

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**First Session — Eighteenth Legislature**  
**46th Day**

**Wednesday, January 28, 1976.**

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

**QUESTIONS**

**FURTHER EXPROPRIATION OF 3,000 ACRES IN CORONACH AREA**

**Mr. R.E. Nelson** (Assiniboia-Gravelbourg): — Before the Orders of the Day, Mr. Speaker, I have a question of the Minister of Industry and Commerce (Mr. Messer). Sometime ago I asked a question of the Minister and the Premier answered it. He said that in the Coronach area there had been some friendly expropriation going on. My question is, is there further expropriation to the tune of some 3,000 acres in progress at the present time in the Coronach area having to do with the Poplar River Power Plant?

**Hon. J. Messer** (Minister of Industry and Commerce): — Mr. Speaker, I am not aware at the present time of any further expropriation. I think that there is certainly a plan in place in regard to the acquisition of a significant or a large amount of land, whether or not that is going to have to be by expropriation or not, is I think at this point in time too early for me to respond to.

We have had some discussions with the organization in Poplar River in regard to the acquisition of land. I had a meeting with Mr. Elder and some of the executive of that association. I have since sent them a letter proposing to them a means that may be acceptable to both parties in the transfer or the acquisition of that land. We have not yet come to a final conclusion, as to whether that is acceptable to both parties.

**Mr. Nelson:** — I certainly would ask the Hon. Member that he not have the trend go to expropriation until there has been more serious negotiations and fair negotiations carried on.

**Mr. Messer:** — I can assure the Member that we are not wanting to pursue the expropriation procedure. I would hope that we would be able to find some other means that would be satisfactory and fair to both parties in the acquisition of that land. It is because of that that I have met on a number of occasions with Mr. Elder and met with some of the farmers who may be affected in seeking a proposal that would be acceptable and hopefully advantageous and fair to themselves.

**Mr. Nelson:** — A further supplementary, Mr. Speaker, I wonder if the Hon. Member would be able to check and see and tell me if expropriation has begun on these same 3,000 acres. He doesn't know now and I appreciate that, if he would be able to get me an answer.

**Mr. Messer:** — Yes, Mr. Speaker, I will look into the matter.

### **HOW MUCH MONEY DID MANFRED SWAROVSKI INVEST IN CANISPHERE**

**Mr. S. Cameron** (Regina South): — Mr. Speaker, a question to the Minister of Industry and Commerce. Friday last, you weren't here and I asked the Premier a number of questions about a company in Moose Jaw by name of Canisphere Industries and Manfred Swarovski. I understand that since that time in view of the information I gave the Premier, has been given to you. Can you tell me how much money Manfred Swarovski put into the project under the name of Canisphere Industries in Moose Jaw?

**Mr. Messer:** — Mr. Speaker, this morning I received a memo from the Premier, attached to it was a rather lengthy letter from the Member asking a number of questions. I have just now directed my staff to compile the information that the Member will agree that it would perhaps be best for me to first provide you with the information that you sought from the Premier in the letter and if that is not satisfactory we could undertake to pursue the matter further at that time.

**Mr. Cameron:** — Perhaps I might be permitted, Mr. Speaker, to ask the Minister to treat the matter with some urgency. I am most anxious to have some of the answers I've asked and I have some additional questions to ask of you as well. But I think where we have to start in connection with it, is with the question I have already asked. Can I ask you to give it some urgency, I think it has been five days now.

### **CUPE CERTIFICATION MODIFIED**

**Mr. E.F.A. Merchant** (Regina Wascana): — Mr. Speaker, I wonder if I might direct a question to the Minister of Labour (Mr. Snyder). I wonder if he is aware of the fact that an application was made to the Labour Relations Board by the Saskatchewan Association of Medical Laboratory Technologists to have a CUPE certification modified, I assume under Section 5(a) of the Act and at the same time they applied on behalf of this Association of Technologists, applied as I understand it, if my information is correct, for a certification of their own under Section 5(a), (b) and (c). I wonder if the Minister would agree with me that Section 3 touchstone of The Labour Relations Act which says that the workers may choose a union of their own choice, and that though 85 per cent of the people in that association want this changed . . .

**Mr. Speaker:** — Order! Order! I think the Member is making a debate rather than asking a question. I think if the Member is to reflect on it, you could come to the point of the question much quicker.

**Hon. G. Snyder** (Minister of Labour): — I appreciate the question directed to me by the Member for Regina Wascana. I expect he has upon his desk the

same press release that I have this morning, released by the Saskatchewan Association of Medical Laboratory Technologists.

The Member makes reference, Mr. Speaker, to Section 3 which says in essence, that workers shall have the opportunity and have the right to choose a union of their own selection. I believe that principle cannot be considered to stand on its own without some qualification, and that is that the Labour Relations Board . . . have you got something to say.

**Mr. D. G. Steuart** (Leader of the Opposition): — Yes, they have got to be friends of yours.

**Mr. Snyder:** — Let's be a little bit realistic, Mr. Leader of the Opposition. That is hardly the question and you may chatter away like a chipmunk if you wish, but the fact still remains, Mr. Speaker, that the Labour Relations Board is charged with the responsibility of determining the appropriate unit. Otherwise you could see the very real possibility of fragmenting the whole collective agreement in one institution for example where the kitchen workers might for some reason of their own not wish to be associated with CUPE. There may be another group that, such as white jackets, and who perform another service, separate and apart from that service provided by another group of workers, fundamentally with the same objective in mind, wishing to fragment and be part of another unit. I think you would find our whole collective bargaining system in complete disarray if the Labour Relations Board were not allowed to have the kind of authority to determine what shall be the appropriate unit. I am not prepared to make judgment because I don't understand nor have I had the opportunity determine all of the facts surrounding this application for departure from the Canadian Union of Public Employees, but I do expect that it they should ask that a written reason be provided that the Labour Relations Board as in the past will provide that service as a courtesy to the group that made the application for certification or decertification.

**Mr. Merchant:** — Mr. Speaker, the press release to which the Hon. Member refers makes reference to bias and I wonder if the Minister would agree with me that the fact that Jack Ingram sat on that — I assume Jack Ingram sat on that panel — the press release says a CUPE member — a former CUPE organizer, that would have to be Jack Ingram. Would the Minister not agree with me that the appearance of bias to any group would be enough justification for the Minister to give some directions to the Labour Relations Board to do something about that. I have in mind perhaps disqualifying oneself when an application comes before it.

**Mr. Snyder:** — It is my information that on all circumstances when the Labour Relations Board is dealing with the matter which is related to the Canadian Union of Public Employees, Mr. Ingram on each and every occasion steps down and does not vote under those circumstances. This is the information that has been provided to me. I trust that this is the case and was the case in this particular instance. I don't think there is any reference in the release that suggests that Mr. Ingram played a part in this. But reference is made to the fact that

one of the members of the Labour Relations Board is a former CUPE member, no longer active in CUPE, but formerly out of the Canadian Union of Public Employees organization. My impression, the information that has been left with me is that Mr. Ingram disqualifies himself and steps down on each occasion when CUPE is involved in an application for certification or decertification.

**Mr. Merchant:** — Mr. Speaker, I am certainly not as familiar with the backgrounds of the various members as the Hon. Member, but as far as I know no alternate or a member other than Mr. Ingram is a CUPE member and the press release specifically makes reference, and I wonder whether the Minister would not agree that this – if he did sit – and that is what the press release implies, that that is in a class with perhaps Harry Haskins who works for IPSCO sitting on an IPSCO case, that clearly a bias and disqualification kind of problem would arise.

**Mr. Snyder:** — I would think that if the United Steel Workers of America and IPSCO were in dispute with respect to an unfair labour practice or certification or decertification application, I would expect that Mr. Haskins would in those set of circumstances disqualify himself. I expect that in this set of circumstances that Mr. Ingram did disqualify himself. I think you and I are then discussing this thing in a vacuum, not knowing whether Mr. Ingram did play a part in this proceeding. I will check on it but I believe it to be the case, I believe he would have disqualified himself as has been the case consistently over the last number of years.

