industrial development are concerned.

SOME HON. MEMBERS: — Hear, hear!

MRS. EDWARDS: — Mr. Speaker, if Bill No. 1 passes, 1975 will be recorded as the year the socialists in this province nationalized the potash industry.

If Bill No. 1 passes, 1975 will be recorded as the year the Government disregarded agreements made by a former NDP Government which guaranteed the potash industry fair taxes and no danger of expropriation. If Bill No. 1 passes 1975 will be remembered as the year the Saskatchewan Government kicked out of our province people a former government invited and encouraged to locate here. People who, believing the promise of a former NDP Premier, invested millions in risk capital to build and develop mines, mines that we neither had the money nor the expertise to build on our own.

Mr. Speaker, 1975 will also be remembered as an election year, an election where nationalization of the potash industry was not made an election issue. The people of this province were not given the opportunity to vote on this important question and the NDP Government was not given a mandate to take this drastic step backwards in our province's history. Had the election been this December 11th instead of June 11th, the results would be quite different and with a Liberal Government in power, we would not be facing the problems with the potash industry that we are debating today.

SOME HON. MEMBERS: — Hear, hear!

MRS. EDWARDS: — Mr. Speaker, it is a sad situation that Saskatchewan finds itself in. A situation where the Government of this province has precipitated such an impasse with one of our major industries that the Government now feels that they have no alternative but to take over all or part of the potash industry. Bill 1 gives the sweeping power that is required by the Government to accomplish this infamous act. The news of the proposed takeover of the potash industry, perhaps should not have come as a surprise to Saskatchewan citizens. The present Saskatchewan Government has demonstrated time and time again its insatiable appetite for power. Power over every segment of our society and every aspect of our daily living.

The realization of the consequences, if the sweeping powers of Bill 1 were applied to other resources such as land or private business strikes fear in the hearts of every thinking citizen in this province. Mr. Speaker, every farmer and every businessman, in fact every citizen, should read a copy of Bill 1 and I wonder how many have copies and how many have actually read it. I am sure if they read Bill 1 and tried to comprehend the effect such sweeping powerful Government regulation would have, if applied to his business and his assets there would be great concern in this province. Sections 3, 4 and 5, for instance, where the Government corporation could expropriate almost without notice if a similar act applied to farmers or other businessmen.

Mr. Speaker, many people are living in fear and their

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business operation, is on a day to day basis. People are asking what group will be next in the Government grab for more control and more Government takeovers. People in Saskatchewan are not the only ones showing concern.

Federal Finance Minister Donald MacDonald speaking in Saskatchewan last week said, he was concerned about the possible adverse effect of the takeover policy on the national economic development and Canada's access to debt and equity capital from abroad. Mr. MacDonald asked the question and I quote:

Should we as a nation be drawing on hundreds of millions of dollars of capital to buy out existing productive resources rather than to create new resources that will add to our productive capacity and employment opportunities.

Shock and opposition to the nationalization of the potash industry is not confined to Saskatchewan or to Canada.

Mr. Edwin Weeler, President of Fertilizer Institute of America, as reported in the Calgary Herald on Friday, December 5th predicted among other things and I quote:

The grab for the potash mines is going to blow up into perhaps the most serious issue yet to confront Washington and Ottawa.

The Government must have anticipated the shock, dismay and anxiety that the planned nationalization of the potash industry would generate. The flood of newspaper ads and broadcasts to try and sell the takeover are examples of how our taxpayers' money is being used in a propaganda war to sell Government action.

Mr. Speaker, the Members opposite are totally inconsistent, they say on the one hand they have the support of the people of the province, then they spend thousands of dollars on propaganda to convince those same people that Government expropriation of an industry is a good thing. The same Members opposite then cry like babies over spilled milk, when they find, there are individuals and groups who do not agree with this outrageous government policy and set up advertising campaigns and I emphasize, at their own expense, to bring a different point of view to the people of this province.

The Hon. Member for Saskatoon Centre (Mr. Mostoway) as reported in the Saskatoon Star-Phoenix December 5th has called for the Government to stop supporting the Saskatoon Board of Trade and suggests the cancellation of the memberships of Crown corporations in the Saskatoon Board of Trade. Mr. Speaker, it would seem that the Hon. Member for Saskatoon Centre is prepared to recommend extreme action to silence those who oppose the action of the doctoral power hungry Government.

Mr. Speaker, surely there is enough democracy left in Saskatchewan that "freedom of speech" by groups and individuals can still be exercised without fear of retaliation from those in power over us. Like many others who were born and raised in Saskatchewan, my first concern in all this debate must be, "What is the best for the citizens of this province?" We all know the people of this province own the resources, it's what policies they are best developed under.

Mr. Speaker, the learned gentlemen of the legal profession in our Liberal caucus have set out clearly and precisely the legal and constitutional reasons why Bill 1 is such a disastrous course for the Government to take in the management of our potash resources.

I have been impressed with the eloquent speeches of experienced Liberal politicians as they have brought to the attention of this Assembly and the people of this province the reasons why the nationalization of the potash industry is a bad move philosophically and economically for our province.

As everyone here realizes I am a newly elected MLA. I have neither legal training nor political experience but I do speak with conviction and sincerity on behalf of the ordinary individual in this province.

SOME HON. MEMBERS: — Hear, hear!

MRS. EDWARDS: — The ordinary people I have talked to, whether it is a senior citizen, a young married couple, working people raising a family, blue collar workers or professionals, the people I have talked to from all walks of life think buying the potash industry is a bad business deal. It is a deal they would not by choice borrow money to enter into, and one they do not wish the Government of Saskatchewan to borrow millions to buy on their behalf.

Mr. Speaker, all citizens want our resources managed so that they bring the most benefit to our people and to future generations. We believe the most sensible and beneficial way to manage our resources is by good government regulation, fair taxation and realistic royalties. In the past few years the taxation of our resources has brought millions of dollars in revenue to our provincial coffers, money that along with record wheat sales has resulted in Saskatchewan enjoying a buoyant economy. At this time in the life of this province when we are on the verge of becoming a "have" province instead of a "have not", this Government is about to launch us in a business venture that will cost millions of dollars each year in interest alone, and could be 20 years, a whole generation, before any benefits are realized.

To add to our economic difficulties, the attitude and actions of the present Government towards business and industry is going to cause a loss of potential investment which is badly needed to diversify our economy in this province.

It is not surprising to the average person, who is faced with careful budgeting in these days of double digit inflation, it is not surprising to those people that a Government that plans to spend billions to buy an existing industry has to warn the citizens, as the Premier did in the Throne Speech, that there will be austerity budgeting and cutbacks which will affect capital projects and programs in all government services, even down to the constituency level. Every housewife and mother realizes the financial hardships, she and her children would face and the difficulties she would have, to provide the basic necessities for her children, if her husband foolishly invested the family paycheck in a risky business venture, far beyond the family's means.

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Mr. Speaker, the heavy financial commitment would perhaps satisfy the husband's ego to be in big business, with a head office in Saskatchewan, but it is a costly sacrifice for his wife and children.

SOME HON. MEMBERS: — Hear, hear!

MRS. EDWARDS: — I am confident that if the people of Saskatchewan had the opportunity to choose between owning all or part of the potash industry with all the financial debt that that implies, on the one hand; or to be the beneficiary of millions of dollars in potash taxation revenues which could enrich our programs for education, health, senior citizens, highways and municipal spending, I am confident the answer the people of Saskatchewan would say would be an unequivocal and clear, No.

SOME HON. MEMBERS: — Hear, hear!

MRS. EDWARDS: — They would not opt for a deal that promised years of debt and austerity.

Mr. Speaker, people of this province have experienced hard times when there were crop failures and hard times when wheat did not sell - they know that Saskatchewan has no guarantee of holding either the world markets in wheat or in potash. People of Saskatchewan are afraid of a financial burden that is one of the largest taken by any province in Canadian history. This financial burden is taken by a province with a population of less than one million and taken at a time when our economy is buoyant, but with no assurance that it will remain that way.

Mr. Speaker, I urge the Government to delay the passage of this Bill until the citizens of this province have had an opportunity to express their views.

SOME HON. MEMBERS: — Hear, hear!

MRS. EDWARDS: — The Government, Mr. Speaker, runs an ad in our local newspaper which says, "Speak up, your Government wants to hear you". I suggest, Mr. Speaker, that if the Government really means what those words say they will delay the passage of this Bill and listen to what the people are saying.

SOME HON. MEMBERS: — Hear, hear!

MRS. EDWARDS: — Mr. Speaker, I will oppose the passage of Bill 1.

MR. E. ANDERSON (Shaunavon): — Mr. Speaker, it is with a feeling of respect for the enormity of the decisions that we are now discussing, that I rise to speak on Bill 1.

This government has embarked on a socialist venture that will prove disastrous to our province. It seems strange that when the Government talks of the free enterprise system that they equate and compare it to fascist type dictatorships that rule in some countries in this world, especially in many South American countries. When they speak of socialism and state ownership of land and resources they completely ignore the

collapse and failure of the countries that have tried socialism and nationalization.

A prime example is Britain which after 30 years of socialism government is an economic disaster. The productivity of the worker and therefore of the country is one of the lowest in the world. Surpassed only by Italy which has become a bankrupt nation because of her socialist governments.

Sweden which has been under the socialist yoke for many years suffers under some of the highest taxes in the world, has its society in moral decay and has the second highest suicide rate of the countries of the world.

AN HON. MEMBER: — You better listen over there.

MR. ANDERSON: — When socialism is carried to its furthest extreme of communism, the fallacy of state ownership becomes more apparent. Russia has the greatest area of arable land in the world and some of the best grain growing areas in the world, yet her productivity on state-owned farms has never increased to the productivity of our North American farmers under private ownership and the free enterprise system.

MR. COWLEY: — Tell us about Indira Gandhi.

MR. ANDERSON: — Yes, she imports from us, not us from her. Russia remains a net importer of wheat. Yet even in the days of the Czar's feudal system she was an exporter of grain. This effect of state control of the means of production is even more apparent when they found that while production increased on the private garden plots of the state farm members, production did not increase and in fact in many cases has fallen further behind on the same state farms that these members operated. You should read your history book.

History has proven in country after country that socialism has been a failure.

SOME HON. MEMBERS: — Hear, hear!

MR. ANDERSON: — Yet this Government blindly persists in following down this very same path to disaster.

The NDP Government reminds me of the people who go down to Las Vegas. They come back and talk about the money someone made at the gambling tables, but they never tell of the ones who lost.

MR. COWLEY: — I always pay my own way.

MR. ANDERSON: — Do you, with the taxpayers' money.

The NDP uses the same tactics when they discuss the potash industry. They speak of the profits that are being made on the mines that are producing now. They seem to feel that even bond interest on these investments is excessive. They completely ignore the millions of dollars that were lost on mine shafts

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that collapsed or were flooded in the development of this industry. They don't seem to feel that a company is entitled to a profit that allows it to recoup these losses. This attitude completely ignores the realities of the business world and even the realities of life.

This Government has the idea that they can ask investors to risk the capital required to develop resource industries, and then when the industries are working, then they can confiscate these properties and use the full profits without allowing a recoup of losses by the investors. This is outright robbery of investors' money. One should remember that many shareholders in companies are people like you and me who have invested savings in buying shares in companies to provide an income for their old age.

It is easy for the NDP to prattle of multinational corporations while ignoring the fact that they are robbing the savings of many ordinary citizens. I would imagine that these shareholders in the potash companies feel much like the two chickens standing in a farmyard. They watched the lady of the house drive in from town and carry a parcel into the house. The one chicken turned to the other and said, "Isn't that gratitude for you, she went and bought a chicken roaster with the egg money."

This Government throws up a smoke screen of their favorite slogans of multinational corporations and rip-offs to justify expropriation of citizens' property.

They say that the potash belongs to the people of Saskatchewan. I agree that the benefits belong to the people of Saskatchewan but it is a fact that a great deal of the potash is owned by individual farmers in this province who own the mineral rights on their titles and therefore own the potash below their land as securely as they own the farm land on the surface which also doesn't seem too secure.

In the deposits mined by the Kalium mine alone over 50 per cent of the deposit is owned by the individual farmers in the area. These farmers are the ones who paid mineral right taxes over the years on these deposits and who leased these minerals to Kalium for a royalty fee. The talk of expropriating this potash is the same as saying we will in time expropriate the very land that this citizen is using for farming.

This Government does not have to expropriate private property to ensure that the province and its peoples share in the revenue of our potash. We have taxation and royalty fees that allow us to share fairly in the use of our resources. In purchasing these mines we are using money that could create new and more jobs. This money belongs to the people of this province and is being risked unnecessarily. The NDP says that this is a no-risk investment and that the debt will be self liquidating. There is absolutely no way that these statements are facts. Rather when one looks at the investment objectively the opposite could prove to be true. We can rest assured that when these potash companies receive their money for these mines, they will use this money to develop potash deposits in other parts of the country and the world.

Potash is not a rare commodity in the resources of the world. Deposits are to be found in New Brunswick, Spanish

North Africa, Montana, New Mexico just to name a few. The Soviet Union also owns 40 per cent of the known world potash deposits. The deposits in New Brunswick are very close to seaports where they can be put on ocean bulk carriers at a very much less cost per ton than our deposits, which are 1,000 miles from the sea.

When these potash deposits are put into production using money that we have borrowed as taxpayers of this province it will be a very difficult operation for our mines to compete with them. It seems ridiculous that we should buy Saskatchewan mines and provide the capital needed for the potash companies to develop competition for our potash resources. We must also not forget that the Soviet Union is quite willing to supply potash to the world market as a net loss to their industry. They do this so they can acquire much needed foreign exchange. To state categorically that the potash mines in Saskatchewan are guaranteed to be profitable and that they will pay themselves off and provide no drain on our general tax fund, is not facing facts and is a questionable statement.

The past history of the potash industry of Saskatchewan shows many years in which these mines made no profit and this can happen in the future. The expropriation and nationalization of the potash mines by the NDP Government shows a blind dedication to socialism at any cost. A dedication that causes reason to be lost and shows the feeling that the pursuit of state ownership is more important to the NDP than the welfare of the people of this province.

SOME HON. MEMBERS: — Hear, hear!

MR. ANDERSON: — A feeling seems to prevail in the NDP ranks that the end justifies any means used to attain that end. In a starving world it seems almost criminal that we are willing to purchase a potash industry that is in production. While at the same time this Government says it cannot find the funds for the development of our potential, for the development of our irrigable land.

The NDP is quick to state that we are starving the world because we are not producing enough potash for fertilizer. They neglect to state that in curtailing and stopping the development of our irrigable lands we are quite literally starving the hungry world. They wail long and loud that our arable land in Ontario is being put under concrete. The NDP action is much more heinous. They will put billions into expropriating the potash companies while leaving productive land stand idle because they haven't the foresight to develop our full agriculture potential.

SOME HON. MEMBERS: — Hear, hear!

MR. ANDERSON: — They are denying our young people the opportunity to enter into agriculture pursuits. They are denying our people the opportunity for jobs in the secondary industries in processing that centre of irrigation projects.

The world is short of pulp. The northern people need jobs and industry so that they can break the welfare syndrome and gain self respect. The pulp industry, like agriculture is a manageable and renewable resource. Yet this government neglects

this industry in its mad rush to nationalize the potash industry.

We have large coal deposits in this province. An energy source that is necessary to helping us increase our productive capacity to feed a starving third world.

The NDP claims that we will save the income from our potash industry for our own use. The actual fact is that for many years the revenue from these mines will still pour into the multinational corporations that they so despise, in the form of interest payments and payments of capital for these mines purchased. The greatest change will be that these payments will pour out of our province even if the potash industries fall into a net loss position. These payments will then have to come from our general tax revenues of our province, further depleting our ability to increase productivity, industry and jobs for our people.