## **STUDY OF SHOPPING PATTERNS OF NORTHERN PEOPLE**

**Mr. E. Anderson** (Shaunavon): — Mr. Speaker, before the Orders of the Day, I should like to direct a question to Mr. Bowerman, but he is not here. Has the DNS been conducting a study of shopping patterns of the people in the North and has the study shown that the people in the North are shopping outside the DNS area.

**Hon. R. Romanow** (Attorney General): — Mr. Speaker, I will have to answer that I will take notice of the question on behalf of the Government.

## **COMMITTEE OF THE WHOLE**

### **BILL NO. 2 – AN ACT RESPECTING THE POTASH CORPORATION OF SASKATCHEWAN**

**Hon. R. Romanow** (Attorney General): — Mr. Chairman, before we proceed further I believe there was a highly technical amendment which was moved the other day changing the date of the Bill from 1975 to 1976, I would beg to withdraw that, Mr. Chairman.

Agreed.

### **Section 1**

**Mr. E. Malone** (Regina Lakeview): — Mr. Chairman, Mr. Attorney General, before we wound down last night I was asking you why the Government was not

prepared to put a borrowing limit into this statute which is common to all other statutes that I am aware of setting up a Crown corporation. He replied, citing the example of Saskoil and I think the Member for Regina South (Mr. Cameron) pretty effectively destroyed your arguments in connection with Saskoil as he pointed out to you that that Act provided that there had to be legislative approval for any spending of money.

The Premier may days ago, when I first raised this point, indicated that he was going to come in at a later time and point out to me other statutes where this has occurred. I note that he isn't here today. I wonder, has he communicated this information to you as to what other statutes there are in Saskatchewan that have a wide open borrowing power, that is, not a limit on it?

**Mr. Romanow:** — Mr. Chairman, I have not been in communication with the Premier on this particular point. I have asked people in my Department to check if there are any other Crown corporation statutes and apart from the Saskoil one, and this one, I believe that there probably are not any others. I am not absolutely certain on that.

**Mr. Malone:** — Can you point to a statute in any other jurisdiction that follows the Parliamentary system, the British Parliamentary system that has such a statute?

**Mr. Romanow:** — I say again, Mr. Chairman, I don't know. I haven't gone to the British Parliamentary system, and quite frankly, I don't intend to check the British Parliamentary system to know whether it is a precedent or not. There is one in Saskoil which is a precedent of 1973 and the Member for Regina South's comments take away from that point. Because really he is talking about appropriation by the Legislature and those can be explainable from different statutes. The key we are talking about still is the ceiling on borrowing power which is common to both of the Members opposite. I don't think it is particularly relevant as to what the impact of the effect is in the rest of the British Commonwealth.

**Mr. Malone:** — Again, I think that you will agree though that the Member for Regina South pointed out that the Saskoil statutes provide specifically for an appropriation by the Legislature and nowhere in Bill 2 is there any such wording.

**Mr. Romanow:** — Well, because, Mr. Chairman, under any statutes where there is an authorization of a statutory advance of money which is the case here, there is no need to include in the legislation monies appropriated to the Legislature. And that is the situation that the Potash Corporation of Saskatchewan, so it is a point but it is not a precedent to be used. The simple fact of the matter is that under whatever the section number is in the Bill, I think it is Section 14, there is a statutory advance which is set out and that is the situation.

**Mr. Malone:** — I will come to that in a minute. Are you saying that there is no necessity to set out in this statute a statutory limit for borrowing? Is that your position?

**Mr. Romanow:** — Yes, there is no statutory authority I don't believe at all for this, for the setting out of borrowing limitations. Again, subject to comments on it and for the policy reasons that I tried to enumerate the other day, I don't think it would be desirable to either.

**Mr. Malone:** — I will come to the statutory part of it in one minute. Let me read you the common law part. I hope you will pay attention, Mr. Minister, I am reading from Beauchesne's Parliamentary Rules and Forms, page 198, paragraph 233:

It is one of the old standing principles of our constitution that the House of Commons control the finances of the country. That is the right, privilege and duty of the House. It is achieved by means of struggle lasting through centuries beginning from the 14th century down to the 17th century when it was fully confirmed. And since then it has never been disputed.

The cardinal principle on which the whole of our financial system is based is that of parliamentary control and by this is understood, not the control of parliament in its constitutional sense, but controlled by the Commons alone.

Upon this fundamental principle laid down at the very outset of English parliamentary history and secured by 300 years of mingled conflict with the Crown and peaceful growth is grounded the whole of finance and consequently the whole of the British Constitution.

I suggest to you, Mr. Minister, that unless you put a borrowing limit in this Bill what you in effect are doing is returning this Legislature to the 14th century. You are ignoring all of parliamentary tradition from the 14th century to date, unless you put a borrowing limit in this Bill.

**Mr. Romanow:** — Mr. Chairman, I hear the quotation that the Member has given which has been read before, but I say again, I don't want to make this statement because I can't really back it up because I haven't done the research on it, but I am almost sure that if one could take the time to research the British Parliamentary experience, that statement as made would most certainly be qualified by the practice of these days. Again, that is not a very strong statement I admit because I haven't researched it but that is neither here nor there because when you come to the Saskatchewan experience we did have this provision with respect to Saskoil and the situation on Saskoil on the limitation of borrowing powers is a good one, I think, and it is the same here. I am not trying to throw it back onto the Opposition that they didn't complain in 1973, when we had no borrowing limit on Saskoil, because the reasons advanced at that time were pretty good.

I simply repeat this again with respect to Saskatchewan Potash Corporation. The Member can read quotations about 14th or 18th century, I don't believe that this is the case with respect to this Bill.

**Mr. Malone:** — Well, we have taken the trouble to do some research, Mr. Minister, and we can't find one single Bill anywhere of this nature, not in this province and not in any other place in Canada. So when you say you think that this has happened before, I am saying, where? I suggest to you that it hasn't happened before and even with your Saskoil example, there is provision there for the Legislature to appropriate money, which is not in this Act.

**Mr. Romanow:** — Mr. Chairman, the Member says that the caucus has researched this and I am interested to hear that because, again, I don't think that it would take me too long out of my own recollection, which in the days I have been here could very well be faulty, could indicate . . . I am of the opinion of the recollection, of my own personal recollection. You have done the research so tell me whether Canada Development Corporation has a limitation on borrowing power. And I bet you a dime to your dollar that it doesn't have. Take Air Canada Corporation and this is the one that I thought I had kicking around on my desk this morning, but I must have filed it, because I remember I was thinking of using it in rebuttal, in Bill 2. Air Canada doesn't have a limitation on borrowing power. That is a Crown corporation as well.

Again, you people did the research and correct me if I am wrong, but I don't think that I am.

**Mr. Malone:** — My advice is that you are wrong and I didn't personally do the research.

If you are not prepared to follow parliamentary tradition, which I have indicated has grown up since the 14th century, perhaps you would be prepared to follow the law of the province of Saskatchewan. You refer to Section 14 of Bill 2 and I refer to you that.

Section 14(3) says that any sum of money that is to be raised pursuant to the Bill "must be raised in accordance with The Saskatchewan Loans Act."

So I cite to you The Saskatchewan Loans Act, Section 2. The Lieutenant-Governor-in-Council etc.:

By way of loan upon the credit of the province is 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.

Section 3 of the Act again refers to the same provision. The last section of the Act, Section 18:

This Act applies to all loans heretofore or hereafter authorized under any Act of the Legislature.

So you must comply with The Saskatchewan Loans Act and to comply with it you must let us appropriate the money and we cannot appropriate the money unless you give us a sum to appropriate.

**Mr. Romanow:** — No, Mr. Chairman. I realize the argument that has been advanced and I think it was advanced in Question Period by a Member and the Premier addressed himself to this

at the time. Really the Member's interpretation, in my view, is not correct in this area. This subsection of The Loans Act creates two circumstances where the province may borrow i.e. to obtain sums deemed expedient or to make appropriation obligations. Both needs need not be present.

**Mr. Malone:** — “and” . . .

**Mr. Romanow:** — No, no, because it says “and” but the simple fact of the matter is that the Saskatchewan Power Corporation, for example, has borrowed moneys without ever having to come back to the Legislature for appropriation in years, and if I am wrong go to the period from 1964 to 1971 where there are many capital borrowings the Saskatchewan Power Corporation did not have to get the appropriations. So that is the situation because there is no other way that you could have worked it if it had been interpreted as “and” you would have to come back to the Legislature on every capital borrowing that Sask Power would undertake.

What I am saying, the borrowing authority generally is to be found in the specific Crown corporation legislation and the methods of raising for funds are found in The Saskatchewan Loans Act. And if you read the section the way that it has been practised then the Member's argument doesn't hold water. So I don't agree with the interpretation.

**Mr. Malone:** — You'll agree with my argument by saying that it is in the SPC Act and it is and that Act has been changed many times in amendments and amended to put up an upper limit on the borrowing powers. Sure you go back to 1952, I think, and every few years it is amended to increase the borrowing power. I say to you: — how do you get around the provision to Section 18 of The Saskatchewan Loans Act which says it applies to any Act of the Legislature?

**Mr. Romanow:** — The Member opposite makes this point, that Section 18 is the application of the Act. That is correct, Section 18 is there. Mr. Holtzman has stepped out, he has been Legislative Counsel for years and he is coming back in a moment. We are going to find that business about the limitation on the Federal CDC and Air Canada so we will come back on this, because I should like to see the Liberal Party take the same principle position towards Mr. Lang.

**Mr. Cameron:** — Oh, we certainly will.

**Mr. Romanow:** — Good. And communicate that the ex-Minister of Justice does the same thing. What I am saying here to the issue is that this is a general section, the applicability of the section, but you have to read the specific sections of the Bill, the specific sections of the Act.

And what the Members are trying to argue is this, in a nutshell, they are saying that The Saskatchewan Loans Act is a bar to any activities of borrowing by a Crown corporation if that Crown corporation by statute does not have a ceiling on it. Then if that is not the case then what is the substance of your argument?



**Mr. Malone:** — I think you will agree with me that Bill 2 can be described as a money Bill, that is, in the Bill there is provision for borrowing. I don't think you would dispute that. There are two ways of borrowing, one, by a Lieutenant-Governor-in-Council borrowing, two, by the potash corporation borrowing with the permission of the Minister of Finance.

We say to you that it is a money Bill; that it should have a provision in there that the money must be appropriated by the Legislature and if you have such a provision in there you have to have an outside limit. That is you can't say that you can borrow anything you want. You have to have an outside limit. Firstly, it has to be appropriated by the Legislature. Secondly, there must be an outside limit. Now if you exceed the outside limit in any given year then you can come back to the Legislature and have us appropriate the money again, or if you haven't exceeded it but think that you are going to, again, you can come back to the Legislature and ask us to increase that outside limit. Just as you do with SPC, Sask Tel and all the other Crown corporations.

**Mr. Romanow:** — Mr. Chairman, what the Member is saying is that there has to be an appropriation and as a consequence of the appropriation there has to be a ceiling. I don't for the moment accept that totally but you have to go back one step further to ask whether or not indeed there has to be an appropriation in the Bill. And my argument to the Member is that there does not have to be an appropriation in the Bill and if that is true then the consequence of the borrowing ceiling limit is also equally applicable.

For example, I have said to the Member, that we don't have to appropriate, why? Because I say that where a statute authorizes an advance, a statutory advance, that it is not necessary to include an authority for appropriation under the Legislature. In fact, appropriation by the Legislature, in statute, is only an alternate way for the authorization of advances. There can be an authorization for advances by pure statutory authority written in the Bill, saying that there shall be a statutory advance.

I also want to point out that if funds are appropriated there is no need for authority to pay in this legislation. The Appropriation Act is the only authority which really may be required. So that in some areas there is an appropriation in Crown corporations Acts. And some areas — well even if there is in all areas, even if there is an area of appropriation by statute in Saskoil to follow the Member's argument, it would follow by logic that the Saskoil Act should have a ceiling on borrowing and it doesn't. All I'm saying to the member is that I understand the point he makes and I think that there is merit in the legal argument he advances. I'm by no means trying to say that it's an argument that has no legal merit to it. I'm only simply saying that on balance, the best of the legal advice and authority that we have is that (a) we do not need appropriation where there is an alternate means for funding by way of statutory advance, which this Bill has and (b) there is no need for a ceiling in that type of a case and even if appropriation is required, there is obviously no need for a ceiling, e.g. the Saskoil operation.

Now, the Member can make other arguments that there should be a borrowing limit to show the public what your parameters are and all that. That I think puts the argument on a different basis, but on a strictly legal basis, your argument at best, I think, is questionable and in my judgment, the legal lawyers that advise me, ours is probably the better of the two legal positions.

**Mr. Malone:** — You speak of a legal basis. I suppose you are right, but it's legal in the broadest sense. What we are talking about is parliamentary tradition and the constitution, and The Saskatchewan Loans Act. Now I suppose that's legal but it's certainly not legal in the sense of nitpicking or court related items.

You talk about putting a limit in the Bill and saying you don't need it. How can you possibly appropriate money without knowing the outside limit? You have to have something in the Bill to say that the Cabinet or the potash company is authorized by the Legislature to appropriate or to borrow money t a certain limit. You've got to have some outside limit in there and the proof of what I'm saying is all the other statutes.

Now, let me put this to you. This is a Bill asking us to vote for money. It's just like the budget. If you follow your line of thinking to the logical conclusion, we could see a scene where the Minister of Finance can come in here next March and present a budget, but not say how much he's going to spend. In the Estimates he could say, well, the Department of Health figures we need a couple more hospitals and we have to do this, and that and the other thing, but we don't know how much it is. So we're not going to put any limit in the Estimates, we're just going to leave it open. And the same for every other department. They plan on doing just that and the other thing, but we're not sure just how much they are going to require. Now if the price might go up, it might go down and we're not going to commit ourselves now. Surely you can't suggest that.

**Mr. Chairman:** — Order, please. Just before the Hon. Member replies. Again, I'm afraid I'm going to have to draw to the attention of the House that there is too much talking and discussion going on in the Assembly here and I'm speaking of the Members who are not participating in the debate. You may have something very important to discuss, but might I remind you that we are also dealing with a very important piece of legislation. I think in all fairness if you have to discuss or talk, keep it down to a whisper and I find it very difficult, sitting even where I am to follow the procedures.

**Mr. Romanow:** — Mr. Chairman, again the argument is getting convoluted and very complicated all the time. It's tough enough for me to understand, but I'm sure it must be tough for some other Members to understand and the press as well.

I think the arguments have to be separated, if I may say so with all due respect. One argument is, should the Legislature pass a Bill which does not have a borrowing ceiling on it? On which one can argue, policy politics or any other points that one wants to argue. Not totally black and white,

there are some principles of law that are tied into that, but basically that's the case. That's one argument. I've already spoken to that about our policy reasons and the Member has inferentially spoken as to his reasons.

There is another argument at another level and that is, is it valid in the sense of legally valid, keeping in mind The Saskatchewan Loans Act, keeping in mind the Appropriation Act and so forth. That's another argument.

Now what the Member is trying to argue inferentially to the first point as to the policy is that under the second point that it is not legal or he is suggesting that it may not be legal, as for this it's under some doubt. He bases his argument along these lines. That there is an appropriation requirement. As a consequence there must be a ceiling or limitation and that as a general proposition for that authority The Saskatchewan Loans Act is the basis for it. Because essentially those are two different functions.

Now, the Member can say to me, then why don't you come back with an appropriation? Because we have an alternative method of financing which is available to us, to any government. You do it by appropriation or you can do it by some form of a statutory advance. We've taken a statutory advance route.

Now, from a legal standpoint, that position legally is correct. We can do it by statutory advance, we can do it without a ceiling of limitation and we can do it within the context of The Saskatchewan Loans Act, to wit, borrowings that have gone on from time to time in the larger Crown corporations without statutory amendments. The outer limit or a limit on borrowing is not related to the fact that the corporation can come in and borrow sums, it's related only to the effect that perhaps they may not be able to borrow over that sum, to the extent it's right. But to the extent that it requires legislative or statutory approval, it is not correct.

Now, what I'm saying accordingly is that what we should try to do, I think, with all due respect, I mean the Member has got the right to advance this, but it seems to me that it's not productive to argue particularly whether or not in the second stream, whether it's legal or not, what we are doing has got legal validity or legal authority. We think it does and if it doesn't, in due course, somewhere, someday, presumably a court of law will be asked to interpret and decide that ultimately for us.