In view of all these facts I must state that I cannot support Bill 1 and will vote against it.

SOME HON. MEMBERS: — Hear, hear!

MR. L. E. JOHNSON (Turtleford): — Mr. Speaker, in rising to take part in this debate, I would first like to comment on a little news clipping from a newspaper in the Swift Current area. It says in there about the fourth paragraph down:

By now most readers will know about the defeat of the first reading of the Potash Bill.

I believe that I am speaking at the second reading of the Potash Bill and that this is an incorrect statement. It is in a little report from the Legislature by the Member for Swift Current (Mr. Ham). Some wishful thinking I assume.

Mr. Speaker, the Member for Shaunavon (Mr. Anderson) indicated that there have been some problems regarding the Soviet Union in their production of grain and I think that if he had listened to the reports they said that there was an 80 million ton shortage in the Soviet Union. But we should take a look at that and be very careful because in looking at something like 17 million tons and over 50 per cent of the Soviet Union grain producing area is north of our grain producing area. These are some of the things that are related to the problems of growing grain in the Soviet Union.

Mr. Speaker, I rise to speak in this debate because I find that some of the Members on your left are grinding their teeth on the bones that are left because they have no meat left on what they are talking about.

SOME HON. MEMBERS: — Hear, hear!

MR. JOHNSON: — And I think that maybe I should give them a little meat - one of them mentioned that here awhile back - because most of the speeches from this side of the House are related to the Potash Bill and have some meat on the bone. I envy not their position because it is very difficult for the Members to your left to support the path that they are indicating should be taken in regard to potash. In looking at the potash venture I believe more of the total meaning of what Government involvement

in industrial ventures is all about, should be looked at. And it's not so much just the effect of what it has in a single plant or a single industry but rather one should look at the total effect throughout the province. I believe that you can look at this in several different directions and there are three areas in which the Government can be involved in the industry and that they should be involved.

In the first particular instance I believe that there are very few in this House who will disagree with me about the function of providing service. Government involvement in this is accepted right across the board. This covers the service areas such as power, telephone, energy, including natural gas and petroleum. I should like to add one other one which is transportation where presently the involvement of government is in roads, in airports and in sea transportation. I suggest that it would probably be to good advantage if the Government moved in and did a little bit more in rail transportation, the one segment left that is not already included. This segment of the economy needs to be controlled and needs to be offered to everyone within the province.

The people of Saskatchewan are in control of those things which reflect their particular area. I believe that the most effective control in the Province of Saskatchewan is by Crown corporation, for very few individuals will ever have the voting opportunity at a shareholders' meeting in Toronto or New York or Montreal. But there is always an opportunity once every four years to vote in an election.

Mr. Speaker, in looking at a second situation I find that government involvement is a necessity in an industry where the industry is based on primary products of the province and that is to say it becomes a secondary industry processing the Saskatchewan primary products. Essentially if the industries that are doing that begin to remove their facilities from within the boundary of the province and in doing so take with them jobs, which means that they are taking with them a segment of the society that makes it possible to provide services at a reasonable cost to everyone within the boundary. Services in the way of telephones, power, transportation, cultural buildings, natural gas, schools, auditoriums and medical services. It is necessary that we have a certain population in order to provide these services at a reasonable price. One can see that this purchase or entering into this business but realize and take into effect and consideration the opportunities regarding the commodity produced. A balance must be maintained between the commitment and the effect to the community.

Mr. Speaker, I believe that an example of this is the packing plant in Saskatoon and the Saskatchewan Forest Products Corporation. The involvement in packing to me has maintained in Saskatchewan that segment of the meat industry which turns out a processed product from Saskatchewan beef and pork. Instead of acting as an ambulance driver to pick up the dead after it is past.

Mr. Speaker, there is a third area where the industry concerned was a significant influence on the social fabric of the province. This may be all of Saskatchewan or a segment of the province when the industry which is not responsive to the needs of the people in the area but responds to distant influences and creating a very destructive environment in which

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to live. Such industries are usually manned and operated by corporations of an international nature. Usually they are involved in resource extraction and they are involved mainly for profit, potash being a major in the Province of Saskatchewan. I feel that these corporations in effect attempting to change the direction in which the Government of Saskatchewan wishes to go are being very destructive.

Mr. Speaker, for those reasons I will support second reading of Bill 1.

SOME HON. MEMBERS: — Hear, hear!

MR. W. H. STODALKA (Maple Creek): — Mr. Speaker, I should like to make a few comments in this debate. The Minister of Labour (Mr. Snyder) this afternoon during his presentation again proceeded to paint the potash corporations as a group of large, bad boys. You know my mother always told me that it took two people to have a dispute and this last weekend when we were in the city of Saskatoon I happened to pick up the paper and ran into a little article that was in the Saskatoon Star-Phoenix. In reading this particular argument it seems that the Government opposite not only fights with potash companies but they seem to be having a little bit of a battle going on with a Crown corporation in Ottawa, called the Eldorado. They are responsible for uranium. I should just like to read a paragraph or two from that particular release. It says:

Essentially Eldorado's plans have been put into a hold pattern until the still uncertain tax situation has resulted.

A little later on he goes on to say:

But the attitude of the federal Crown corporation toward the province is - we know the rent is going up, we want to maintain a viable industry and incentives for exploration. We don't think that your proposal does that. We want sufficient returns for the companies to operate and thrive and for the Government to participate in the development of its resources.

It seems, Mr. Speaker, that our government opposite not only fights with the multinational corporations but it also fights with federal Crown corporations.

SOME HON. MEMBERS: — Hear, hear!

MR. STODALKA: — Mr. Speaker, none of our previous speakers indicated really what a great convention we had this last weekend. I might say that if any Hon. Members thought that we were a dead bunch they should have been around that Bessborough Hotel and seen all the life and action that we had this last weekend.

SOME HON. MEMBERS: — Hear, hear!

MR. STODALKA: — I haven't attended many of these myself, Mr. Speaker, but I was fantastically impressed with it.

Also when I was in Saskatoon with our Member for Saskatoon-Sutherland (Mrs. Edwards), I saw where Mr. Mostoway has been

going around threatening the Board of Trade. He says if they don't kowtow to the Government line they are going to take away any of the grants that they are giving these fellows. I guess they've got two positions, either you shut up, you don't say anything at all or if you do, look out, you're going to lose your money. So for goodness sakes be quiet!

Mr. Cowley is no longer here. I also picked out of the same paper another little advertisement. This one says:

Cowley says that the potash advertising expenses are uncertain.

A little later on he says:

I don't think that they are going to be a very significant amount.

All I think we have to do today is just look into the newspapers and listen to our radios and I am sure that every one of us will be able to decide that indeed there is a significant amount.

Now that the Attorney General is back I should like to congratulate him on the job he does as leader of the House on the other side, and on the general business of the House. Over on that side of the House when everything seems to get a little bit quiet; when faces get a little solemn and there are signs of skepticism, he has the ability to be their sort of "Knute Rockne". He sits looks over the situation and rises to his feet and really rallies those troops over there.

SOME HON. MEMBERS: — Hear, hear!

MR. STODALKA: — What disturbs me though is when he turns on our side of the House. He seems to have bestowed upon himself some certain powers. First of all he seems to be our historian; a little later on he is a telepathist and then in turn he follows that as our prophet or sooth-sayer. Just to enlarge on this a little bit, when he begins as our historian he continuously reminds us of all the bad things that Liberals ever did. But he doesn't really bring to the attention of the Members of this House that Canada really grew to be a great country - with a little bit of help from the Conservatives - under Liberals. I don't think we have had too many NDP or CCF governments in Ottawa. I should just like him to mention that so the next time he gives us Liberals a little bit of credit.

Going to the role where I said he is a telepathist. He likes to tell us what we are thinking, apparently he doesn't think that we can think for ourselves. I guess he is entitled to think that. But anyhow he likes to tell us how we are such great friends of the multinational corporations. He always likes to tell us how we have our hand in their pocket or they have their hand in ours. Anyhow we are supposed to be subjected to all these various controls of multinational corporations. He has that same old CCF idea that used to be around many years ago - that we are just a little holier than everybody else. It is those fellows over there, on the government side, they are the fellows that you have to watch.

Mr. Speaker, I ask you to look around at this group of

people we have over here. We have a couple of teachers, a nurse, we have a couple of farmers, a couple of ranchers, two superintendents, and four lawyers. I can't see how you can picture this as being a vested group. Certainly we were elected by the same group in society you were elected by. I know that in our particular election we never saw any money coming from any outside sources. We raised every cent that we ever spent in our election. We owe no debts to anybody.

SOME HON. MEMBERS: — Hear, hear!

MR. STODALKA: — Mr. Speaker, I should like to claim that we represent the people of Saskatchewan just as much as any Member on that side and we are just as holy as they are.

The prophet's role. This is when he tells us what we are going to do when we become elected again as the Liberal Government of Saskatchewan. We are supposed to be going to sell all the Crown corporations. The record in the past indicates that Liberal governments did not sell Crown corporations when they served the needs of the people of Saskatchewan. I am sure this will be the position in the future.

Mr. Speaker, I just want the Hon. Members to recognize that we too on this side of the House are just as interested in the people of Saskatchewan and we are going to fight for the people of Saskatchewan just as hard as any Members opposite.

SOME HON. MEMBERS: — Hear, hear!

MR. STODALKA: — Mr. Speaker, I should like to move into the text of my presentation. I am entering this debate with a feeling of frustration, yet one of responsibility. As one of the 61 Members elected to this Legislature, I will be asked to vote on two very important Bills related to the potash industry, a decision which will affect Saskatchewan for years to come.

Yet, Mr. Speaker, we are being asked to arrive at a decision without knowing what the financial ramifications are. As the proverbial expression goes, "We are being asked to buy a pig in a poke".

Mr. Speaker, the Government has asked us to place our confidence in them, and they will do what is the best for the people of Saskatchewan. To me, Mr. Speaker, this Government has not earned such a blanket vote of confidence. The very fact that financial details are not available for examination weakens the Government's argument.

Deliberate attempts by the Government to conceal the information naturally has created skepticism and suspicion. I wonder sometimes if there is not a direct relationship between your eagerness to keep the information confidential and the confidence you have that this venture is going to succeed.

Mr. Speaker, in listening to the arguments of Government Members and potash officials, the one word that seems to be coming up is that word "fair".

The Government rightfully states that the people of Saskatchewan should receive their fair share of benefits from

the development of their resources. The potash officials state that taxes must be fair and they are willing to pay their fair share.

Judging from the aforementioned statements, it would seem that both parties to the dispute are reasonable and rational, and a settlement should be negotiable.

But why is this not the case? Both Government and potash officials have attempted to win public approval for their position by using the word "fair" - Mr. Speaker, I claim it is a very nebulous word to use. It is an emotional appeal that has been substituted for logical and rational answers.

Who can argue with statements like the residents of Saskatchewan must get their fair share or the companies are willing to pay their fair share of taxes. But what and how is fairness measured?

Mr. Speaker, this dispute and others will never be resolved unless both government and business know the rules of the game. Government is in the favorable position of having the right to set the rules. But once set, any unilateral decision by government to change them is bound to result in confrontation. Certainly that is what has happened in this instance.

Mr. Speaker, to me it is morally wrong to woo business one day and then confiscate it the next. Evidence of this process exists in the Government's dealing with the potash industry. It can be said that Tommy wooed them and Allan confiscated them. Unless we get a long-term government policy outlining our resource position, other disputes will arise.

A government without a policy on resource development, which outlines their expectations for the people, can too easily resort to emotional appeals centering around the term "fair play".

But certainly such an approach is bound to hurt the investment climate. After all what investor does not look for a degree of security before investing his money? If we want to attract investment capital to Saskatchewan, your approach simply will not work.

As I travelled through the constituency, this week and the week before, the question as one of the Hon. Members indicated earlier is - "Who is next?".

Judging from what the Minister of Mineral Resources has said he has this obvious dislike for multinational corporations, I predict it will be the same multinational companies that he is trying to entice today.

As soon as this present dispute settles down another will have to be started. The companies will be labelled as bad corporate citizens who are robbing the people. To secure a fair share for the people, they will have to be taken over by the Government. It's a sneaky approach designed to socialize our economy.

Mr. Speaker, I should like to turn my attention to the idea of the Crown corporation which will form the unit that will operate the plan. There have been insinuations from Government Members that we in the Liberal Party do not feel Saskatchewan workers are competent to operate potash mines or other Crown

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corporations. Nothing could be further from the truth. I can assure you we Liberals have as much confidence in the abilities of our citizens as do the Hon. Members opposite. The attitude that seems to emerge from Government Members is that it is sacrilegious to criticize a Crown corporation.

I would suggest that constructive criticism is not only healthy for a corporation, but essential, particularly in a Crown corporation that is subjected to political influence. Now that the Member from Saskatoon Centre is back, (Mr. Mostoway), he is an example of where we have interference in Crown corporations to the extent that he even wants to cut their little grant that goes to the Saskatoon Board of Trade. But yet the message from Government Members seems to ring out loud and clear - anyone who dares to criticize a Crown corporation is undermining it.

Mr. Speaker, the very fact that Crown corporations are subject to political interference places an even greater responsibility on the Opposition to criticize them.

SOME HON. MEMBERS: — Hear, hear!

MR. STODALKA: — As Opposition Members, we have an obligation to serve as the public's watchdog.

Mr. Speaker, I feel it is highly irresponsible on the part of the Members opposite to suggest that criticism of a Crown corporation indicates that a government formed of Members on this side of the House would sell those Crown corporations. Emotional threats indicating a Liberal Government would dissolve or sell all Crown corporations are irrational statements based on absolute nonsense.

SOME HON. MEMBERS: — Hear, hear!

MR. STODALKA: — Actions speak louder than words. The previous Liberal Government maintained Crown corporations when in power. Look at the record of the present Federal Liberal Government.

Just to mention a few presently operating under a Liberal Government - look at Air Canada, Canadian National Railway, and yes, Petro-Canada, a resource industry and Eldorado Nuclear Limited, a resource industry. To suggest that a Liberal Government would sell a Crown corporation is irresponsible. The Government is deliberately trying to build a smokescreen around what is actually happening in Saskatchewan.

The Government knows it has the power to tax and regulate the potash industry. You know you have the power to ensure that we as Saskatchewan citizens do receive our rightful share. I just do not understand why the Members opposite feel that they have to own the potash industry to protect the people of Saskatchewan. Here we have a productive industry contributing substantial taxes to Saskatchewan. You have all the tools that are necessary to ensure that we in Saskatchewan do receive our rightful share. Why must you take over that industry?

Mr. Speaker, I should like to make a few comments about Crown corporations related to British Columbia and I do this because one of the Members opposite painted a rather glowing picture one day of some of the Crown corporations in British

Columbia. I have not chosen the ones that are highly successful and have chosen those in which there were some difficulties. The purpose of this, of course, is to show that Crown corporations do not always succeed.

I should like to refer you, the Hon. Member for Quill Lakes, to the latest issue of MacLean's magazine. I think maybe he has read the article, after he delivered his presentation in this Assembly. If you are interested you can turn to page 22 in MacLean's magazine and you will find an article there entitled "Suddenly Barrett's On The Ropes." I should like to read a few comments from that particular article:

A precise look at the Government's record is alarming. I would like to take this opportunity to present some interesting observations concerning the effectiveness and the efficiency of those British Columbia Crown corporations.

(1) The insurance Company lost \$32 million last year and projected figures this year are anywhere from \$131 to \$150 million.