What I would ask the Members to do is to concentrate on the first aspect of the argument, namely the policy considerations. Of which, I think, a case can be made out by the Opposition that there should be a ceiling. Equally I think, and in my case on balance more of a case can be made out for not putting a ceiling limit in this particular enterprise, for the reasons that I articulated yesterday. That to me seems where the debate should be focused.

The debate as to Loans Act and appropriation and to statutory fund and that type of situation, while interesting, I don't think comes to grips with the central issue, which is the question of whether or not there should be this ceiling power on it.

So, as I say, I think it's perfectly lawful, if it isn't, well the Legislature will find out in due course and appropriate remedies will have to take its place. The question whether or not it's proper, that of course is another argument. I've advanced the view that I think it is perfectly proper for the magnitudes and the uncertainties and that type of thing. I don't want to get into the whole business about how much the mine is worth.

So I can't articulate better. I think if I went and got a full treatise of the law and presented the earlier memos and read them to the Members as to why we think the statutory advance route is as valid as the appropriation route and the ceilings are valid, etc., I think that would help clear the air one way or the other on the Members.

The question of the resolution of the issue I think has to do on the fundamental policy direction of whether or not there should be the ceiling or shouldn't be the ceiling.

**Mr. Malone:** — You've raised a number of points which I will deal with in due course. My original proposition to you was that I compared this money Bill to the budget and you haven't dealt with that. I say to you, it's the same thing. You could come in on a budget and say, we're not going to put any limit on the departments. The Minister could walk in and say, well we think we might spend a billion, we might spend a billion and a half. We're not sure so we're not going to put in any items. Would you deal with that, please.

**Mr. Romanow:** — I think again, I cannot agree with the Member that this is of the nature of a budget debate or of a budget Bill. The pith and substance of this Bill has surely got to be the establishment . . .

**An Hon. Member:** — I don't believe you.

**Mr. Romanow:** — Well, I think that there is some that believe me too, at the back, on the opposite side. But surely the pith and substance of the Bill is the establishment of a Crown corporation, namely the corporate body, like if you will in private practice, where you set up your memorandum of association and your articles or whatever the terminology now is, which talks about borrowing and the like. By the way, I don't know if there are any limitations of borrowing in private Bills of incorporation, not Bills of incorporation, but letters of incorporation, articles of incorporation. I'm not making a big case out of that. Okay. But whether there are or there aren't, I don't make a big case of it, because I realize there is a difference. Public funds versus private funds. The fact still is that in reality the nub of this Bill is the establishment of a corporate entity. Buying personal property, buying real property, selling real property, entering into contracts and arrangements, and one of the things of which is the power to borrow.

Now, what the Opposition is zeroing in on is they don't dispute the power to borrow, they simply say that because it's a public body, you should have a ceiling on the power to borrow. Well, okay, I say I don't agree with that, but I recognize what you are saying. Let's not get hung up on the

ceiling as being the pith and substance of the Bill. Because in my view it isn't. It is but one of the several powers that are integral to the establishment of a corporate entity. A public corporate entity.

So I don't agree with the Member's view that this is akin to a budget. The essence of which is or the pith and substance of which is an entirely different set of objectives, the raising of funds and the disbursement of funds. The potash corporation has that as a function, pretty key function, admitted, but only one of several of key functions.

**Mr. Malone:** — Well, you danced around that one very nicely, but you still didn't answer it. What you are in effect saying is that Bill 2 has one important provision, that is the establishment of the Potash Corporation of Saskatchewan, which I remind you is already established by Order in Council. You are saying that all the rest of the Bill isn't very important at all. That the pith and substance of the Bill, to use your words, is just the establishment of the corporation and that's nonsense. You have to read the Bill as a whole. You can't say that some parts of it are important and some parts aren't. You read the thing as a whole and all of it is important.

So really you haven't answered my analogy as to the budget and to the borrowing powers under this Bill and you haven't answered it because you can't.

Now, let me deal with your other proposition earlier, when you talked about the principle and the legal authority. I'm not sure you are listening to me.

**Mr. Romanow:** — I am.

**Mr. Malone:** — All right. Now you talk about the principle and the legal authority. Let's talk about the legal authority for a moment. Now, by your own words you have indicated that it's conceivable that you are wrong and that you may have to patch the damage up at a later date, the legalities of it. So what I say to you in answer to that, is that this type of Bill would not bind a future government. I say to you that if we are the next government in 1979, we are not bound by any of this. It's illegal in effect and any lender that deals with you should be well aware of this, is that a future government could say to that lender, I'm sorry, you loaned the money under an Act that was illegal, we are not going to repay the money. We could very well take that position if we felt that it would be proper to do so. So that's your one argument on the legalities of it.

Now, on the principle. You say we are dealing with the principle of the Bill. Well I say to you, if we're not here to vote on money and not here to act as a safeguard on the Government spending money, why are we here? We're off the business of whether this is a potash Bill or not. What we're dealing with right now is the function of this Assembly, and if it's not to vote money, all it turns into then is a debating society to talk about private Members resolutions.

**Mr. Romanow:** — Mr. Chairman, I don't want to get into a debate particularly with the Member as to the nature of parliament and legislatures and the like, of which the raising and

disbursement of funds I think are important, perhaps even a vital aspect of the Legislature. Of course, Members will realize that there are a variety of matters which parliament deals with, almost on a daily basis, that have no implications with the sum and substance of raising funds. One can think of many, off the top of the head, but let's just leave that aside.

Again, I'm sort of getting to the point that I am, it's the old record going around and around, in my arguments and your argument and back and forth. I guess I'd better just take my seat by simply saying that I disagree with the Member on the question of the legalities of it for the reasons I've stated earlier. I don't think I can expound on those any better today. I most certainly disagree with the Member's suggestions of lenders beware, because as I've said there are many cases where fairly heavy sums are borrowed by Crown corporations without appropriation approval from the Legislature. Many areas where large sums are borrowed without appropriation from the Legislature. I don't think they ever come to the Legislature for approval. Again, I stand to be corrected on this, but I would invite anybody to point out where that's the case. Those loans and indebtednesses are just as good as any operation.

**Mr. Malone:** — You have said earlier that this Assembly can do other things than talk about money. But surely, Mr. Minister, the major function of this Assembly is to safeguard the rights of the people in the spending of money by the Government. Now there are other functions we have, but the major function, the way parliament grew and evolved, dealt with the spending of money. Surely that's why we are here. Everything else is a secondary consideration. I'm not saying they aren't important but the prime function of this Assembly is to act as a safeguard on government spending. Whether it's through a budget, whether it's through an Act incorporation a Crown corporation. I say to you we're not talking about potash now, we're talking about what we are doing here. And I say that by this Act you are setting a precedent in this Assembly that could last for years, on future governments, whether you form them or not. That could say we don't have to come to the Legislature to get approval to spend money, we'll just appropriate it, on our own without coming to the Legislature. What you are saying, in effect, is that you are going to have government by Cabinet. The Cabinet will make the decisions and four years down the road has to be an election then the people will decide at that time.

You are making this Assembly into nothing more than a debating society on private Members' resolutions and other things that are important but look pale in significance when compared to our main function of appropriating funds.

I am not going to keep belabouring this, I think we have made our point. I suggest to you, Mr. Attorney General, you are acting improperly and you are asking us to participate in a procedure that is hamstringing this Legislature in years ahead and I don't like it. In fact, if I had my way, I wouldn't be here, I don't want to participate in this type of debate. What you are saying to us in effect is we have no rights. The Legislature has no rights, and that Cabinet will rule and Cabinet will decree.

**Mr. Romanow:** — Mr. Chairman, again I don't accept that proposition that the Legislature has no rights. I served in Opposition for four years, and sometimes I felt pretty aggrieved on the access that we had to information. I won't go to document the variety of cases. Leaving that aside, in addition to any of the comments that I have made with respect to this Bill, the Member will know of course that the Legislature through its body, the Crown Corporations Committee, as an example, will have a considerable check when the Crown corporation called the Potash Corporation of Saskatchewan tables its report, a full accounting of the sums expended and reasons for the expenses. I fully anticipate that the Potash Corporation of Saskatchewan when it gets to Crown Corporations Committee this year or next year, whenever it comes up because of the time lag in the operation, that the Members will be the first to exercise their rights of elected Members to probe every little facet of expenditures and examination and so forth of the Potash Corporation of Saskatchewan. This is indeed their right to do so. The Member should not portray the situation in terms that the Legislature has no control and no check on this. I don't think that is the case.

**Mr. D.G. Steuart** (Leader of the Opposition): — Mr. Chairman, I just want to say a word or two on both the borrowing and the question of advancing funds. Again I want to come back to what I said two or three days ago on Bill 1, and it is appropriate as far as Bill 2 is concerned. The statements that have been made by the Premier and to a lesser degree by the Attorney General that the potash takeover will not be a charge on the public purse of course is obviously not true and the misrepresentation in that statement becomes more obvious every day that we debate these two Bills.

There are some very interesting anomalies in this. To begin with in Bill 2 under the question of finance, I want to raise this in a general way, I may raise it in more detail on Section 14. Section 14 of the Bill says,

The Minister of Finance may out of the Consolidated Fund advance moneys to the Corporation for its purpose in such amounts at such times and upon such terms as may be determined by the Lieutenant-Governor-in-Council.

Now what is the difference, let me go back to the Oil and Gas Bill, setting up Saskoil Corporation. Section 9 states,

The Minister of Finance shall pay to the Corporation out of the Consolidated Fund such money as may be appropriated by the Legislature for the purpose of the Corporation.

Now why the difference? There are a great many differences that come in the proposed financing of this corporation. Every one of them have the effect of bypassing the Legislative Assembly. Here it becomes very clear that instead of coming to the Legislative Assembly as is the normal way for any department of the Government or any branch of the Government or any creature of the Government, to get an appropriation of funds and allow the Legislature to debate, force the Government to be accountable, force the Minister to give an accounting before money can be appropriated from the public purse which is the Consolidated Fund. They are going to do it by Order in Council, by Cabinet. Why? They may answer, well the Cabinet order is public sometime later, and you can get at us when the Legislature sits, which may be eight or nine months and again we may get the usual answer in Crown Corporations. So that is one difference.

The other difference of course comes in very clearly and the questions have been raised by the Member for Regina Lakeview (Mr. Malone) and that is in regard to the borrowing. I have Sask Housing Corporation, Section 41, borrowing limitations,

The Corporation shall not borrow any sum of money, if by doing so the aggregate principal amount of the outstanding notes, bonds, debentures and other securities issued by the Corporation or temporary borrowing of the Corporation and of outstanding advances to the Corporation to the province of Saskatchewan exceed \$75 million.

I have the Computer Corporation. The Act passed by the Government setting up that utility corporation. The aggregate sum cannot exceed without coming back to the Legislature, and that case is clearly spelled out in the Bill, \$15 million.

I go back to the Power Corporation. It did stand at one time at \$275 million and they have had to come back from time to time to have that limit increased. As at one time the Minister in charge of the Power Corporation I have had to come back here, and I have been subjected, rightfully so, to questions and debate by Members of the Opposition at that time, who are now sitting on the Treasury Benches as to why we need that, when we were in government.

In other words, the Government over there, and many governments before this, have set the clear precedent that they must and should come to the Legislative Assembly, the duly elected body, for an outside limit. They have also set the precedent when they want money for normal operations out of the public purse, they must come to the Legislative Assembly. Please don't give me the answer in the case of the appropriation of money from the Consolidated Fund that you can't give us this assurance, can't give this control to the Legislative Assembly because you don't know how much you are going to pay, you don't know how much you are going to buy. That won't wash in that case. Why are you giving the Cabinet the power to give to the potash corporation money from the Consolidated Fund, when normally (I have quoted one Bill and there are many more setting up other corporations) you force those corporations, properly so, to come before the Legislative Assembly?

**Mr. Romanow:** — Mr. Chairman, the information that I have from people that are behind me here, is that the Leader of the Opposition is not correct in this matter. Indeed advances can be made without ever coming to the Legislature and are made and have been made during the term of his government and during the term of our government, Sask Power, Sask Tel, Farmstart, Housing Corporation, Land Bank, SEDCO, Saskoil, all of these there have been advances without prior approval before appropriation, which is what the Leader of the Opposition is arguing.

In effect the Cabinet or whoever makes the decision decides and that is the case. I would answer him in that way. Furthermore, there is the very significant check with respect to Crown Corporations.

**Mr. Malone:** — That may be the case, but in all of those Acts there is provision for appropriation by the Legislature later. I can see perhaps what you say is right with say, the Land Bank, you have to have some money to get the operation going. But you



later came back and said we have spent this money and now we want your approval of it. We may not have given you the approval on this side, but at least you came here. We had an opportunity to discuss it and debate it.

Surely you are not suggesting that you have gone and spent money and nowhere along the way has it come up, either in the Legislature, in Crown Corporations, on Estimates, or anywhere else.

**Mr. Romanow:** — No, Mr. Chairman, the Member is wrong on this. When he says you can come back for approval after the statutory advance having been made. That's not the case. Those are two difference arguments. I say again, with all due respect, we have been confusing several arguments, the policy, the legality and the practice. They have all been meshed together. The one argument that the Leader of the Opposition advanced that you needed prior approval before appropriation except in this Bill. I am saying that that is not the case, that there was no approval you will find in at least these areas, statutory advances made without prior approval and in reality with no later approval. On occasion you will find in the Blues the listing of the amounts that have been advanced. They don't need approval. They are there for information, they do not need approval. That has been the practice for many, many years. That's on the legality of the thing. Those are two different arguments. If you want to argue that there should be a ceiling, as I said earlier, (I don't know why I should try and help the Opposition out) but I think with all due respect that is probably where you have a stronger case, if you want to put in those terms. There should be a ceiling. As to the statutory advances, appropriations, that type of thing, I don't think there is a case there.

I think our case is stronger as to why there should be no ceiling, I have advocated that already, but if you don't accept it, it is up to you. That is where the mainstream of the argument must be maintained.

**Mr. Steuart:** — Mr. Chairman, I have The Saskatchewan Oil and Gas Bill here setting up the Saskatchewan Oil and Gas Corporation 1973, Section 9. You quoted that, you said we don't have to do that. If you are not doing it, I suggest you are breaking your own Act, breaking the law. Section 9, unless it has been amended, if it has, please call it to my attention.

The Minister of Finance shall pay to the Corporation out of the Consolidated Fund such sums of money as may be appropriated by the Legislature for the purpose of the Corporation.

To me, that is plain English, it says you have got to come to the Legislature first to get money. Why do you do it that way for that corporation and yet for this corporation you allow the Cabinet to do it?

**Mr. Romanow:** — Mr. Chairman, as I was saying to the Member for Lakeview when the Leader was momentarily tied up, as I understand it, and if I am wrong somebody will correct me, I don't want to be too badly out on a limb on this. Section 9 in Saskoil is one method of getting funds, if I can put it this

way. Section 10 is another alternate method, right below it, that is the statutory advance method. If you struck out Section 9 totally, we don't have a Section 9 in the potash corporation Bill, you could still raise the money by statutory advance, because The Appropriation Act covers the section not being there. The options are there to the Government to go by way of appropriation route or to go by way of statutory advance route. But in either case those decisions that are made, whether it is by appropriation or by statutory, don't require in the sense the Opposition argues it, prior approval or post-approval. That's not the case.

What happens is that if there is a statutory advance sometimes listed in the blue book at the end of the year, Statutory Advance, Land Bank or whatever. The Legislature doesn't say yes or no to it, so I am advised. I think the key to the thing is, from your standpoint, that there should be a limit on the borrowing. I think you can make out a much better case on that than you can on the statutory advance versus appropriation route.

**Mr. Steuart:** — Well, obviously we are not going to get anywhere, but I just want to again make it clear. Both in the question of advancing funds out of Consolidated Revenue and in regard to borrowing, there is no question, the Attorney General can talk all he wants, you are treating the potash corporation differently than you have treated other corporations. I suggest you are doing it for a reason, for a purpose and that is, you want to be in — because this is such a huge risk and you recognize this — a position that you will not have from time to time to expose to the public the losses or the involvement of the taxpayers' risk in this giant corporation.