(2) Canadian Cellulose called "Cancel". Premier Barrett has used 1974 figures during the election to indicate that the Government's involvement in Canadian Cellulose has been successful. But here are the facts:

- (a) Sales have declined 20 per cent this year.
- (b) Cancel is bound to lose money this year.
- (c) The company is a notorious polluter.
- (d) As for the company's employees, they say that the workers' morale is in tatters: and management dumped 130 workers at the Castlegar plant without giving them notice.

In fact union leaders say conditions at the plant have deteriorated drastically since the Government takeover. They also have indicated that Cancel is ignoring provincial health and safety standards.

The situation has deteriorated to the extent that the British Columbia resources Minister recently announced that he is going to have to throw another \$290 million into that particular plant.

Now the Ocean Falls Project, this is the one that was bought for \$1 million . . .

MR. SPEAKER: — I don't want to detract the Member from his statements. If he is relating the subject matter to Bill No. 1 which is under discussion at this time, however, I will draw to the Members' attention that he is talking about the development of Crown corporations not in this province but in another province. If he wants to talk about the method of doing it then he must talk about it under Bill No. 2 which is the corporation. If he wants to talk about the acquisition and the merits of the acquisition then he should do it under Bill No. 1. Perhaps the Member is going to relate but I haven't seen the relationship yet.

MR. STODALKA: — Mr. Speaker, I was just trying to follow the example set by the Attorney General in his official presentations to the

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Legislature. The point I wanted to make, Mr. Speaker, is that these Crown corporations are not guaranteed to be a success.

Mr. Speaker, during the last three weeks this Assembly has spent considerable time discussing the proposed takeover of all or part of the potash industries. Most arguments have already been presented several times and I do not intend to repeat all of them. I would, however, like to comment on one or two.

First, is the proposed takeover a good investment? If there was any hope that federal taxes would be saved by establishing a Crown corporation, that hope has been dashed. The Federal Government has indicated that it has no intention of relinquishing its right to raise revenues through resource taxation. This undoubtedly has a tremendous impact on the soundness of the investment.

It would, therefore, seem that the only financial justification for the takeover would be if the companies were making huge profits. But the companies claim their profits are extremely limited and have offered to have an independent commission examine their books to verify that position.

The Government in their refusal to accept that proposal have indicated it would not be possible to obtain accurate information.

I just can't understand that argument. If it were true, it would destroy the principle upon which our income tax system is based. I see that argument again as another smoke-screen the Government's true intentions.

Mr. Speaker, the potash industry is a viable productive industry contributing millions of dollars each year to the treasury. The Government has the power to regulate and tax that industry. If the Government feels the potash companies have not presented an accurate financial statement, set up a commission and get facts. Don't venture into public ownership just to satisfy a few left wingers in your party.

Mr. Speaker, there are more pressing needs in Saskatchewan than nationalizing this particular potash industry.

SOME HON. MEMBERS: — Hear, hear!

MR. STODALKA: — I had another section I guess I am going to have to leave out because of your ruling, Mr. Speaker.

I should like to suggest to Members over on that side of the House that if you go back to your constituency and talk to the people in your constituency I am sure the message you will get is the same as the message I have got. Some of you fellows have been around here a long time and there is no possibility of you getting into the Cabinet, so here is a chance that you might stand up and be counted. It only takes nine of you over there, just nine of you. You have a responsibility. Mr. Speaker, I suggest that 22 and 9 makes 31, that is all we need.

In closing I would like to say that I find it utterly amazing that the Minister in charge of the Potash Corporation has not spoken as yet. The Minister of Finance has not spoken as yet in this debate and neither has the Premier spoken

in this debate. Probably the two most important pieces of legislation we have ever had in this Assembly and these three people haven't even entered into the debate. Mr. Speaker, I challenge them to get in here. They have a responsibility to the people of Saskatchewan.

With that, I should like to adjourn the debate.

SOME HON. MEMBERS: — Hear, hear!

Debate adjourned.

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

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Romanow: That Bill No. 2 - **An Act respecting the Potash Corporation of Saskatchewan** be now read a second time.

MR. B. ALLEN (Regina Rosemont): — I hadn't intended, Mr. Speaker, to speak in this debate, but due to the comments of the Member for Indian Head-Wolseley (Mr. MacDonald) my conscience began to bother me so I thought I might make a few brief remarks.

First of all, I should like to say a word or two about the briefing sessions that the Members opposite had over the weekend. We, in our Party, call them conventions; in the Liberal and Conservative Parties they are briefing sessions. In our Party when we have a convention, you know, there are a number of resolutions which come to the floor of the convention, we may pass 100 or 200 resolutions brought to us by the people of Saskatchewan. The Members opposite, I understand the Liberal Party, they passed two resolutions...

MR. R. KATZMAN (Rosthern): — On a Point of Order, Mr. Speaker, could I find out what the gentleman is going to be talking about? What Bill is he on?

MR. SPEAKER: — I believe the House is discussing Bill No. 1.. Bill 2, and I'm sure the Member is going to relate his remarks to that.

MR. ALLEN: — Mr. Speaker, just by way of preamble, being a new Member in the House I thought I might be given a little leeway here, but this will relate certainly to Bill 2.

Mr. Speaker, I was interested today reading the paper. I talked earlier about the briefing session and I have the paper here - Regina Leader-Post, December 6, 1975 - two of the boys giving the briefings there in Saskatoon at the Liberal convention, Bill Spicer and Peter Jack, kind of filling the boys in on what they should say in the House, I suppose Bill 2. Further in the same page, Mr. Speaker, I noted with some interest that the Hon. the Minister of Transport had a few words for the Liberals gathered in Saskatoon. I should like to quote a few things on what the Hon. Member said. He talked about the campaign which, of course, was a disaster for the Liberal Party and this is what the Hon. Minister of Transport attributes this disaster to.

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He said:

Those organizing the campaign failed to get the leadership qualities of Mr. Steuart to the voters.

In this regard he said:

He felt a special kind of apology was due to the Party Leader by those involved in the election strategy.

The second error, Mr. Speaker, was:

Failing to realize that the Government under the NDP administration could do in the resource field and hesitating to come out in support of the corporation, because the corporations had been painted in derogatory terms, those in the Party had shied away from being associated with those who had a lot of money. This avoidance was a deadly thing to do.

Well, Mr. Speaker, deadly for whom? Deadly for the people of Saskatchewan - I think not.

The convention in Saskatoon, and also the one in Regina should have been held together. They should, Mr. Speaker, if not held together, at least had a telephone hookup.

SOME HON. MEMBERS: — Hear, hear!

MR. ALLEN: — As far as the conventions went, the only difference was as I understand it, the Conservatives passed three resolutions and the Liberals passed two. I don't know if that means the Conservative Party is fifty per cent more democratic than the Liberal Party, I don't know if that's true. You people will have to sort that out yourself.

Mr. Speaker, it is with a great deal of pride that I rise to join in this debate, to support the principle of Bill 2, an Act respecting the Potash Corporation of Saskatchewan, which was introduced in the House the other day by the Attorney General (Mr. Romanow). Now in doing so, I want to congratulate the Attorney General, and the other Members of the Government for the forthright way that they have put this proposal to the House and to the people of Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. ALLEN: — You've been frank. Mr. Attorney General, you've been frank with this. You have clearly and concisely outlined the Government's position. Now I can't understand the position of the Opposition in the House, and in this debate. While you have spoken clearly, they have spoken in non sequiturs; where you have sought to clarify, they have sought to confuse; where you have spoken honestly, they have, in the words of a former Member of the House, George Spence, you may be wondering who George Spence is. George Spence was a very famous Liberal politician who died last year and I was the only politician at his funeral. Didn't see any Liberals there, but George said . . .

AN HON. MEMBER: — Henry must have been there!

MR. ALLEN: — Henry was there as well, Henry isn't a politician. George said, "The Members opposite handled the truth with a degree of carelessness that is at times alarming". Which only goes to prove, Mr. Speaker, that lies can run around the earth several times while truth is still lacing up its runners.

Now, Mr. Speaker, I listened in stunned amazement the other day to the Hon. Member for Kindersley (Mr. McMillan). His words only serve to prove the old adage that youth is not a time of life, it's a state of mind.

SOME HON. MEMBERS: — Hear, hear!

MR. ALLEN: — Mr. Speaker, I know men and women in my constituency who are 80 or 90 years old and who are younger by far than the Member for Kindersley.

SOME HON. MEMBERS: — Hear, hear!

MR. ALLEN: — The member suggests, Mr. Speaker, that people should judge the relative usefulness to society by the amount they contribute to the gross national product. The yardstick, Mr. Speaker, for how well we are doing as a society, shall be the gross national product, says the Member for Kindersley. Well I ask the Member, what about the artists who have contributed much that is beautiful in Canada? They contribute little to the gross national product. Are they useless, Hon. Member? What about the doctors, the scientists who have worked to find cures for diseases that plague our people, they don't contribute much to the gross national product. Are they useless, Hon. Member? What about the mothers of our country? Evelyn Edwards, for example. What about your mother? They contribute little to the gross national product. Are they useless, Hon. Member?

Mr. Speaker, the Hon. Member for Kindersley uses the gross national product to judge the relative success of our civilization. I reject that. I reject that measurement.

Mr. Speaker, we on this side of the House do not use the gross national product to judge our success or failure to civilization. We would rather ask "What have we done to distribute the wealth of our country". Not only how well we have distributed the material things of our society, how well have we done providing the opportunity for our people to expand and grow as human beings. That, Mr. Speaker, should be our goal, not merely to provide more and more wealth, for fewer, fewer people, but to provide the opportunity for all of our people to live in dignity and security in this country.

Now, Mr. Speaker, I was also a little miffed when the Hon. Member suggested that a very few people provide for the wealth of this province. I say to the Hon. Member that the people who provide the wealth in this country and province, the real wealth, are not the promoters, are not those people who come in only to take away from our people the benefits of those resources. The people who provide the real wealth in this country are those who toil in our factories, on our farms, in our schools, in our hospitals, the people who live and work in Saskatchewan. Those are the people.

SOME HON. MEMBERS: — Hear, hear!

MR. ALLEN: — And it's to them, Hon. Member, to them that we owe our allegiance. Not to those who would come into this province and steal from our people their rightful heritage.

Now, Mr. Speaker, this Bill provides the people of the province with an opportunity to make a sound investment through a Crown corporation, the Potash Corporation of Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. ALLEN: — Now the Government's oft stated objective has been to get the most possible from our potash resources. The Government has stated on many occasions that it's not wedded in any dogmatic or doctrinaire way to the principle of public ownership. In short, public ownership if necessary, but not necessarily public ownership.

SOME HON. MEMBERS: — Hear, hear!

MR. ALLEN: — If it is in the public interest that public ownership be used to provide a maximum benefit to our people, then this Government is not reluctant in the least to use that vehicle.

SOME HON. MEMBERS: — Hear, hear!

MR. ALLEN: — The public interest in the development of potash resources in Saskatchewan demands in this case that the people of the province have effective control of that development through ownership.

SOME HON. MEMBERS: — Hear, hear!

MR. ALLEN: — This is not a socialist plot, as the Members opposite suggest. It's a common-sense approach by a common-sense responsible Government acting in the public interest.

SOME HON. MEMBERS: — Hear, hear!

MR. ALLEN: — Well, Mr. Speaker, there is one point which I think should be cleared up.

The Members opposite persist in misleading the public by using this term "Taxpayers' money" in relation to the question of the potash participation by the province. Now they know this isn't true. They know it isn't true and their continued use of the phrase is only to mislead the public. It's been said a hundred times, but I'll say it again, that in order to finance this operation some money will have to be borrowed and some bonds will have to be floated. This will mean a debt to the province.

MR. LANE: — The people!

MR. ALLEN: — That's right, I'm talking about taxpayers' money. The Hon. gentleman for Qu'Appelle (Mr. Lane) doesn't know the difference between borrowing money, or taking it out of his pocket. What he suggested as a matter of fact, and Members

opposite have suggested in this debate and other debates, that we shouldn't be spending this money on potash, we should rather borrow \$500 million or a billion and build roads in Qu'Appelle constituency, and bridges over some place in Nipawin constituency and then say that this isn't inflationary. You talk out of both sides of your mouth, Hon. Member for Qu'Appelle.

Now this will mean a debt to the province, no question about that, but the debt will be self-liquidating from revenue generated from the sale of potash. A simple argument, a simple argument and simpletons can't seem to understand it. It is not expected that any Saskatchewan taxpayer's money will have to be used to pay for this operation.

Now, Mr. Speaker, Bill 2 deals with the function of the Potash Corporation of Saskatchewan, a Crown corporation. The Opposition tactics in the House and outside of the House in recent times have been in a very insidious way to undermine the confidence of our people in Crown corporations.

AN HON. MEMBER: — No!

MR. ALLEN: — Yes, 'tis true. This what is behind the attacks on the Crown corporations in our province. This is what is behind the personal attacks on the public servants who serve our people in those Crown corporations. They know, Members opposite know, that people in Saskatchewan have confidence in Crown corporations and the only way you birds can win politically on this is if you shake the confidence of the people in those Crown corporations. You'll never do it.

SOME HON. MEMBERS: — Hear, hear!

MR. ALLEN: — Mr. Speaker, we think that the best way to further develop our potash resource is through a Crown corporation. Once that Crown corporation is set up it's the Government's intention to expand those mines in the most efficient manner possible to increase the total output at minimum cost, and to build new mines when they are needed. It takes something like five years to build a new mine so we are likely to expand the mines we've already got, which makes a little sense. It's likely to be the first option. Since the industry is currently selling all it can produce, it's reasonable to assume that the production capacity must increase as soon as possible. We think a Crown corporation must increase as soon as possible. We think a Crown corporation is the best way to bring about that expansion. In the end, Member for Qu'Appelle, we don't really think it matters if the companies refuse to expand, we should be expanding anyway, through a Crown corporation, because it's the best way for the province to do it. It's not necessarily the best way for the province to do it. It's not necessarily the best way with all of our resources, but it's the best way with this one - potash, wouldn't you agree Hon. Member for Qu'Appelle? We think that it's about time the people of Saskatchewan got into this resource, got into it in the most and best way possible for the people of Saskatchewan.

Mr. Speaker, I had a few other things to say on this topic but people are starting to heckle me about time, including the Members over there.

AN HON. MEMBER: — Go ahead, tell us your story.

MR. ALLEN: — Saskatchewan's Crown corporations have an excellent record. We have heard that many times. We have heard people get up on the other side of the House and say, "yes, this is a good Crown corporation, and that's a bad one; I believe in Crown corporations, but that ICBC in British Columbia, that's no good". Everything that they have said is to tear down in a political way our Crown corporations, for political gain. Cheap political purposes.

Mr. Speaker, I want to say a word about taxation, relating to this question. Potash multinationals contend that the potash industry is taxed at an unfair level. They compare the industry to a farm with a gross income of \$50,000 to illustrate the unfairness of the taxation levels. That's a poor argument. They ignore the fact that taxes in virtually all of the civilized world are on a graduated basis. That is to say, the more you earn the more you pay in tax. An average taxpayer in Saskatchewan, with a family of four earning \$5,000 a year will probably pay no tax, no income tax, zero per cent. The same family if it raised \$10,000 a year, they would have to pay about 28 per cent income tax; \$25,000 would pay 36 per cent. If, like some of the Members opposite you made \$100,000 a year, you would get to pay 55 per cent tax, more than half of your income. But then you could afford, you could afford to pay it because you've still got a lot more left over than the poor guy making \$10,000 a year paying 28 per cent. Nobody weeps for the person who pays a high percentage of income tax. You've got to think of what they've got left over.