You are hopeful that over a long haul, five, eight or nine years, that you will be able to show a profit. You don't want to face the embarrassment of a bad start-up if the market continues to go down or the price goes down, markets disappear or a percentage of the markets, that you will in fact be able to cover up and you have set it up very clearly so that you can cover it up for at least a period of four or five years. Eventually it would have to come out. I think you want to make sure that you take it past the next election because if it comes out in 1977 or 1978 that you are in a loss position, that your markets have disappeared, it would prove most embarrassing politically to you. You don't want that to happen and that's basically the reason that you are setting up the legislation. You are covering your tracks in advance.

**Some Hon. Members:** — Hear, hear!

**Mr. G.H. Penner** (Saskatoon Eastview): — Mr. Chairman, I wonder if I could direct a couple of remarks. I want to go back to something the Attorney General said a little while ago when he indicated that he felt there were two positions from which this could be argued, one was the legal position and the other was, is it basically or isn't it basically right to have this Bill set up in such a way that there is no spending limit. I should like to spend a few minutes referring to the latter.

I am surprised at the Attorney General saying a few

minutes ago that he had not researched the business too carefully. I'd certainly have done some exhaustive research, but I couldn't help but think as I sat there that what the Attorney General is doing on behalf of the Government is falling into the same trap that governments fell into in Britain in the years right after the war in establishing Crown corporations. That trap is simply to try to set up the public enterprise on the same basis as what the private enterprise has been set up. The Attorney General has been saying for the last 45 days that it has been difficult for the Government to get information from the private companies that are about to be nationalized or expropriated or bought or whatever. And yet at the same time in the House we're trying to say that we don't want the same kind of thing to happen once those companies belong to the Government and that there needs to be public accounting for it.

One of the concerns that I should like the Attorney General to consider is the business of centralization of power again. And to take a look at the question of the executive power and the legislative power and the balance that ought to be there just in principle. I don't think the Attorney General can find much fault with the position that we are taking that there should be a public and legislative, parliamentary, if you like, accounting for the kind of money that is going to be apportioned in this Bill. I refer him for example to a book entitled, "Public Ownership and Accountability", in which it says this very clearly. I will read to you one paragraph in a chapter entitled "The Ultimate Guardian."

Parliament's aim with respect to public corporations must be to obtain sufficient information on their activities to enable it to discharge its obligation of holding the corporations ultimately accountable.

Now, that is Parliament's aim; that is not the Cabinet's aim. I know that the Attorney General is saying, well, there is Crown Corporation debate. I suggest to him that that is just not good enough. That is hiding behind the skirts of Crown corporations. And there is no reason in the world why the amount of money that is going to be used by the Government to purchase potash mines, or at least some kind of outside spending limit, should not be in this Bill.

Given the special status (going back to this particular paragraph) of corporations so dramatically driven home to Parliament by the early railroad debates and the necessity to reply on Ministers for much of the information, Parliament's past is at best a difficult one. When in addition the burden of Parliamentary duties seems to increase yearly along with the size and complexity of government the difficulties are enhanced.

That paragraph in that book was written in 1950. There have been tremendous increases in complexity and difficulty in getting information since then. I really invite the Attorney General to consider the question of concentrating this kind of spending power in the Cabinet and in effect really taking it out of the public sector. On the one hand it has been argued that these mines should be purchased so that they can be controlled by the public sector, but in the next breath the Government is saying the people who are elected as representatives to decide what should happen in Saskatchewan are really

not going to have any say in the matter. I frankly don't understand how you can expect us to accept that position and I don't understand how the backbenchers opposite can accept that position because not only do I suspect that most of them haven't read the Bill at all but I don't know how they can go back home to their constituents any better than I can as their representative and say, we have no effective voice in the kind of spending that is going to go into the purchasing of potash in this province because we abrogated that right and that decision to the Cabinet. I think that is too much power invested in the Cabinet and with all due respect to the integrity of the Cabinet, I am not about to buy that any more than apparently the Government opposite was prepared to accept that in the board rooms of the potash companies that they seem to dislike. I wonder, Mr. Chairman, if the Attorney General would comment on that.

**Mr. Romanow:** — Mr. Chairman, I just can't help but make one little comment in the defence of not only my Government but my colleagues as well, and that is about reading the Bill. I think they have and in fact, judging by some of the opposition, not referring to Liberals, but just opposition remarks, I think that the Members on this side have read it and understood it one heck of a lot better than some of the comments that have been made. I don't want to get into that type of comment because it always implies that somebody is not doing his job and that type of thing. I think that is a bogus issue, the issue should be on the policy, assuming that everybody to the best of their abilities applies whatever reasoning power they have got and the abilities to try to understand those policy issues. It is quite clear to me that some Members of the Opposition have not if they have read it certainly haven't understood the Bill or the provisions of the Bill. I think that's quite clear. I don't think anybody needs speeches about parliament and this type of thing and how parliament should be protected because that is really a bogus issue.

It is a bogus issue because there is adequate control even under the way the Bill is drafted. I just invite Members to consider what the last Member said, for example, he said the debate in the Crown Corporations report is not good enough, because, the implication was – in fact, I think he said it, because that was only members of the committee debating and not the House. I find that a specious distinction. But let's just take a look at this. Every Crown Corporation report has to be tabled, on the desk of every Member of the Legislative Assembly, every Crown Corporation report, whether you are on the committee or not.

What does that Crown Corporation Committee report have? I invite the Hon. Member for Saskatoon Eastview to pick up any Crown corporation report at any time, Liberal years, NDP years, and what will you see there? You will see, for example, all statutory advances shown in that Crown corporation financial statement and report. If there is a statutory advance made by the Government to the potash corporation of the SGIO that is shown in the annual report.

I won't accept the suggestions that this can be hidden for four or five years, this is tabled in the report, it is in the Crown corporations report itself. All liabilities to the Crown, if there is a loan from the Minister of Finance to a

Crown corporation that is a liability on behalf of the Crown corporation that is shown in the financial statement and the amount of it. The cash flows. I just invite to the Hon. Member – I know he is a new Member – to take a look at the Crown Corporation Committee reports and he will see that there is that type of detailed information which is tabled for all the world to see.

I want to make a second point if I can. And that is it doesn't just limit itself to the Crown Corporations Committee. There is another check and that is a check of the Public Accounts Committee. This is a very important check. It is the converse side. If the Minister of Finance has made advances or loans that has to come in the Minister of Finance's statements. That has to come up for perusal by the Public Accounts Committee. That comes in a debate because the Public Accounts Committee makes a report in the Legislature. May I remind you that an Opposition Member chairs the Public Accounts Committee. And the Opposition can criticize. In fact, the Opposition virtually decides what agencies or departments it wishes to call.

I recall Public Accounts Committee reports – the famous Public Accounts Committee report about the shoe boxes, the money in the shoe boxes, the \$500,000 in the shoe boxes. That came out on the floor of the House and there was a – in fact, I think the Member for Qu'Appelle took an active leadership role in that debate – maybe I'm wrong, it doesn't matter. This is an example of the type of control, Members shouldn't represent it to the public that there is no chance for the operations to come forward.

Finally, and not the least of importance is the control of the auditor . . . Again, the Member is either unwilling to accept this because of the political position that they are in or he is incapable of accepting it. But I am telling you that the Provincial Auditor or any auditor has to show the accountings and indicate the accountings to the Legislature in his report to the Public Accounts Committee. That is the simple fact in the matter. If you think that doesn't happen then you just haven't been reading political activities for four years, because for the last four years that has been happening all the time. We have been having the Provincial Auditor stripping the skin off us for not doing this right or not doing that right in the whole operation. I say to the Member that when he gives us a lecture about prior approval and the like, this has been done, I don't mean this in any partisan way but the statutory advances never got any prior approval during the Liberal Government. And they haven't under all these circumstances. The legalities of that are clear. You say they had a limit. Saskoil did not have a limit. And the Opposition of the day did not oppose that. Statutory demands can be made on this operation. I tell you I am not criticizing the Opposition for not opposing it. As I have said already, I agree that they should not have opposed it, because it is a legitimate reason in Saskoil as it is in the Potash Corporation of Saskatchewan. So I ask the Member to take all of these factors into account and I am sure you will agree with me, that there is indeed adequate checking control.