Now the potash multinationals or their subsidiaries in Saskatchewan are not like farmers who live in Saskatchewan. They make millions of dollars every year, not to mention the amount they transfer to their parent companies which never shows up in their books. They earn millions. They pay a high tax and they should. They have got a large amount left over, millions and millions of dollars a year in most cases. That's what we shouldn't forget, they've got millions and millions of dollars left over in most cases. The industry has not proved its case. If it wants us to know the real facts let it show the people of Saskatchewan what the real facts are. I challenge the multinationals to make their full financial position known to the public. Let the people of Saskatchewan decide how fairly or unfairly the industry has been treated. Until then we only have their unproven word for it.

The potash companies say, Mr. Speaker, that they are being taxed unfairly. They say the province had no right to levy the potash reserve tax, the source of revenue in this province from potash. They have taken the Government to court over this tax. But what is fairness in taxation? How is fairness in the tax system to be established. The New Democratic Party and its predecessor, the CCF, have always maintained that taxes should be assessed on the principle of ability to pay. We think that those who earn a little should have to shoulder a little of the tax burden. Those who earn a lot should have to contribute a greater share. This taxation principle is accepted pretty well everywhere. Your income is reported on a T4 slip and you make standard deductions arriving at your taxable income or you provide the receipts to justify any other exemptions. There is no way that you can avoid revealing all of your financial situation to the federal Minister of Finance. But it is a different picture, Mr. Speaker, when you talk about a large

corporation, particularly a multinational corporation. How do you establish how much profit a multinational corporation makes in a year? One of Saskatchewan's mining companies is owned by two multinational corporations. The mine has to pay a special royalty of 12 per cent of its earnings to one company and it gives the other company which markets all its products 15 or 20 per cent off on its price. That means something like 25 or 30 per cent is skimmed right off the top. It's worse than Las Vegas, Mr. Speaker. So what do you think the profit picture of that mine looks like? Not too good but somebody is making a buck, somebody is making a buck, Mr. Speaker.

You say they have to pay taxes to the parent company, but the parent company is in many other businesses. They can charge up losses in another area against the profit they make here in Saskatchewan to show on the books that they are not making large profits at all. And what taxes they pay may never, ever go to Saskatchewan or even Canada. On and on it goes, transfers from one company to another, management fees, special deals, all kinds of ways of showing they are making no money. It would take an army of investigators to really get to the root of all the trash. Now the potash companies say they want to be taxed on the basis of their profit. After hearing all this I am sure Hon. Members if you were in the potash companies you would want to be taxed on the basis of your profits as well. Because of the nature of these corporate businesses they can make their profits appear whatever they like, unlike the ordinary taxpayer couldn't in the T4 slip. That's why the Government of Saskatchewan rejects the multinational's definition of fair.

The Government invited companies to come and discuss any problems this taxation might present, the Government invited those who felt it might be unfair to present financial information to back up their complaints. The reaction of the industry was to refuse to pay the tax, to refuse to provide the required financial information, even though, Mr. Speaker, this refusal meant the companies were breaking the law. Then, having broken the law, the multinationals took the Government to court. Now that is a strange twist. Most of you would expect if you broke the law you would go to court. Multinationals break the law and they take the Government to court. A strange twist.

Well, we asked them to provide us with financial information, only two mines have brought in their books for examination. One of these companies bears a remarkable resemblance to that company I mentioned earlier, skimming 25 or 30 per cent off the top. It's not surprising at all that these companies' profits aren't too big.

Now, Mr. Speaker, I want to say a word or two about the question of profitability. Hon. Members opposite have phrased the question a number of times. Why are we moving into the potash industry now that it is profitable? Why didn't we take it over three or four or five years ago when it wasn't profitable? A fair question. In light of the remarks of the Member for Bengough-Milestone (Mr. Lange) the other day, I doubt whether there was ever a time when the corporations lost money. But that is a fair question. I was delighted to hear that question, delighted, Mr. Speaker, because it points out the philosophy of the Members opposite in regard to government participation in industry. They believe that the public should only participate in order to protect the interest of private capital. When the company stands to lose money, participate, witness, Bricklin,

Syncrude, Pacific Western Airlines. Just in case the Conservatives think I am being overly harsh on them, does anybody recall the Athabasca Pulp Mill deal, Mr. Speaker? Does anybody recall that little deal? Seventy per cent of the risk for the Province for 30 per cent of the profits. That, Mr. Speaker, is the Liberals' answer to public participation in industry. But not only did they say that, Mr. Speaker, not only did they allow multinational corporations to rape our resources in this way, they did and would in the future pay them to do so.

Mr. Speaker, I have been interested in various comments made with reference to the issue that relates to the constitution. I am no expert on the constitution. The one fault that I don't have is that I am not a lawyer. But I want to say a word about the constitution. I was under the belief, Mr. Speaker, that the constitution of our country was to serve the people of our country. The Members opposite seem to suggest that that is not so. They seem to say that the constitution of our country is rather there to serve foreign international corporations against the people of our country. Now I don't argue the right of these companies, I don't argue their right to take the people of Saskatchewan to court. I don't argue that. What I object to, Mr. Speaker, is that these Members opposite would give these giant corporations aid and comfort in their unwarranted attack on the people of our province. Why, Mr. Speaker, why are they doing this?

Well, Mr. Speaker, let's look at court in a different way. It has been said that parliament is the highest court in the land. I suppose by implication this Legislature might be considered the highest court in Saskatchewan. The case we are hearing today, Mr. Speaker, is the Crown versus the international potash cartel. In the United States I suppose it would read, the people versus the international potash cartel. The same thing here except I understand the Crown is there to signify the people.

To your right, Mr. Speaker, that's over here, sits counsel for the people. To your left, over there, sits counsel for the companies. Now, Mr. Speaker, we on your right way over here, we are salaried counsel. The people of the province pay us to protect their interest. I can only conclude, Mr. Speaker, that counsel over on the left there, they are paid as well, paid to represent their client. Everything that has been said so far would indicate that. The other night on CKCK TV on November 27th, the Member for Indian Head-Wolseley (Mr. McDonald) said, "Members of the industry have indicated to me.." On the same night the Member for Nipawin (Mr. Collver) on CBC TV saying, "The people that we represent want us to present their case to the House and we intend to do that." Numerous other references, Mr. Speaker, by Members opposite to the close relationship with the potash cartel. I can only conclude they are counsel for the company. Well all these references suggest to me that they are representing the potash industry in this court.

AN HON. MEMBER: — No doubt.

MR. ALLEN: — And I say, fine, that's politics. It has been that way for a long, long time. He who pays the piper calls the tune. The potash companies pay the pipers opposite. They call the tune for them. The men and women of Saskatchewan pay the pipers on this side of the House and they call the tune for us. Let it

continue this way, Mr. Speaker, because in four years we will all be going back to those people and those potash companies some of them may be gone and we, on this side of the House, will be able to say, the potash cartel had its day in court. They were represented by the Liberals and the Conservatives and the people of the province will ask, "Well, who represented us?" And we'll be able to answer, "The New Democratic Party represented the people of Saskatchewan."

SOME HON. MEMBERS: — Hear, hear!

MR. J. WIEBE (Morse): — Mr. Speaker, it is with a great deal of pleasure that I rise to speak in this debate especially on a Bill that is as far-reaching and as important to the future of this province as Bill 2.

I should like to make a few comments on remarks made by the Member for Regina Rosemont (Mr. Allen) who hadn't intended to speak on this Bill and spoke for one-half hour. You would think that with a half-hour speech that I would have something to comment on. However, I find myself at a loss for words to be able to pick anything out of that speech that is worthy of comment.

SOME HON. MEMBERS: — Hear, hear!

MR. WIEBE: — I would at this time, Mr. Speaker, like to comment on an article which appeared in the Swift Current Sun, a newspaper which services my entire constituency. As many of you are aware the Morse constituency surrounds the city of Swift Current. It's an article that was not reported by the Press, I think one can say that when you have an article that appears in the paper that may have been written by someone from the Press that there is a possibility of an individual being misquoted. To be generous to the Press I don't think that this happens too often. However, this article that I am referring to is an article that was written by a Member of this Assembly in his own hand writing and was presented to the editor of the Swift Current Sun and took advantage, as all MLAs do, of the free privileges which we have to report to our constituents on what is happening in the Legislature. I am referring to the report from the Legislature by Dennis Ham, MLA, Swift Current.

Mr. Speaker, in my experience as an MLA, I think one of the major priorities of a representative of the people is to be at all times completely honest with the people that he represents. I say that this article that appeared in the Swift Current Sun which not only affected the constituents of Swift Current but because the newspaper also covers my constituency, affected the people with the Morse constituency as well. I had numerous phone calls over the weekend over this particular article. Let me just quote part of that article to the Members here:

By now most readers will know about the defeat of the first reading of the potash Bill. Our caucus voted against this legislation and will continue to work diligently against it.

Mr. Speaker, I say that this article deliberately is misleading the constituents of Swift Current and also my constituents. The Members says, "The defeat of the potash Bill", now, was he referring to Bill 1 or Bill 2. Mr. Speaker, I would not now be

speaking on the potash Bill had it been defeated in first reading. I was rather amused as well by the quote that "Our caucus voted against this legislation and will continue to work diligently." "Work diligently," the Member for Swift Current has yet to speak in this Assembly. The only Member of the seven Conservative caucus that you would say was working diligently on behalf of his constituents is the Member for Estevan (Mr. Larter). He is the only Conservative Member in the past two weeks who has stood on his feet and spoken on either of these two Bills and expressed not only the concerns of his party but the concerns of his constituents. And if the Members opposite intend to work diligently on behalf of their constituents and the people I hope that they will do it within this Legislature, that they will do it by talking to Cabinet Ministers on that side and not talking to the Press in the alleys and the hallways where they will not be accountable for the stand which they have taken.

I suggested to the members of my constituency that if they feel that the Conservative caucus is working diligently and earning the \$70 a day that they are getting, that they come to Regina and sit in the galleries and just see how hard they are working on behalf of the people of this province.

SOME HON. MEMBERS: — Hear, hear!

MR. WIEBE: — I might point out as well, Mr. Speaker, that a lot of fuss has been raised about the decorum within this Assembly. You Members will be happy to note that it has improved greatly. Let me just quote again from this report:

Last week I reported the statements of criticism Dick Collver levelled against the Members of the Legislature regarding the decorum and habits in the Assembly. I also want to say that the Progressive Conservative Members would not be taking part in these poor practices. We have after several days demonstrated by action our intention.

It goes on to say, Mr. Speaker:

I am happy to report that a very notable change is evident in the last number of days and feel that the example of our seven-member caucus has had an effect.

Mr. Speaker, I think decorum in this House is a very vital and important part of the legislative debate and I am now in my fifth term, and I see nothing that is that distasteful with the decorum that we now have in this House. And personally I see no change in the decorum in this Legislature from the day that the Throne Speech was given up until this day. Again, here we have reporting that is not completely accurate. I hope in all seriousness that the Member for Swift Current in his next report from the Legislature in the Swift Current Sun will correct the very misleading statements which he has made.

Mr. Speaker, going now to some of the comments raised by the Member for Regina Rosemont (Mr. Allen) let me just say that he talked at some length about the lack of policy resolutions which came out of our convention. Mr. Speaker, the convention which we had in Saskatoon was a listening convention. I dare say that the policy which we presented to the people of Saskatchewan in June of 1975 is a policy that all of us on this side are extremely proud of and there are no reasons to change that policy.

SOME HON. MEMBERS: — Hear, hear!

MR. WIEBE: — I challenge the Member for Regina Rosemont to check into Hansard and read it back to this House if he can find it. I say, Mr. Speaker, that he cannot find it. He cannot find any place in Hansard where any Member on this side of the House has spoken against Crown corporations.

The Member also mentioned that we should take a common-sense approach to Bill 2. A common-sense approach to the nationalization of potash. He says the NDP are not taking the taxpayers' money. I suggest to the Member, who in the world pays the bill. Who will be guaranteeing the money that will be required to purchase the mines, if it is not the taxpayers of this province. Who will pay if that guarantee does not hold out, it will be the taxpayers of the province. Whose pension plans will be put up as guarantees towards that purchase, again, the taxpayers of the province. Who will pay off that debt, Mr. Speaker, again I suggest it will be the taxpayers of this province. Because under present legislation the people of Saskatchewan are now getting 80 per cent of the profit that is coming out of the potash industry in the province. If the Government purchases the potash mines, I suggest a big chunk of that 80 per cent which is now going to the people of this province will go to pay interest and principal on that loan. It won't go to the people of Saskatchewan it will go to the huge international bankers in the United States.

Mr. Speaker, each and every one of us as MLAs has the responsibility not only to this Legislature but to the people which we represent and the people of Saskatchewan. It has been mentioned by other Members in this House that our major role is to vote supply, to justify to our constituents the spending of their tax dollars. We have raised serious questions about Bill 2 and as yet we have not heard any answers from Members on that side of the House.

SOME HON. MEMBERS: — Hear, hear!

MR. WIEBE: — The Attorney General and the Government opposite is asking this side of the House to vote in favor or against the Bill that will initially take over the entire potash industry of this province. They have asked us to okay the spending of fantastic sums of money. Sums of money that could be more than our total provincial budget for 1975. What right do they have to ask us to vote in favor or against a Bill to provide money when we don't know how much the cost will be.

For the benefit of the new Members of this House, for the Members sitting on that side of the House and I think I can justly say too, for the benefit of the Press. Let me read some examples of just exactly what the role of this Legislature is and the role of an MLA. Let me read briefly from a thesis written by Mr. C. E. S. Franks, called "Legislative Control of the Public Purse in Saskatchewan." Page six and I quote:

With the gradual transfer of executive power from the Crown to Ministers chosen from Parliament and the development in the 19th Century of the governing Cabinet supported by a closely controlled majority in the House of Commons, the clear distinction between the Crown, the

Executive and Parliament, the watchdog became obscured. But for most of its history parliament has been mainly a watchdog on an external executive, the Crown, and not as it sometimes appears to be chiefly a political form where two rigidly divided power-seeking groups debate about strictly partisan lines.

That, may I suggest, Mr. Speaker, is not the case. Let me go on and I quote:

It is however the need of the Executive to account to and be responsible to Parliament that enables Parliament to be a political forum. And of the methods by which Parliament holds the Executive responsible, its powers to control the funds needed to govern is by far the most important.

SOME HON. MEMBERS: — Hear, hear!

AN HON. MEMBER: — Repeat that for the Member for Pelly (Mr. Larson) didn't get it.

MR. WIEBE: — I imagine the Member for Pelly will have an opportunity to read it in Hansard.

Parliament demanded some kind of authority over the public purse from its earliest times. The purse control was over the raising of revenues. A right stated in the Magna Carta in 1215 was that the Crown could impose no new taxes without the consent of parliament. Parliament did not always give its consent and frequently changed or rejected any part of a taxation bill. Purpose, policy or detailed provision. As the Crown needed increased funds, parliamentary control over the imposition of taxes gave Parliament increased power. However, Parliament found through experience that control over taxation, though essential did not in itself ensure that the Crown spent money wisely or for the objectives approved by parliament. To ensure that funds were spent for the purpose it was sanctioned or it had sanctioned, Parliament began to control the destination of revenues by appropriating them. The supply of money had been granted by Parliament in a general sense from early times. After the revolution of 1688 the modern practice was established of granting specific sums for specific purposes. Grants by specific appropriation form the basis of the modern system of parliamentary control of the purse through the process of examining and approving estimates and through the examination of the accounts which show how the appropriation was spent.

Parliament's role in the control of revenue and appropriation must not be confused with that of the Crown. In modern practice Parliament rarely if ever changes proposals. The need for parliamentary approval of purposes however, ensures that the Crown will state its intentions clearly and that Parliament will have an opportunity for criticism.

SOME HON. MEMBERS: — Hear, hear!