**Mr. Penner:** — Mr. Chairman, just in response if I may. I listened very carefully and we are going to be looking at an

amendment for Section 20 of the Bill later, dealing with the audit. The Attorney General has, at least the way I heard it, indicated that the Provincial Auditor is the person who ought to in fact be auditing this corporation. We certainly agree with that and an amendment to Section 20 put forward by the Attorney general would be most welcome to eliminate any other auditor that the Lieutenant-Governor may in fact want to appoint. It is our position exactly that the audit should be done by the Provincial Auditor.

The question of Crown Corporation debate and Crown Corporation Committee determining and seeing everything that the Crown corporation does, sounds beautiful. The Attorney General still I think has to accept the fact that what the Crown Corporation debate is all about and what the Crown Corporation Committee see is after the fact. I see no reason why from time to time it might not be appropriate to have some spending appropriated before the fact. As a matter of fact I think the Attorney General would agree that if we could have spending appropriated before the fact that that is a step in the right direction.

I don't think what he has said in any way suggests that our argument about putting a spending limit in this Bill ought not to be there. He said earlier that there are a couple of corporations that he thinks were put forward by the Federal Government that don't have a spending limit in. As far as I am concerned, I don't really care about that because I don't think that two wrongs make a right. The other thing that kind of surprises me, Mr. Chairman, about the remarks of the Attorney General, albeit I'm a novice Member, is the Attorney General saying that parliament and discussing parliament and the responsibility of parliament is a bogus issue.

I am frankly amazed he would suggest that. I recognize that I am somewhat naïve in the workings of government, but I have always felt that parliament was in fact the most important issue that representing the people of the province was what we were here for and not merely to sit and rubber stamp something that the Cabinet decides it, in its wisdom, should be bale to do. I frankly don't have enough confidence in the "wisdom" of the Cabinet to have it decide very much of anything. I think that responsibility lies on the floor of this House and nowhere else.

**Mr. Romanow:** — Mr. Chairman, when I say that is a bogus issue for precisely the very last words which I think are about as phoney as a \$3 bill, when you consider the workings of Parliament here in Canada and any legislative assembly in Canada, you may say question period, that may be one area where we are behind time. I am perfectly prepared to acknowledge that. But I doubt if there is a legislative assembly that has as much opportunity for Opposition Members to criticize and to question and to debate. My goodness, if this full session of 46 days isn't an example of that, I don't know what is an example of that, of the Opposition's abilities in this area. In any event I think I have made the point and we have hassled this around and around, Mr. Chairman. I understand the Member's point, I don't accept it. I hope the Members understand my point, they don't accept it. Maybe we can get into some of the details of the clauses as we continue.

**Mr. MacDonald:** — Mr. Chairman, I just want to make one or two comments if I might.

First of all, the Attorney General has stood up and said that we did not object to the setting up of The Saskatchewan Oil and Development Act, and the fact that there was no statutory limit. I remember, very vigorously, there was a debate about the very provisions of the spending of money. I should like to see the Minister prove that there wasn't an objection on this side of the House, because I know very well there was.

The second thing, the whole debate here is on public accountability. He suggests that the Crown Corporations Committee is the vehicle where public accountability can take place. I would like to just say that is hogwash. I would like to tell you why. I am going to ask the Attorney General when he finishes his private discussion . . . First of all, I am going to ask the Minister to tell me and tell Members of the House, if this corporation goes out on July 2, 1976, and borrows \$2 billion and loses \$1 billion, when is that accountability before the Crown Corporations? I will tell the Minister, 1978. I would like to point out, all books and accounts of the corporation shall be closed and balanced in each year on the 30th day of June and on such date as the Lieutenant-Governor-in-Council may determine. In other words on the 30th day of June the books are closed. In order to get that particular year's accounting, would be 1978. That is the issue that we are trying to point out. There is no public accountability in the Crown Corporations. That is a review of either past mistakes or past successes. But as far as the accountability is concerned, and I want to make that clear, the Crown Corporations is not the vehicle to safeguard public expenditures as it is always 18 months after the fact.

**Mr. Romanow:** — Mr. Chairman, that is equally true, and I invite the Member for Eastview to take careful note of this, equally true if Saskatchewan Power Corporation goes out and borrows \$100 million and makes a bad deal. That doesn't change anything as the principles of it . . . The limit is another issue. The Member's point is that in response to my point that there was adequate control, etc., his point is to me baloney because you have to wait two years in which to do it, and look at all the risk, etc. And look how bad that principle is. That is his point. I am saying if it is bad for the Potash Corporation of Saskatchewan, it was equally bad for the Power Corporation and Sask Tel and SGIO when you people were in government, when that was your responsibility and we didn't object to it. Neither did you. Because that is the operation that exists there.

**Mr. MacDonald:** — Mr. Minister, that is the very reason that Sask Tel and Sask Power have a limit. Because that is one method of safeguarding to know that the Cabinet benches are not going to jeopardize hundreds of millions of dollars. We are talking about the statutory limit of \$50 million or \$100 million, that is dangerous enough, we are talking here of a blank cheque when we are talking hundreds and hundreds of millions of dollars or perhaps a billion or two billion dollars. We are asking a vastly different thing when you are talking about a blank cheque with no safeguard, the implications of no accountability, no public accountability, no limitation of the borrowing power

means that if this potash corporation goes out and gets two bad years, which by the indications of the market it well could be. All of a sudden we are going to find ourselves that you could lose a half or \$1 billion and nobody in the province of Saskatchewan would be aware of it for two years. No one would be able to say, hold back, let's look at this with care. But if you have a statutory limit at least the public of Saskatchewan know that when you pay \$200 million for a mine or whatever it is, that that's for one mine and that is within the limitation of the Act. But by giving a blank cheque there is no safeguard, there is no public accountability, it is only after the fact. And the danger of the loss, everybody recognizes this is the biggest public expenditure perhaps in the history of Saskatchewan. No question.

Right now there is a great deal of risk. We are taking a chance of jeopardizing the taxpayers' money that could be used for a variety of other reasons. And this is the reason that we are instating that there should be some safeguard in the Act. Certainly there is a lot of flexibility for the Government to act even with a limitation but at least the Government then would be able to assess through statements how much was spent, how much was purchased for a mine, etc., exactly what that particular limitation has been. But to turn around and ask for a blank cheque with no safeguard and suggest that Crown Corporations is a vehicle for accountability I suggest to you is very wrong.

**Mr. Cameron:** — Mr. Chairman, I want to ask a couple of question. May I say, in passing, I have never been in a Crown Corporations Committee and look forward to seeing how effective it is. I did have some little experience, though, when I was going around doing a little research to see whether one man, Fred Swarovsky has managed to fleece us in the process, I went to the Crown Corporations Committee because of the records that were there because the Minister at the time that he made the announcement would not disclose the level of lending or any other details of SEDCO assistance to this gentleman. When I went to the Crown Corporations, what did I find? I found absolutely nothing. Again, he would not disclose the amount that was loaned; how much money this man had put up. I found that it was virtually useless for me to go there and get some information. As I said we will see what it looks like when we come to this one.

I want to ask you specifically and I have referred to this in the past. The Saskatchewan Oil Corporation was established by statute and was debated in the House. I have indicated to you that this particular corporation was established by Order in Council and I wondered why it was done by Order in Council and was not done by a Bill introduced in the Legislature. I did suggest that I did have some suspicions that the corporation was set up by Order in Council to deliberately avoid having the thing debated at length in the Legislature, particularly since it was set up such a very short time proceeding the election. I don't know whether that was the fact or whether it isn't, but I have some suspicion and I want to ask you some questions.

The background of this, you made the announcement, your Government did, to get into the potash business with the potash corporation. October, 1974 was the date of the public announcement. The session began November 28th and sat until December 12th. It sat again January 15th and 15th and sat again from



March 10th to April 18th. The Order in Council establishing the potash corporation was passed on February 5th of 1975. The decision to establish it was taken well in advance of the opening of the session. The Order in Council which established it was passed when the session was on, in the sense that it was sitting January 14th and 15th and came back March 10th. I wonder why, in those circumstances, this Bill No. 2 was not introduced in the Legislature at that time rather than have it done by Order in Council?