MR. WIEBE: — Let me go on, Mr. Speaker, to quote briefly from a book entitled, "The Public Purse, a Study in Canadian Democracy" by Norman Ward. I think this is important that all Members take a moment to listen to this short paragraph.

Underlying all the others, are two principles, both of which have to be supported by a number of subsidiary principles and practices.

(1) The Executive should have no income which is not granted to it or otherwise sanctioned by Parliament.

SOME HON. MEMBERS: — Hear, hear!

MR. WIEBE: —

(2) The Executive should make no expenditures except those approved by Parliament in ways approved by Parliament.

SOME HON. MEMBERS: — Hear, hear!

MR. WIEBE: — Mr. Speaker, this is exactly what we are asking in our debate on Bill 2. Regardless of how the Members on that side of the House try to cloud the issues and protect yourselves by saying that we are against Crown corporations or that we are in favor of the large potash cartels is strictly boloney, Mr. Speaker.

SOME HON. MEMBERS: — Hear, hear!

MR. WIEBE: — We have stated and we make no apologies that our major role as MLAs and as the Opposition, is to find out exactly what it is going to cost the people of this province in order to expropriate or take over, or set up the Saskatchewan Potash Corporation.

We are not talking about specifics that you have to come down and list what it is going to cost for each and every potash mine, that you happen to be purchasing. What we ask is that you list in the Bill by law as has been required and is the tradition of other parliaments an approximate sum of money that you intend to spend.

Say for example, it is going to cost you \$700 million for the Potash Corporation of Saskatchewan. Say for example you spend that \$700 million, you then must by law come back to this Legislature and attain the approval of this Assembly if you wish to spend any greater sums of money. Mr. Speaker, this is all we are asking. We are asking that you tell the people of this province exactly what it is going to cost them in terms of this legislation, and if you have to come back again to the people of this province through their representatives and they can then judge as to whether further funds are going to be made available or whether you deserve to have these funds made available to you.

Mr. Speaker, in closing let me read from another source. Erskine and May, "Parliamentary Practices," 18th Edition. I think it is one that all legislators hold as being an expert in terms of parliamentary procedure and parliamentary business.

This is Chapter 26, Financial Procedures, page 676.

Financial Relations Between the Crown and Parliament.

The sovereign being the executive power is charged with the management of all the revenue of the state and with all payments for the public service. The Crown therefore acting with the advice of its responsible Ministers makes known to the Commons the necessities of the Government. The Commons in return grants such aid or supplies as are required to satisfy these demands. They provide by taxes and by appropriation of other sources of public income the ways and means to meet the supplies which they have granted. Thus the Crown demands money. The Commons grant it and the Lords assent to that grant. But the Commons do not vote money unless it be required by the Crown nor do they impose or augment taxes unless such taxation be necessary for the public service declared by the Crown through its constitutional advisors.

Mr. Speaker, I could go on and quote at length from many books on parliamentary procedure and the history and the requirements that is required of each and every one of us in this Legislature. I have no objections whatsoever in saying until this Government is prepared to tell the people of this province exactly what they are prepared to spend, exactly how much money is required. I have no other way to go than to completely oppose this Bill and hold up the passage of this Bill for as long as I can.

SOME HON. MEMBERS: — Hear, hear!

MR. R. N. NELSON (Yorkton): — Mr. Speaker, I rise to speak in favor of Bill 2, an Act respecting the Potash Corporation of Saskatchewan. But before I do I should like to answer a couple of the statements made by the Hon. Member for Morse (Mr. Wiebe). He seemed to be quite concerned about the province guaranteeing a loan that would be required for purchasing potash mines. I might say to that Member, Mr. Speaker, that my father guaranteed my loan when I went to University, but he never paid it. So it is with the province as well.

We have heard great comments also about the bad conditions of the potash industry but we have heard no proof of such matter. We have heard statements about 80 per cent being charged against the profits of these companies but no proof has been laid in this House.

Further, Mr. Speaker, we have heard concerns about voting supply to purchase these mines. Even as a starting Member, Mr. Speaker, I realize that it's not spending of tax dollars that is concerned. The Member opposite knows full well that loans are being arranged, and that it is not tax dollars that are being spent. He knows full well that that is not money for supplying the House. He knows, Mr. Speaker, that his words are a smoke screen.

I would want to take exception to some of the other things that have been said in this House regarding some of the Conservative Members opposite. I differ with some Members of this House who insinuate that it is the inexperience of the Conservative Members opposite that renders them incapable of debate in this House. I differ with the Members who insinuate

that the silent seven over there are silent in this potash debate because their leader cracks a very severe whip and keeps them silent. I cannot agree that they carry on opposition by press release and by television interview just so that they can have a soft life and hence be parasites on their constituents who elected them. Mr. Speaker, I have found evidence that that is not the case. I have found evidence that the silent seven Members opposite really agree with this progressive move of this NDP Government. After all aren't they called Progressive Conservatives, Mr. Speaker? The evidence I have is contained in this press release from the Globe and Mail, November 29, 1975, page 5, where it says:

Timbrell Makes Veiled Threat to Nationalize Oil Companies.

If I may read from the quotation, Mr. Speaker.

The Ontario Mines Energy Minister, Dennis Timbrell used veiled threat of nationalizing the oil companies in a speech yesterday, and again called for more straight talk and thorough explanations of company profits. He said profit is not a dirty word to him, as it is to some political philosophies but he added it is fair to ask how much of a reward it warranted.

When oil companies advertise on television how hard they work to develop new resources, the Canadian Petroleum Association's Annual Report showed land holdings were down. Exploration had decreased and only 43 per cent of the available oil rigs were still working. He went on to point that leading oil companies in Britain and Germany are partly publicly owned, the leading French and Italian companies are wholly owned and the Norwegian and the British Government own 50 per cent of drilling ventures in the spheres of the North Sea.

If the Hon. Member for Nipawin disputes this, as evidence, then the least he should do is to give one of his sternest lectures to the Hon. Dennis Timbrell, Minister of Energy in the Ontario Conservative Government. It should be one of his sternest lectures on the fine points of big business such as those of the oil companies. While the silent seven sit in their stony grandeur, the Liberals opposite, the supporters of the corporate giants throw up smoke screen of half stated facts and innuendo that is amazing by contrast.

So much concern is voiced about the control of the potash mines being brought home to our province, so much nonsense about a power grab. A power grab! When this Bill establishes the people of Saskatchewan as the owners of the potash mines in Saskatchewan! That is what this Bill does, it establishes the people of Saskatchewan as owners through their elected representatives in this Legislature of this province. I might remind Members opposite that we do live in a province with democratically elected representatives. Members opposite long ago had the right to tell the people of this province that such plans were possible, the election pamphlet of 1975, New Deal for people, and the election pamphlet of 1975, New Deal 1975, both of which have been mentioned before in this House, stated clearly that we the Members of the New Democratic Party believed then and do now in the expansion of the role of the public sector in the resource field. To cry about dictatorial government now, is nothing but childish publicity seeking.

If these Members opposite, Mr. Speaker, wish to convince the people of Saskatchewan, that they, the people of this province, should not own and operate their own potash resources, let them try. They might just as well tell us that the people of this province cannot operate the Crown corporations already in existence. The Members opposite might just as well tell the people of this province that we didn't need the \$350 million that went into our Treasury to help provide such services as medicare, denticare and so on. Such services as were set in motion and fought to be established by CCF and NDP Governments. Services that were dragged in over the resisting bodies of active Liberals and Conservatives of the day.

Let me trace how this Bill sets up control of this potash resource through the Potash Corporation of Saskatchewan. The first section I wish to refer you to is Section 3(1) and I quote:

There shall be a corporation to be called the Potash Corporation of Saskatchewan, consisting of such persons as may be appointed by the Lieutenant-Governor-in-Council.

Section 8, I quote:

The corporation (of course the Potash Corporation of Saskatchewan) in the performance of its duties in exercise of its powers will be responsible to the Minister.

And the Minister in this case, is the Executive Council.

As the Hon. Members opposite know if they are honest with themselves, the Lieutenant-Governor-in-Council is duly elected government of this province. To talk of power grabs, to talk of such nonsense as farm takeovers, is an insult to our democratic system, an insult to the intelligence of the people of this province.

SOME HON. MEMBERS: — Hear, hear!

MR. NELSON: — It is pure childishness to talk of power grabs when Members opposite know that they have every right to work to defeat us at the next election but to resort to name calling and innuendo such as remarks made by the Hon. Member for Estevan where he refers to a "socialist sickle" are scare tactics that will not work in this province, Mr. Speaker. It is cheap scare tactics that lost their effect when the value of medicare dawned on the people of this province.

Not only does the power to operate this corporation rest in the hands of the elected representatives of this province, but also the Members opposite, as Opposition Members - and I repeat, Mr. Speaker - as Opposition Members will for years to come have a right to question the operation of the Potash Corporation. That is, if they will be lucky enough to be re-elected.

MR. LANE: — What about the Land Bank?

MR. NELSON: — What about the Land Bank? You are still, in the Opposition, asking questions about that too. All books will be open just as the Saskatchewan Power Corporation and the Saskatchewan Government Telephones.

How does this compare with the present day potash mining companies. Even when the law of the land that told these companies to open their account books, they refused, almost to a company to obey. But that is not the only set of corporations that defy the representatives of the people in Canada. Let us compare the action of the potash companies with the Syncrude conglomerate in Alberta. A parliamentary committee from Ottawa went to inspect the Syncrude operation in the Tar Sands. The committee asked the conglomerate to supply the cost of the production of a barrel of oil, the Syncrude conglomerate refused the information. That information was refused to representatives of the people of this land. When the people of this land, through the governments of Alberta, Ontario and the Federal Government at Ottawa turned over to that conglomerate \$1,790 million in the form of gifts, low interest loans, tax concessions and services supplied. Enough money, Mr. Speaker, to completely build the whole refining operation. That is what I call a lack of respect for the elected representatives of this land.

SOME HON. MEMBERS: — Hear, hear!

MR. NELSON: — That is the type of performance that the Members opposite support by their lack of comment and by the fact that they did not insist through their Federal Government that Syncrude should supply the information, they support that type of action. That is the type of contempt for the people of this country that Members opposite stand for by the fact that they now staunchly support other corporations, the potash companies, that are also flouting the law of the land in which they operate.

When you know the places where the potash is sold, price changes, when you know the possible market, the knowledge gained from financial statements is inconsequential in mining operations. So claiming that these financial statements would aid a competitor is sheer nonsense. So why not set up this corporation that would return the potash to the people of the province? Why tell the people that they cannot operate a corporation of this magnitude, when Saskatchewan minerals, Saskatchewan's mineral production Crown corporation, made a profit of at least 250 per cent on its original investment in 1974 alone?

Members opposite are telling the people of this province that this province and its people should not have effective control of our potash industry and that it is patently obvious by the actions of the potash companies that the people of this province cannot control their own resources short of ownership. The Members opposite are telling the people of this province that the province should continue as a branch plant economy. The Members opposite show no confidence in the people of Saskatchewan when they say the potash industry cannot be run by the people of Saskatchewan.

We hear great cries about industries deserting the province because of our potash policies and because these awful socialists scare private enterprise. What are the facts, Mr. Speaker. I shall give you a list of private investment growth in this province since our government came to power in 1971, investments that came, Mr. Speaker, I insist, because the present government of this province dares to protect the interests of people of this Province by standing up to the corporate giants. In 1971, the last year the Liberals were in power only \$9,602,000 in investment came to Saskatchewan. In 1972, the first full year of NDP

Government, investments more than doubled. They rose to \$20,517,000. In 1973 it nearly doubled again with another \$18,551,000 of new money brought into Saskatchewan for private industry. In 1974 investment nearly doubled again, with new industrial investment totalling \$30,356,000. Mr. Speaker, it is that kind of running away that the people in my constituency of Yorkton like. There has been an additional \$4,876,000 invested in our city in new investment from 1971 to 1974. It is not these socialist hordes whom Members talk about that frighten industry from the province.

Just imagine, Mr. Speaker, describing decent people of this province who voted for a government as hordes of anything. It shows how Members opposite have a complete lack of respect for the voting public. It is rather the scare tactics of the Members opposite that frightens of investment in small industries here. Scare tactics like we hear every day from the benches opposite. It is discriminatory freight rates that have been and are allowed by both Federal Liberal and Conservative Governments that keep secondary industry from developing in this part of the country.

Those freight rates discriminate against potash too, for we see that it is cheaper to truck potash from Esterhazy to the United States and ship it on American railroads than it is to ship it over Canadian lines. These freight rates discriminate not only against the potash industry, but against every other secondary industry in Saskatchewan. The Hon. Member for Kindersley (Mr. McMillan) stated that the government takeover of potash and the socialist government of Saskatchewan are the reason for young people leaving this province.

Mr. Speaker, I should like him to know that these discriminatory freight rates have a far greater effect and have had a far greater effect over the years than any actions of any socialist government in this province. An example of how those freight rates affect and will affect not only the potash industry in Saskatchewan but also the growth of other secondary industries, is, according to the present freight rates, barley can be shipped on an eight per cent advantage over beef, but with a new freight rate structure announced November 21, and coming into effect the first of the year, the beef freight rates will have a 25 per cent advantage over barley rates. So instead of helping the beef industry that is in trouble in the province, like they help out their corporate friends with things like tax concessions, what do they do? They nick the barley grower, Mr. Speaker.

Let me give a further example, since the Hon. Member for Kindersley was worried about jobs for young people because of the potash policies. Freight rates to haul live cattle from Edmonton to Montreal, are \$4.45 per hundredweight. Freight rates to move slaughtered carcasses between the same two points is \$7.81 per hundredweight. It is much cheaper to ship live cattle east and slaughter them than it is to slaughter them here and ship the carcasses.

Mr. Speaker, allow me to tell the Hon. Member for Kindersley that such discriminatory freight rates which make it cheaper to ship our produce elsewhere for processing can only keep the prairie provinces in the state that they were when they were first set up, a colony that would supply the eastern provinces with raw materials and serve as a market for the manufactured products, whether they are farm products or products of the potash mines.

With every boxcar of material that we process elsewhere, we export jobs at the expense of our own young people.

The evidence of the branch plant economy is all around us, in fact we are scarcely a branch plant economy. When you go to a lumber yard or hardware store and order something in, where does it come from? Look at the labels on the boxes and crates, they read head offices in Montreal, Toronto, New York. How many times does the label say head office, Saskatchewan? Once in a while you will see an organization with head offices in Saskatchewan. Interprovincial Pipe and Steel, Regina. And most recently in this debate we heard of the documentation of the fight that the Liberals put up to keep that company out of Saskatchewan. Intercontinental Packers has its head office in Saskatoon. Federated Co-ops also has its main office in Saskatoon. Co-operative Insurance Services, Regina.

In the potash industry on the other hand, not one head office is located in Saskatchewan. We are the world's second major producer of potash and we don't have one director out of all the directors on all those boards in all ten companies operating in Saskatchewan. That shows, Mr. Speaker, where their interests lie, outside of Saskatchewan.

There is a growing number of small companies with head offices in Saskatchewan. Leon's Manufacturing, Yorkton; Weber Homes Ltd., Yorkton; Morris Farm Machinery, Yorkton. It is the same all over the province. Brewster Sales & Services, Lumsden; F. P. Bourgault Industries, St. Brieux; Mel-Cam Industries Ltd., Imperial. It is strange how Members opposite talk about an NDP war on business. It is strange how they say industry is fleeing the province in spite of the evidence.

I say that the small industry and the small businesses are even more ready to start here because our government dared to stand up to the giant multinational cartels. They are eager to start here because they know that we will effectively control large multinationals that seek to control the markets, as the Hon. Member for Regina Wascana (Mr. Merchant) had mentioned when he was speaking at other times and other places about the oil industry. The only head offices which are located here are those that are organized by the co-operatives or those organized by Saskatchewan people to serve themselves or else they are companies established and maintained here because of action or participation by our NDP Government.

The history of Saskatchewan clearly shows that if we want to make something of this province we have to do it ourselves.

SOME HON. MEMBERS: — Hear, hear!

MR. NELSON: — In 1975, our NDP Government decided to do something for the people of Saskatchewan and with the help of the people of Saskatchewan. We decided to bring all or most of the potash mining companies home to Saskatchewan. Those head offices will come home to us in Saskatchewan from New York, Europe, Chicago and Toronto.

The Potash Corporation of Saskatchewan, head office, Saskatchewan. The Potash Corporation of Saskatchewan, Board of Directors, from Saskatchewan, serving Saskatchewan interests first, not exploiting the potash for the interest of others.

The Potash Corporation of Saskatchewan effectively controlling a storehouse of potash that will effectively supply the world for the next 5,000 years. So when it comes to potash, people from all over the world will be coming to Saskatchewan. The Potash Corporation of Saskatchewan, employing 450 people in its head office alone, 450 jobs that existed already, so they cannot be considered a new bureaucracy. But when you consider the number of service people that find jobs, serving each of these people that work in the head office, the Hon. Member for Kindersley should listen again, because if he is interested and he says he is, in jobs and in advance opportunity for the young people of Saskatchewan he should look at that. If he is as interested as he says he is, in jobs for young people he should be interested in the jobs that will come from the expansion of the potash industry in Saskatchewan, expansion that has been allowed to stagnate because the mining companies wanted to hold a club over the people of this province. A club that would force the people of this province to take less than their fair share of taxation.

Mr. Speaker, these head offices are being brought home to Saskatchewan because the potash belongs to the people of Saskatchewan and the people of Saskatchewan through their duly elected representatives have the right to control that industry and to bring to the people of this province the greatest possible benefit from their own potash.

The potash industry should be doing business in our stores and adding to our economy instead of siphoning off dollars, our dollars to the East, out of Canada.

The Potash Corporation of Saskatchewan will be run by Saskatchewan people, making decisions for Saskatchewan, providing jobs and opportunities and benefits for Saskatchewan people, young and old and all the people in between. That's what headquarters Saskatchewan means, Mr. Speaker. Hundreds of jobs brought home. Top managers, top engineers, top decision makers, hundreds of jobs created here through mine expansion.

For these reasons among many others I say the investment we are about to make is worth it. Yet the Members of the Opposition choose the side of the potash corporations against the people of Saskatchewan. For example, they choose to tell only part of the story of why the potash corporations have brought the case before the courts. Not one Member opposite has answered the problem posed by many Members on this side. What would happen to all government in this land if the citizens of this land choose to go to court with a series of court cases, rather than pay their taxes? Or what would happen to you and me, if we as individuals refused to pay our income tax or if we refused to open our books to the income tax inspector?

Both Bill 1, An Act Respecting the Development of Potash Resources in Saskatchewan and Bill 2, An Act Respecting the Potash Corporation of Saskatchewan allow for easy access to the courts by those who feel they need to go to court.

In Bill 2, for example, we can refer to Section 4 subsection 1 and I quote:

The corporations shall have perpetual succession, and a common seal and shall have capacity to contract and to sue and be sued in its corporate name in respect of any

right or obligation acquired or incurred by it on behalf of Her Majesty as if the right or obligation had been acquired or incurred on its own behalf, and also in respect of any liabilities in tort to the extent to which the Crown is so subject by reason of The Proceedings against the Crown Act.

Members have raised the bogeyman of a dead industry that would be a burden on the people of Saskatchewan or at least its possibilities. They have tried to frighten the people of this province with another bogeyman, that huge amounts of their tax dollars would go to pay for this great venture that will give this province the control of its own potash, when they know, as I mentioned before, this is not the case. Members try to frighten people of this province by insinuating that prices are falling.

Mr. Speaker, in the first three-quarters of 1975 an average of \$75 a ton was realized and it's still going for \$70 a ton. But the British sulphur corporation, a leading authority of potash industry is predicting that the world demand will double in 15 years. In spite of what one of the Members opposite said, Mr. Speaker, inferring that we would be charging \$100 for the potash, it's the British sulphur corporation that is also predicting that prices by 1980 will be as high as \$100 a ton of potassium oxide.

Let us see why there will be an increase in the sales. India has purchased potash, increased from 189,665 tons of potassium oxide in 1971 to 268,803 tons in 1974. India's leaders know about the value of potash in fertilizers needed to feed their millions. They only need to get the knowledge they have to their own people.

Now we must find a way to overcome the financial problems of such sales. But with our concern for the livelihood of the people of India, we in Saskatchewan will find a way.

China is another potentially great customer. With its population of 800 million and growing they must increase their food output with potash fertilizer. In 1972, China purchased 18,025 tons of potassium oxide. By 1974, they increased their purchases to 137,935 tons. China uses less fertilizer per agricultural acre than any other major region of the world. The potential for sales is enormous and we are showing signs of cracking the Chinese markets with the sales that have been made.

So why the doom and gloom on benches opposite? I suggest the Members have had reminders of the gasps of doom and gloom that were spread in such scare campaigns as the medicare crisis.

I suggest that the people are recalling the awful bogeyman that was medicare. People of this province are looking now with indifference on the wide eyed gloom and doom coming from the opposite benches. I suggest to you that ever larger numbers in this province are saying that the potash belongs to us, the people of this province.

Now, we don't deny that there will be ups and downs in the potash markets of the world. That would be too much to hope for. But in the long haul, the people in Saskatchewan will be the greatest beneficiaries of this move to control our potash. This move, will, I predict, in the future be as important to the people of this province as medicare is today, perhaps even of greater importance.

December 8, 1975

Mr. Speaker, need I say that I support the Act Respecting the Potash Corporation of Saskatchewan.

SOME HON. MEMBERS: — Hear, hear!

MR. E. F. A. MERCHANT (Regina Wascana): — Mr. Speaker, our debate notwithstanding the comments to that effect by the Member for Moose Jaw South (Mr. Snyder), has not been repetitious yet.

MR. ROMANOW: — Mr. Speaker, on a Point of Order. Has not the Hon. Member for Regina Wascana spoken in this debate once before.

MR. MERCHANT: — Mr. Speaker, if I may speak to the Point of Order, I spoke on the debate, I believe the first night that it came up, I adjourned debate and when the matter came up in the House again, I was absent from the House and a Member opposite took the debate.

MR. SPEAKER: — The Member has the opportunity to resume the debate but cannot adjourn it again.

MR. ROMANOW: — This is the second time for the Member to speak in this debate.

MR. MERCHANT: — It's hardly a Point of Order. Mr. Speaker, as I was saying before I was interrupted, if we've not been repetitious as yet, we may become increasingly so, if the figures that we suggest are the right of this Legislature are not given to us.

I suggest to you Mr. Attorney General and you particularly, you may well recall that the last time I spoke you repeated to me incessantly that we have the figures, knowing full well that we didn't have the figures, fascinating me, I couldn't imagine why; you had in that time that I addressed the House, continually shouted that we had the figures that we suggest are the right of the Province of Saskatchewan.

I have a number of comments to make, but let me briefly state that certainly the nub and substance of what we suggest is that at a very minimum we should be told the borrowing power of the corporation which we are to establish. At a very minimum we should be told how much this House is asked to vote, as we do with all Crown corporations. It is our duty as a House to deal with money matters and it is the duty of the Government to indicate how much of the money of the Province of Saskatchewan we will be asked to risk.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — Mr. Speaker, I will come to a specific reference to the Act, but before I leave the constitutional problem which I suggest to you the Member for Morse (Mr. Wiebe) put so well, there is only one further brief section that I wanted to cite to the House and particularly to the Treasury Benches from an Encyclopaedia of Parliament by Norman Wilding and Philip Laundy.

There are two matters. If the Government isn't aware of the duty of this House, a duty which we on our side are trying to perform as well as we can, notwithstanding their fear for whatever reason to indicate to the people what the total cost will be, if the Government isn't aware of the development of the law and development of parliament, then we will go on repeating and reminding the Government of their duty and their duty to this House.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — Wilding and Laundry say:

The expenses of government are those of the Crown and originally this was a literal as well as technical fact. The King (I suppose that's Mr. Romanow) like his nobles and gentry (and I can't imagine who that would be) was a great landed proprietor (well, that must be the Member for Melfort) with his own incomes, out of which he was expected to find the wherewithal to govern.

Well all of that is ended, now they find the wherewithal out of the pockets of the people of Saskatchewan.

That which we know as the Treasury, once consisted of the King's own personal resources. As the expenses of government increased the Treasury became insufficient to meet them. The King was compelled to seek assistance from Parliament. It was due to the King's over-increasing financial needs and for no other reasons that the Commons were originally summoned to attend Parliament. As the King came to rely more and more upon the Commons for money it was only natural that they should make use of the weapon which their sovereign's necessity placed in their hands. And it became customary to demand redress of their grievances before they would consent to grant supply.

Mr. Speaker, there is one other area that I propose to cite to you. Although, before I comment briefly on these texts.

Although the Commons controlled the provision of money it was not until the eighteenth century that they gained full control over public expenditure.

Now we are losing that full control.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — And our loss and the loss of this House is the loss to democratic practices in this province and the Government well knows that.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: —

Before the Restoration no regular provision was made for the ordinary expenses of government and the King relied upon his hereditary revenues and other non-parliamentary incomes together with such aids and supplies as Parliament could be persuaded to grant.

After the Restoration the practice arose of granting the sovereign a regular income to cover the ordinary expenses of government whilst extraordinary expenditure was met by special grants which were voted annually.

Both Charles II and James II received an annual allowance of 1.2 million pounds, voted by Parliament for the constant yearly supply of his majesty. No other purpose was specified for the money and it was left to the King to dispose of it as he thought fit. The annual supply grants which were voted to meet extraordinary expenditure were however, assigned to particular purposes. The principle of appropriation dates back to the fourteenth century, but it was after the Restoration that it came to be applied in earnest. Thus in the latter half of the seventeenth century, provisions came to be included in supply bills, specifying the purposes for which the money was being made available and stipulating that it should be used for no other purpose whatsoever.

During the reign of William III the annual income which Parliament granted to the sovereign came to be known as the civil list, and as the sum of money granted was invariably insufficient the sovereign was compelled to ask the Commons from time to time for grants in aid of the civil list.

It therefore, became necessary to relieve the burden upon the royal income which meant that further public expenses had to be met from annual supply grants. At the same time the need to maintain a standing army and navy necessitated a recurring expenditure hitherto unknown. The expenses of the two armed services took their places alongside the civil list as major branches of regular expenditure.

Before long the civil expenses met from supply exceeded the civil list itself and yet a new branch of expenditure came to be known as the miscellaneous supply services. Thus towards the end of the eighteenth century three of the great divisions of expenditure we know today had taken form and the extraordinary expenses which supply grants had originally been designed to meet had assumed their permanent character.

A permanent character until Bill 2 was introduced in this House, if I may say so, Mr. Speaker.

Under the reign of George III the Commons made no attempt to direct the expenditure of the civil list revenues. Indeed proposals to do so were more than once turned down as being contrary to tradition and derogatory to the Crown. It was not until 1777 that the Commons, disturbed by the King's repeated extravagances demanded that accounts be presented before agreeing to meet his huge debts.

In 1782 Lord Rockingham stipulated the reform of the civil list as one of the conditions of his forming a government and the parliamentary control over ordinary civil expenditure thus became established.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — He goes on, Mr. Speaker, to say that:

Parliament thus controls all expenditure.

Now, Mr. Speaker, how is this Act different from the Power Corporation? In the Act it specifically stated the amount of money they were asking for. How is it different from the Act by which Sask Tel was taken over which did the same thing? All Crown corporations have their borrowing entitlements set. All Crown corporations have to come back to this House for increases or changes in that borrowing entitlement.

The whole reason, Mr. Speaker, that we are here, the whole reason for this House, is to see to it that money is well spent, and it is for that reason that we suggest again and repeatedly to this Government that they reconsider the position that they have taken.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — Mr. Speaker, I suspect, but I'd be prepared to be guided by the Hon. Attorney General with his many minions. But I suspect that the clear words of chapter 58 apply to this Bill. The clear words which say in paragraph two, in an Act respecting the raising of loans authorized by the Legislature, what could be clearer and how could chapter 58 of the Revised Statutes of Saskatchewan not apply here, as I suggest they do, to all other Acts. Paragraph two:

The Lieutenant-Governor-in-Council may authorize the Provincial Treasurer to raise by way of loan upon the credit of the province as provided in Section 3, such sums of money as may be deemed expedient and as may from time to time be appropriated by the Legislature for capital expenditure upon or for the object or purpose, including but without restricting the generality.

And then it goes on to give the purposes.

As may from time to time be appropriated by the Legislature for capital expenditure.

Now if that's not clear enough, Mr. Speaker, I suggest to you that subparagraph two of that same paragraph goes on to say:

The Lieutenant-Governor-in-Council may authorize the Provincial Treasurer to raise by way of loan upon the credit of the province as provided in Section 3, such sums of money as may be deemed expedient and as may be from time to time appropriated by the Legislature for loans and advances for any object or purpose and if considered expedient, such sums may be borrowed in advance of the fiscal year for which the appropriation has been made.

I'm suggesting to you, first that the Government is bound by all of the practices of Parliament to give us these figures.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — Second, the Government is bound by their own Act, by their own legislation and that Act goes on in Section 18 to set out that the Act applies to all loans heretofore or hereafter authorized under any Act of the Legislature.

Now where in the legislation of Bill 2 is anything if it were the intent of the Government and I would suggest that it would be a most inappropriate intent if it were, to exempt themselves from the operation of the very law which applies in all other situations, to all other Acts.

Now, Mr. Speaker, I suggested to you two areas in which the Government is bound first by practice and second by law to give us the figures. I suggest now that they are bound by honesty to this House.

When the Premier spoke to the debate on the 19th of November of 1975 he was asked by Mr. Malone and I'll read that question and answer to you:

Mr. Deputy Speaker, I wonder if the Premier would be prepared to answer a question. The Question, Mr. Premier, is that I listened with interest to remarks about the potash industry, however, at no time did I hear you make any reference at all to what the cost or approximate cost of your Government's proposal in this industry would be to the people of Saskatchewan. Are you prepared to give us some indication of what the cost will be?

And what did the Premier say?

There is on the Order Paper a Bill entitled an Act Respecting the Development of Potash Resources in Saskatchewan. I anticipate that that Bill will have some considerable debate and during that period we hope to offer more figures for the benefit of Hon. Members.

Where are those "more figures", Mr. Attorney General?

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — No figures from the Government. Indeed we're not even hearing from the Members of the Government that propose this Bill. We hear from the backbenchers, we hear from people propped up to ask questions of the Attorney General, we hear speeches about what a great orator he is, with which I agree, but we don't hear from the Minister of Mineral Resources, we don't hear from the Premier, we don't hear from the man who will have control of the operation of the potash Act and the potash legislation after it comes into effect. And we certainly don't hear the figures that I suggest this House should expect and to which this House is entitled.

Well, of course, the Premier is away putting out a bush fire, quenching problems in New York, and the money markets, but we may hear from him on his return.

If for whatever reason, Mr. Speaker, there is a rush by the Government Members to cut corners with the finances of the world over the future of Saskatchewan, at least the NDP have presumably thought it out and if they've come to the wrong

conclusion, they are attempting to tell us why.

More heinous perhaps is Mr. Collver, who doesn't have to think things out. He's able to abridge the process. He has a tremendous facility by instinct to get to the wrong conclusion without having to think things out.

What this country needs is leadership.

My Bessborough buddy repeats those words so often, instead of sominex he's switched to counting Dick Collver's with crowns on their heads jumping over fences, to go to sleep at night.

The very day that Bill 1 was introduced he announced to the Press, not to this House, he announced to the Press his view on passage of this legislation. He said, we will give tacit support to the Bill, so that we can ram the legislation down the NDP throats in 1979. They don't call him a political man.

Dick Collver would allow quick passage of the greatest risk of the people's money.

MR. THIBAUT: — On a Point of Order. Isn't it customary in the House to refer to Members as Member for constituency so and so? Would you make a ruling on that. It's being pretty well ignored in this Session.

MR. SPEAKER: — I think the Member's point from Kinistino is well taken. It's customary to refer to Members as the Member for Nipawin, if that be the case or the Member for Riversdale or whatever may be the case.

MR. MERCHANT: — Such a problem, Mr. Speaker, with the Hon. Leader of the Conservative Party because he comes from Saskatoon and Regina and Nipawin and he doesn't really have a place he can call home.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — But I take the point well and I've tantalized with Bessborough buddy and I've tantalized with so many . . .

MR. COLLVER: — On a Point of Order, Mr. Speaker, I would just ask the Hon. Member for Regina Wascana, on a Point of Privilege, that I don't think it's customary to refer to people's private business within this House.

MR. SPEAKER: — I think the Member is well advised to discuss the issue before the House and not the Member personally and I think the Member is not wise to feign ignorance about who the Member represents because I think it's clearly understood, he represents the people of Nipawin.

MR. MERCHANT: — Well, Mr. Speaker, the Hon. Member said in the corridor of course, that he would give tacit support to the Bill so that he could then ram the legislation down the NDP throats in 1979, or words to that effect. He wanted quick passage of the greatest

risk of the people's money in Saskatchewan history without even knowing the cost for some perceived political advantage which he hopes to gain four years hence.

Now that's what I call leadership. If there were a position in Hollywood as a political stunt man, I suggest that he'd be a star. A cheap political stunt that I hope will be remembered by the people of Saskatchewan if that party chooses to follow the course of action which he had originally proposed.

But the six. Now the six, that's a different group of people. I suggest that the Opposition is strong and I suggest that the six add to that strength. You know, you shouldn't chuckle over there about the strength of the Opposition when Roy Romanow is still the best looking man on your side, youth isn't exactly moving for you.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — Watch the six. Watch the six because I'm by no means convinced that they'll take the sellout and I suggest to you, Mr. Speaker, that if some of the things they are muttering in the corridors come into this House, you'll be well impressed with the quality of their thought, about this debate and about the potash takeover.

A Bailey or a Larter or a Ham, these people aren't patent political opportunists as their scoutmaster is and I suggest to you that they will at some point take part in this debate and what they say will surprise and impress the House.

If every decision, Mr. Speaker, if every vote that's taken in this House is going to be judged by Hon. Members on the basis of some perceived political advantage in 1979, we're going to have a very difficult time in properly governing this province. I suggest that the Government doesn't choose to govern in that way and I suggest to you that the Opposition is not, in this debate or in any other, choosing to follow such a shallow political course, the shallow political course about which I read in the Press, if I believe the position of the Hon. Member for Nipawin.

If that be the way that Members will approach political problems, Bill 2 and others, then some fascinating political double talk awaits us from the Member for Nipawin. I look forward to hearing from his six.

I hope indeed that you fulfil somewhat the confidence which not just I have in the Conservative Party but the whole province and the whole country has. If they've been too fast to jump and bleaters and chest beaters and if Liberals from time to time have been somewhat overly opportunistic, the Conservatives have stayed fairly loyally to a position and followed a policy which was always consistent and you're not following a consistent policy when you sit there now silent in the most important debate that the Province of Saskatchewan has ever faced. You're not being consistent with the view that the province and the country and I have of men like Borden and Meighen and even Bob Stanfield. If your political flag has been too stoic for me, it has at least been worthy of respect, but to sit silent, to sit silent now!

I don't think I overstate the case, Mr. Speaker, to say that the nation and the country and to some extent the continent looks on. And that surely is the reason that the Premier was in New York, trying to quench not just the bush fire that the province faces in terms of confidence in our financial ability but the whole country faces. For the remnants of the Borden Party to sit silent would shock me.

Now, Mr. Speaker, I mentioned briefly the Premier's absence. I'm sorry that he's not here because after he said that they would be hiring all those highly trained and capable people to run the potash operation and we all waited. Schultz quit, and the new man had barely been chosen and in he walked through the door, David Dombowsky. The Member for Yorkton (Mr. Nelson) was good enough to say that we have Saskatchewan trained people running the Potash Corporation, it's sort of an on-the-job training in the director's offices of the Potash Industry. And as vice-president of administration, my classmate, he certainly knows potash, my buddy, and I assume that's the reason for his appointment. The former Deputy Minister of Labour, my professor in a Labour class at the university, an excellent marital lawyer in Saskatoon, a former law partner of the Attorney General and of the NDP Attorney General who preceded him, but no potash expert.

Don Ching, little training on the job. No potash expertise and with all due respect to Mr. Ching, for whom I have a great deal of respect, no business experience either to take over this multimillion dollars business, when the Premier has told us that you would be bringing in the expertise of the world almost, to handle this greatest risk that the province has ever taken.

Now, while I have the Attorney General's attention, I'll speak quickly. I'd be fascinated to know whether over Bill 2 the Government has taken up with the Hon. Don Macdonald, his generous offer, I suggest, to discuss the taxation of resource industry. A Government which passed its own legislation without ever discussing the matter with the Federal Government, a Government which passed that legislation five days after the Minister of Finance had left Regina, five days after he'd come out for the specific express purpose of discussing resource taxation, now that the Government in its kindness, or whatever, is prepared to discuss the taxing situation. The Attorney General in various press reports has indicated that he doesn't think there will be any taxing on potash in this province. I'm surprised that he takes that attitude. I'm sure that he will not allow Saskatchewan and Federal Government to break down into what the Hon. Don Macdonald called competitive tax changing. I suggest to you that this change, that the legislation that we have now, is nothing more than a part of the piece, a part of the federal provincial fight and I look forward to hearing in due course from the Attorney General about his intentions with regard to the federal taxing problems.

Now, I'd also be fascinated to hear from the Attorney General or from the Premier when he returns about the question of the international problems which this Government now faces. I'm sure that the Government in asking us to pass Bill 2 to finance this great potash takeover which they think will be so simple, will be interested to know that some members of the American Government are talking about imposing quotas, or using anti-dumping legislation against Saskatchewan potash. That the American Government is now considering, and is talking in the Press . . .

MR. COWLEY: — Read the whole article.

MR. MERCHANT: — Read the whole article - you've got time.

US Expected to Protect Potash Prices - Saskatoon (CP),-

The United States Government could impose quotas or use anti-dumping legislation against Saskatchewan potash if through nationalization the price of potash is driven down, according to a New Mexico state official. Bob Boyd, director of the Economic Development Division of the New Mexico Development Department, said in a telephone interview that local governments in the US are concerned about the Saskatchewan Government's plan to take over effective control of the province's potash industry.

I'm delighted that they take an interest there, since the Conservatives take no interest here.

New Mexico is the only other major potash producer in North America. If the US Government feels it has to take action, Mr. Boyd said, I would feel that the most likely action is to put more safeguards on the national level to protect the industry in the US in the form of quotas or anti-dumping laws. Tariffs is a kind of bad word.

Production in New Mexico has been decreasing because during the last four years imports from Saskatchewan have been rising dramatically, he said. Saskatchewan sold about 70 per cent of its production to the US.

That, of course, is crucial and I'll come to another article which isn't from New Mexico, which doesn't talk about the New Mexican Government, and the suggestions that are coming from that government.

The Government has said that it intends to take over at least half of the province's production through purchase, or if necessary expropriation. Mr. Boyd said:

New Mexico potash mines are older and less productive (just for a bit they'll be less productive) than those in Saskatchewan, making the State's production more expensive.

If the price of potash was reduced by the Saskatchewan Government following the takeover it would have disastrous effects on the State's potash operations.

Mr. Boyd said, he did not expect it would make any difference to US potash producers whether potash came from a nationalized industry.

I think it all gets down to a matter of dollars and cents. Opposition MLA's in Saskatchewan have expressed fears the potash companies will take the money they are paid for their mines and invest in potash operations elsewhere, thereby going into competition with the provincial government.

But Mr. Boyd said, from his discussions with the firms

they appear to be taking a "wait and see" approach to the proposed takeover. They say on the corporate level they have been instructed to say "wait and see" before they give any indication of further investments. He said, the US Congressional Delegation is waiting to see what moves in the industry the Saskatchewan Government makes before it makes a possible rash decision. I don't think anybody wants to jump off the deep end and say we are going to do this if Saskatchewan does that, and they want to see how it's all going to work out. US potash firms were trying to keep an open mind on the situation. Everybody has to live and get along, but certainly they want to protect their own interests.

Now that's the story from New Mexico. If that's the story from New Mexico, what is the story from Washington, because we can well imagine that Saskatchewan has narrow, directional interests, different from Ottawa, just as New Mexico has narrow, directional interest different from Washington.

We have good reason to believe that Washington will view with some suspicion a government takeover, and indeed, that's what the Press from the American capital would seem to indicate. An article from the Financial Times, again is saying that the United States will protest the intended takeover of American-owned potash companies by the Saskatchewan Government. According to the article, Mr. Speaker, State Department officials are expressing their views to Ottawa. They haven't yet decided what form of protest and what form of action the American Government might take against our Government. The Undersecretary of State for Economic Affairs is quoted as saying this is under investigation. They then quote, and I don't think I need waste the time of the House discussing some of the comments of the lobbyists, but I do think it's obvious why the Premier is in the United States. Anyone who would suggest, I believe, that he is in the United States seeking money, is probably wrong. I believe that his plans were laid a long, long time ago. Well before the election. I believe the money was arranged a long, long time ago. Now it may be that the Premier didn't bother letting the Minister who is going to handle the matter (Mr. Cowley), but I'm sure that in the back of his mind, that's the reason he cooled the debate going into the spring. What's he doing in the United States?

I suggest that he's trying to cool down the kind of retaliatory actions that the American Government might take against this province. And I suggest that before this House passes Bill 2 we should be advised of the kinds of problems that the Government is facing. That seems to me to be common courtesy of the Government, although we've had a pretty fair demonstration that they don't intend to give us other information and I have no particular reason to expect that that kind of information will be forthcoming.

Now, Mr. Speaker, those are some current matters that I wanted to bring to the attention of the House, before I return as it were to the area into which I was moving when debate ended some days ago when I was last speaking on Bill 2 to the House.

Now I wanted, Mr. Speaker, and I apologize because it's somewhat lengthy, but I wanted to quote to the House some comments not taken from the Bible, better than that, taken from a speech of Tommy Douglas. Mr. Speaker, the reason that I chose

to pick on the speech is because the Attorney General, when he addressed the House, referred to certain paragraphs of the speech, we've heard reference to it, and I thought it was out of context. Now indeed I wanted to shout to him to read the next paragraph, but being a basically polite person, I thought it was inappropriate to shout anything to a person of such hallowed rank.

This is, Mr. Speaker, a 1950 debate, and the Hon. Member for Kindersley (Mr. MacMillan) was just barely born, so he will be more interested than most. For the rest of us we have pretty much committed it to memory. I don't propose to read the entire speech to the House, though it is a good speech, and I thought I would limit myself to 20 or 30 minutes of it.

Now, Mr. Speaker, I should like to turn for a few minutes to the question of the development of the natural resources of this province. As I said a few moments ago:

The CCF believe that life is a social partnership. We do not believe that life is an economic jungle. We believe that the people of any society can co-operate together to produce the things they need for a better life; to share and distribute them fairly; to provide for those who due to some misfortune are unable to work. For that reason . . .

AN HON. MEMBER: — You don't sound like Tommy!

MR. MERCHANT: — I don't have that high voice, that high pitch and I can't whine and I can't snap out "NDP Party".

For that reason we therefore believe in the social development of our natural resources. We believe that our resources should be going to the people of the community, whether it be the province or the nation; and we believe that in the development of natural resources the people should be the main beneficiaries of that development.

And so do we.

There has been some criticism by the Leader of the Opposition of the Government's policy with reference to the development of natural resources. One moment he quotes the Regina Manifesto and the next moment he criticizes the actions of the Government. The first thing to keep in mind, Mr. Speaker, and what the Hon. Member has apparently forgotten is that a provincial government has a very limited field of jurisdiction; that there are things which you can put in a national manifesto for federal government to do, but they are not applicable to the case of a provincial government.

A provincial government, for instance, has only two sources of revenue, it can either tax the people for money, or it can borrow money. It has not the power which the Federal Government has of issuing currency and credit through its own central bank. Therefore, when we look at the policy of developing natural resources, we must keep in mind the natural limitations which are placed upon any provincial government.

Now a provincial government has three alternatives, with

reference to the development of natural resources. The first is that they can alienate all of their resources by turning them over to private enterprise and saying, "you go ahead", explore for them, if you can find them and develop them, they are yours". Now that is a policy which this Government will not follow. Yesterday the Leader of the Opposition (Hon. Mr. Tucker) and the big oil company that discovered the Leduc Field was driven out of this province by the CCF. All right, we'll see how correct it was.

They were not driven out of this province, but they left this province because we were not prepared to give things away to them, as had been given to them by the Liberal Government. They were getting a much better deal from the Liberal Government than any company has ever been able to get in this province since this Government came in. After those people left they finally decided that they would like to come back, and they came, and they offered an agreement and I have a copy of that agreement here. They offered an agreement to this Government, an agreement which was immeasurably better than that which they ever had to sign under a Liberal Government. But, an agreement which would have paid the people of the province on a prorata basis less than one-tenth of what they were getting under the agreement signed by others who come in to look for minerals in this province. An agreement in which they wanted and stipulated that they did not have to drill.

The plain facts are, Mr. Speaker, that the particular oil company of which my friend speaks, having found two large oil fields in Alberta, did not need any more oil.

Mr. Speaker, I will be glad to give my friend a copy, but there is no need for me to table it because it was never signed. We would not sign such an agreement, the agreement as proposed, and therefore it is not an official document, but I shall be very glad to give my Hon. friend a copy of it. He will be very welcome to it, and as a matter of fact he can get one from his friends I'm sure in this oil company.

MR. TUCKER: — They are no more friends of mine than these American companies are of yours.

MR. DOUGLAS: — If my friend will just sit still for a while, I have listened to him for an hour and a half yesterday without interrupting him more than once, and if he will just sit still I will be glad to enlighten him to the best of my ability. The fact is that this oil company, having two large oil fields in Alberta, does not want to find oil in Saskatchewan because the oil in Saskatchewan will be 700. . .

Now, Mr. Speaker, if you are wondering about the relevance of this position, what is the relevance. We've heard a great deal from this Government about Crown corporations. We've heard a great deal about the resource policy. Indeed, the Attorney General addressed himself to the resource policy as a package resource policy. Now I suggest to you that this goes back and

that this is very relevant. And indeed when the Attorney General takes it upon himself to quote a particular paragraph out of a particular section of a speech then I consider there is nothing inappropriate about bringing to the attention of the House the full context of what has been heard.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — Indeed, my friend from the corridor, had the good sense to discuss it with the Press before the Attorney General even bothered bringing it to the attention of the House. And, indeed, as Mr. Speaker well knows this very speech was the speech brought to the attention of the House when Bill 42 was debated. A speech which was extremely important in understanding the resource policy of this Government and in understanding the way this Government sold out the resource policy and sold out the deal that they made with the companies that had come to invest in this province.

The second alternative which faces the Provincial Government in the development of natural resources is for the Provincial Government to develop these resources themselves. And that, Mr. Speaker, we believe in doing insofar as the financial capacity of the province will permit. That is why we are spending money in development of power in this province. That is why we are spending money in developing sodium sulphate resources.

And I'll come back, incidentally, at some later day with some discussion of the sodium sulphate development because I am fascinated with the way that they have chosen just at this curious time to launch a major advertising campaign to impress their public, I'd pull that ad and just go with a straight, "vote NDP", it would be less offensive.

Why are we spending money in developing sodium sulphate resources, I will tell my friend about the sodium resources. Sometime there is a lot of laughter and it certainly betrays ignorance, Mr. Speaker, but I don't intend to sit here and be the laughing stock.

As a matter of fact he was standing there and being the laughing stock at that particular time.

The fact remains, Mr. Speaker, that this Government has pushed to the very ultimate of the financial capacity of this province the development of the natural resources by the people through their provincial Government. Now we recognize that there are limitations to what a provincial government can find the necessary capital to develop, it would take probably \$50 to \$100 million to carry on an exploration program and even a partial development program could be carried out, much more than that. That would mean not only taking a terrific debt upon the people of Saskatchewan . . .

It seemed to bother Premier Douglas but it is no problem for this Government.

but it would also mean asking them to invest risk capital not just to develop resources but in some cases even to

find out if we have resources. We do not know how much oil there is and we do not even know there is any oil of a high gravity. We have to find out.

And this is the paragraph that I thought the Member in all fairness when he read the last paragraph should have read the next.

And we have taken the position that for a government in this province to take large sums of money and investing it in looking for oil and looking for minerals would put this province into financial position which would jeopardize its security.

The third alternative, Mr. Speaker, is to combine one and two. The third alternative is to say that we will allow private interests to come in here and look for minerals. If they come in we will give them security on two points. (1) If they find certain resources they will be allowed to develop them. (2) If they set up the machinery for developing them, they will not be expropriated.

Interesting words.

Those two categorical assurances have been given and I repeat them this afternoon. We have said that, while we are allowing these people to look for these things and if they find them to develop them the interests of the people of the province must be safeguarded and looked after. So we have said that 25 per cent shall be reserved to the Crown. If an acre is proved a field, up to 15 per cent of oil shall come back as royalty. Between those two it means that if any oil field discovered in this province one-third of it will belong to the people of Saskatchewan.

One-third, a far cry from your 80 per cent.

Now, I grant you the scheme will stand or fall by what we do with that one field. I think it is too early yet to make any statement but I am sure the people of this province will accept my statement when I say they can be absolutely certain that in the event of oil being discovered in this province, that third which by law belongs to the people of Saskatchewan will be used in such a manner as to protect the interests of the people of Saskatchewan and particularly the consumers of Saskatchewan. My Hon. Friend criticized this policy yesterday. He is very hard to satisfy. Other years when he made his speech in this House, he complained that nobody was coming into this province. That nobody was coming. They took one look at my face and they ran away. Now he is complaining because they are all coming in. They are coming in from the United States spending their money. They are pouring in from all over. A year ago it was a joke because I was going down to New York to see these people.

We are still going down to New York to borrow money I see. Nothing changes, just the faces and the height restriction still applies. It is disappointing to know that you can never be an NDP Premier of Saskatchewan because you are too tall, isn't it?

One moment he says, why are you giving everything away and the next minute he says, why these things you are giving away you can take them all back again. Now we cannot have it both ways. My friend had better make up his mind which side he is on. You cannot be taking it away from the people on one hand and going to take it away from the capitalists with the other. My friend yesterday did his very best to create doubt in the minds of the people who want to invest money in this province. My friend talks about the CCF scaring away capital, I want to say this, it is the irresponsible and rash statements that have been made by him and some of his colleagues that have tended to take capital out of this province. Then he stood up yesterday and said, the Premier is responsible to whatever the convention tells him to do, he has to do. That is right, because the convention elected me. Just as my friend has to do what Mr. Gardiner does, because Mr. Gardiner made him the Leader.

MR. TUCKER: — If my friend is praying in a fury as usual of course I shall pass it over. But after all, Mr. Speaker, we are in a serious Assembly here and when my friend makes a statement like that, I must rise to tell him that what he states is false and he knows that I am calling him on that when I say and I ask that he withdraw it.

PREMIER DOUGLAS: — I have nothing to withdraw, Mr. Speaker, the Hon. Member knows the facts as well as I do.

MR. TUCKER: — My Hon. friend here tried to create the impression that these people were coming into the province to look for resources. Mr. Speaker, I ask my Hon. friend to withdraw that unequivocally.

PREMIER DOUGLAS: — I will not withdraw it, Mr. Speaker, I have no reason why I should withdraw it.

MR. SPEAKER: — Well it is the same statement he takes the responsibility for exactly the same as you made the statement in regard to him taking orders from some other authority.

Fairly obvious, Mr. Speaker, you are an unbiased Speaker in relation to that comment.

MR. TUCKER: — I deny taking orders from anyone at all outside of the party in this province and my following here and my Hon. friend has no right to make that aspersion against me and I ask that he withdraw it.

MR. SPEAKER: — The Hon. Member has a perfect right to make a statement on his own behalf.

PREMIER DOUGLAS: — My Hon. friend tried to create doubt in the minds of the people who were investing money, in seeking to find

resources in this province and develop those resources for the benefit of the people of the province. Now, Mr. Speaker, when he points to the fact that I take my orders from a convention, I want to remind him and remind the people who are interested in putting money into this province that when I and my colleagues gave a categorical assurance to them that if they came and spent their money in looking for resources here and if they found them in the development of that resource, we would give them security. We gave them that assurance with the full backing of the CCF movement and the CCF movement will never ask us to withdraw the pledge which we made in full honor.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — I quote again:

My friend yesterday for the first time has told us what his policy is with reference to the development of these resources. Up until now we have never found out but yesterday the Provincial Treasurer asked him, what would you do and he gave his answer. He said he would do just what we are doing with one exception. He would give 25 per cent Crown reserve, he would reserve 25 per cent for the Crown and he said a 12 1/2 per cent royalty. I imagine that means the average of royalties up to 15 but it is an average of 12 1/2 per cent.

Now that is interesting because he spends a good deal of his speech saying why, the manifesto said you should take over all the resources, now you are just going to hold 25 per cent of the resources so you are only one-quarter socialists.

Well you have made up for it in this trip.

But when we ask him what he will do he said, I would do just the same. I would reserve 25 per cent for the Crown. Therefore my Hon. friend must be a quarter socialist, but I don't know which quarter. I strongly suspect it may be the hind quarter and that would be a lot of socialism. The fact remains, Mr. Speaker, that my Hon. friend made one statement that I think the oil companies and industries of the country will do very well to notice. He said, he argued with us about the 25 per cent reserve, he agreed with us about the royalty but I would not give out rights to other people that they could turn around and sell to everybody else at big profits. My Hon. friend is saying now that the Liberal Party is opposed to those who have permits or those who have leases being allowed to sell them with the consent of the Minister. Does my Hon. friend mean that he is going to interfere with the free right to enter into contract. My Hon. friend said he would not give these people the right to turn around and sell them. In other words here is a man who comes along, gets a permit, he spends \$50,000 doing geophysical work and the seismographical work and runs out of capital. He can do one of two things, if my friend has his way. He can either just walk off and lose those investments or he can sit there and get no further developments. Surely that man has a right in view of the fact that he put \$50,000 in

here to come to the Minister and say, I have got a chance of a larger firm who are prepared to buy out my equity and to continue the development of the resource that we have every reason to believe is there. And the right to retain part of the investment which he puts into it and also to get further exploration and further development. I want to say there is not a provincial government in Canada that does not give to the investors the right to sell with the consent of the government any of the permits or the leases that they hold.

Now, Mr. Speaker, I want to say a few words about another form of social partnership.

At that point, Mr. Speaker, the portion that I propose to address to your Honour is concluded.

Mr. Speaker, that was followed by other matters. That speech and those guarantees to the people of Saskatchewan and to the investing public were followed by other steps taken by the Premier's office, taken by the Hon. T. C. Douglas.

From the Premier's office and we have a copy of a letter on the Premier's office stationery dated April 12, 1949. The debate which I have been reading to you refers to the 1950 Debates and Proceedings. From the Premier's office April 12, 1949, and Hon. Members opposite may well say, that refers to the oil industry. The comments that I have read to you don't refer to the oil industry. He refers continually to the development of mineral resources. This reference, although I suggest related to the general development of resources in this province gives a specific reference frankly to oil and gas. But I suggest to you that it is meat to this debate, that it is a matter of reference for this debate because of the tendency of that government to base so much of their substance for policy on the past and what Mr. Douglas and others have done in the past.

A letter dated April 12, 1949, written to a well-known lawyer, M. A. McPherson, of the firm McPherson, Milliken, Leslie and Tyerman as it then was.

Dear Mr. McPherson: With regard to the telephone conversation Mr. Douglas had with you yesterday, he asked me to send you the enclosed copy of a letter which we have been sending out to those enquiring about the Government's policy with regard to oil and gas exploration. Yours Truly, (and it is signed by an Elaine McKinnon.)

What is the letter. One thing it is interesting to note that it is a buoyant letter. The Government had such a problem with investment that they had to calm the problem with sending out a great flurry of letters which I suggest they are now backing out on. Dear - and there is a blank to be filled in, to anyone. Anyone who wrote in. This letter with regard to the Government's policy on oil and gas production.

I desire to advise that the view that has been taken and expressed on numerous occasions is as follows:

It is the Government's policy in the next few years to promote the maximum exploration and development of petroleum in Saskatchewan which natural circumstances will permit. This policy is based upon a recognition

of two principles. First, it is necessary to secure to the people of the province a fair return from the production of petroleum of which the people are the true owners, with which we agreed. (a) By means of Crown reserves in all parts of the province. (b) In the form of royalties upon the petroleum that is produced. Secondly, the Government will stand by all agreements it enters into. It has no intention of either expropriating or socializing the oil industry. Yours sincerely, T. C. Douglas.

The Leader-Post April 6, 1950. The letter was April 12, 1949 the Leader-Post of April 6, 1950, good years of the Leader-Post too, it used to support the Liberal Party in those days . . . Are you going to give us the figures? I'd still be interested while you are catcalling with me what you were talking about when you indicated that you had given us the figures in the speech. I would still be fascinated to know what your purpose was in saying you had given us the figures.

MR. ROMANOW: — I said filibusters.

MR. MERCHANT: — No, no, about six times you said you had given us the figures. You shouted we have given you the figures. You may recall that.

"The CCF Will Keep Agreements On Oil", that is an interesting headline. I suspect the writers were just as good as they are now, and I say that honestly, that they were excellent and the people putting the headlines on were just as bad as they are now.

Premier T. C. Douglas will resign as CCF Leader if a convention of his Party ever asks his Government to repudiate promises made to oil companies, he told the Legislature Wednesday night. His statement was made emphasizing an assertion that the CCF Government was playing square with the oil companies, now spending millions in search of oil in the province. It came during a discussion of natural resources estimates for 1950-51 as they relate to oil development.

It goes on to talk about the fact that the questions were posed by A. A. Lopston.

What would you do (asked Mr. Lopston), if an annual CCF convention insists on cancellation of agreements after oil is located.

Live up to agreements (is the subparagraph). This Government will live up to its agreements (asserted Mr. Brockelbank). That is not contrary to CCF policy. Premier Douglas accused the Liberals of trying to scare capital away from the province. The oil people are prepared to accept our assurances. If any convention asks the Government to go back on its promises there will be another leader of the CCF in this House.

And there certainly is.

Now, when I ask, are we going to hear from the Ministers who handle this Act?

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SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — When are we going to hear from the Minister of Mineral Resources as he sits on his hands.

SOME HON. MEMBERS: — Hear, hear!

MR. WHELAN: — On a Point of Order. I spoke on Bill 2. I don't know what the heck he is talking about.

MR. SPEAKER: — Did the Member make his Point of Order?

MR. WHELAN: — On a Point of Privilege, the Hon. Member is repeating over and over again that I didn't speak on this debate. That's absolutely untrue. I did, I was the second speaker in the debate.

MR. ROMANOW: — You ought to apologize, Tony.

MR. MERCHANT: — I would except that it was of such fleeting excellence that it missed my attention.

When are we going to hear the figures, when are we going to have the figures that the Attorney . . .

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — A Minister is transferred to take over potash and we never hear from him, on either Bill and I'm wondering whether we ever will because perhaps he knows too much.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — I can't imagine this Government proposing to the people of Saskatchewan that this Bill be passed without telling us and without telling the people of the province what the bottom line of the deal is.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — I suggest to the Hon. Member that we'll be here until we know the bottom line. That it's appropriate and proper that the people of this province have those figures.

SOME HON. MEMBERS: — Hear, hear!

MR. MERCHANT: — We have a tendency to keep our promises on this side of the House.

Mr. Speaker, I have a number of other matters and I wonder if I might call it 9:30 o'clock?

MR. R. H. BAILEY (Rosetown-Elrose): — Mr. Speaker, I should just like to draw to the attention

of this House that during the two discussions tonight by two Members some mention was made that the Conservatives, a Member of this caucus, had made a statement to the effect that we had given tacit approval, given, to either Bill 1 or Bill 2.

Just for the records, Mr. Speaker, at no time did any Member of his caucus, including the Member for Nipawin (Mr. Collver) make such a statement.

MR. C. P. MacDONALD (Indian Head-Wolseley): — Mr. Speaker, I should like to suggest it's not a Point of Privilege, that's a point of debate.

MR. R. L. COLLVER (Leader of the Progressive Conservatives): — I should like to speak to the Point of Privilege, Mr. Speaker.

The Member for Regina Wascana (Mr. Merchant) explicitly stated that a Member of our caucus had in fact made that statement. We are clarifying the records.

MR. R. ROMANOW (Attorney General): — You know the Tory position on this matter, you don't need a continual repeated operation like the Liberal Party is giving us to know what their position is. We know the story and I understand the position of the Conservative Party.

MR. SPEAKER: — I think, if I may be permitted a final word, the Member for Wascana (Mr. Merchant) was quoting from some article he had read, and stated that was the way he interpreted the article. Therefore, I think it becomes a matter of debate.

MR. COLLVER: — On a Point of Privilege, will he table that article?

MR. SPEAKER: — You should call for it at the time the Member is speaking and ask him to table the article. The Member may be prepared to table the article right now.

AN HON. MEMBER: — Table . . .

MR. SPEAKER: — No, the Member has suggested that perhaps the Member for Regina Wascana would table the article he was referring to.

MR. COLLVER: — Will he table this article he was referring to, Mr. Speaker?

MR. C. P. MacDONALD: — On a Point of Order, Mr. Speaker.

MR. SPEAKER: — The Member for Nipawin has asked that the Member for Wascana table the article. Is the Member prepared to table it?

MR. MERCHANT: — Mr. Speaker, may I speak for a moment.

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MR. SPEAKER: — Yes.

MR. MERCHANT: — Mr. Speaker, I did not refer to an article that referred to the Conservatives. I said that they had given their tacit approval through their silence to this Bill. And I know the three or four articles that I have and I know that I did not refer to an article, and I wondered, with respect, when Mr. Speaker indicated that I had referred to an article, because I did not.

MR. SPEAKER: — Pardon me for incorrectly interpreting your remarks. I understand now the Member says that he did not quote from an article, he was making a debating point. The Member for Nipawin will have an opportunity to enter the debate if he so wishes.

It being 9:30 o'clock this House now stands adjourned until 2:30 o'clock tomorrow.

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