**Mr. Romanow:** — I think there has been an answer given to this question or a similar one earlier. May I say that if the Member's proposition is right then I suppose that we could have saved one heck of a lot of days and time — maybe we couldn't have, because you probably would have maintained it on Bill 1 — by not coming through with Bill 2, if we had any intent to avoid facing the Legislature and facing the 46 days of questioning that we have faced, by simply saying that we want to maintain the OC. I suggest to the Member that, indeed, the contrary is true that the intention was to face the Legislature and to support and defend the legislation as we have tried to do. And your question is: — why didn't we introduce the Order in Council in legislative form at that time? I think there were a number of factors involved.

First, any plans with respect to possible construction or major activity in that field of the potash corporation was perhaps contemplated at the highest level and I am sure if I can say, even more than contemplated. What I am saying basically, the activity was essentially not as large as the range of options that were open to us at that time.

I have no doubt that if the Bredenbury project had proceeded with a major expenditure of funds that you would have seen a version of Bill 2 on the floor of the House maybe not at this particular session, but the spring session or this session, in order to have a debate on it. I am quite certain that would have been the case, that didn't come to pass. We felt that with the magnitude, political and otherwise, of Bill 1 that it would only be fair to everybody, governments, Canada, etc., to set out in statute precisely the skeleton and the flesh of the Potash Corporation of Saskatchewan and to convert it from OC to statute. That, I think, is a full and as frank an explanation as to the reason for the introduction of Bill 2 that comes to my mind.

**Mr. Cameron:** — Mr. Chairman, you keep referring to the parallel situation with the Saskatchewan Oil and Gas Corporation. That corporation was set up with a statute and the Bill was introduced in the Legislature during the sitting of 1973. It was assented to on May 4, 1973. And in a sense there is a parallel between the two. One can see that Bill 2 is patterned on the Bill that established the Saskatchewan Oil and Gas Corporation. I find it simply interesting that that one was introduced into the Legislature and passed by Legislature and debated and that was interesting, too, to observe that that was in 1973. When we came to October, 1974 and February, 1975 when we were looking at an election just a few months down the road you chose to go by Order in Council rather than come before the Legislature even though as I said when you made the decision the Legislature

was about to sit and when you actually set up the corporation the Legislature was actually sitting. Again, I find in that the same kind of attitude that my seatmate refers to, when he talks about the institution and the checks of the institution. Because when you do it by Order in Council, as you did in this instance, on February 4, 1975 it comes and goes so very quickly that the public doesn't have a look at it; the Members of the Legislature don't really have a look at it; it does not get debate; the intention of the Government is not told when it is done by Order in Council. That is the difference. It is a very wide difference in terms of the public by doing it through Order in Council than presenting it before the Legislature.

Before we get off this I want to ask you a couple of specific questions. What accounts for the appointment of Doug Fullerton of Ottawa to the Board of Directors of the potash corporation and is that the Doug Fullerton who is the National Capital Commission? What is behind that?

**Mr. Romanow:** — Before I answer that question, again, I think this is an important point and I want to make one point and that is that the Member can draw his conclusions as to the OC but I would point out to the Members of the House that the Saskatchewan Power Corporation away back when, I don't know whether it was before the election or not, was established by Order in Council, subsequently converted. The Order in Council first is the basis of existence for the Saskatchewan Housing Corporation, that is a pretty big corporation and subsequently converted into a statute. The same thing with Sask Computer Utility, which is also pretty important and subsequently converted into legislation as well.

I am saying that you can draw whatever conclusions you have on it but I tell you the reasons from the Government point of view.

Now to answer the question specifically – is this the Douglas Fullerton of the National Capitals Commission – I am advised that it is. Why do we have him on the board? IN essence we put him on the board because of what appears to be this man's wide-ranging experience in business and in some aspects of economics consultation, in fact he now is acting as an economic consultant to businesses and various operations. We think that this gentleman has a lot to contribute in giving us guidance and assistance and advice as to decision that will be made in the future respecting the potash corporation. I guess the answer is that we appointed him because we think he is a good man to have on there.

**Mr. Cameron:** — Can I ask you why in November of 1975, just after we had been sitting for a few days here, Mr. Cowley became formally the chairman of the corporation and you became the vice-chairman of the Saskatchewan Potash Corporation and Mr. Messer became the director of the Saskatchewan Potash Corporation. I was wondering why that came about and secondly, is there any precedent for three Cabinet Ministers occupying the officers' positions on a Crown corporation?

**Mr. Romanow:** — I don't know offhand about the last point about the precedent to have three Ministers on a board. I don't know.

I do know that there is fairly wide experience for two Ministers. The reasoning for the two, of course, is that the chairman is frequently away or occasionally is away. I will check and see if there are any other precedents on this. I rather suspect that there aren't. Again, there is no Machiavellian purpose behind it at all. As to why the choices of the Ministers, that is really something that the Premier has to decide when he distributes Cabinet responsibility. Today I am vice-chairman of the Potash Corporation of Saskatchewan, a very honorific title, not quite to being chairman and not quite to being just an ordinary member. If it wasn't for the honour of it I suppose I might have some second thoughts as to whether I want to take on the job. But tomorrow I might be, well, as Minister in charge in Saskatchewan Telephone Communications or whatever and off the board. These are Cabinet responsibilities that shift from time to time and the Premier presumably decides responsibilities as to how he wants it settled and to what Ministerial responsibility he wants it settled. I haven't been able to determine why me.

**Mr. Cameron:** — Mr. Chairman, I couldn't find any precedent for it either. And what troubled me a little bit and I don't suggest there is any Machiavellian purpose to it but the tradition of Crown corporations are traditionally have a rather independent status and then we found in this Crown corporation that the chairman was a Cabinet Minister, the vice-chairman a Cabinet Minister and one of the board of directors. Indeed, the Board of Directors was completely dominated by three Cabinet Ministers. Now that doesn't really fit with the tradition of Crown corporations being independent. The only concern that I had when I saw that apart from wondering why, is that again we are drifting to the point where Cabinet is getting into areas where traditionally it hasn't been previously. It is a sort of slipping again into Cabinet doing things in a way in which we didn't do it before. And fits into this whole bag that we have been arguing for several days, that Cabinet as we see it here, is little by little taking unto itself more powers, some of which have been traditionally vested in the Legislature; other powers in other respects which by tradition we have been exercising in a different fashion.

I wanted to ask you, too, in respect of the resignations of Mr. Ching and Mr. Dombowsky, as you know they were both directors of the corporation until December, and I wanted to ask you when the decision was made to have them removed from the Board of Directors and when the decision was made to hire them. My concern here is that I hope that they were not hired at the time they were directors. I am not asking only about the form because one may enter into contract after they have ceased to be directors. When was the actual decision made to engage them in a paid capacity as employees rather than directors?

**Mr. Romanow:** — The answer that I have to give the Member is, and I don't know the exact date, someone will have to do a check on it, is the decision to go from the board to the employment is the date in which the Order in Council will show. I don't think that quote "decision", has any particular relevance because it in fact what the relevant thing is the decision date and I don't know what date that is. So we will check into that.

**Mr. Lane:** — Has the Government or the potash corporation advertised in Saskatchewan for the Director of Public Relations, publicity and what not?

**Mr. Romanow:** — Yes.

**Mr. Lane:** — And also advertised in other provinces?

**Mr. Romanow:** — Yes.

**Mr. Lane:** — Do you know the provinces offhand?

**Mr. Romanow:** — I would have to get that. We will find out where the advertisements were placed. I would assume that they were placed in the Saskatchewan newspapers, in the Toronto Globe and Mail, which is a standard business newspaper and I am not sure whether they went to Alberta or not on this, but I think for our purposes we could say Ontario and Saskatchewan definitely.

**Mr. Lane:** — Can we assume the province of British Columbia?

**Mr. Romanow:** — Yes.

**Mr. Lane:** — And any American newspapers?

**Mr. Romanow:** — I don't know. I will have it checked.

**Mr. Lane:** — I wonder if he could also tell me if any applications have been received and if so, how many? Do you know offhand? I am mainly concerned . . .

**Mr. Romanow:** — I can tell you that I think the last application was, the last total that I had heard was 120 applications received and they are coming in at about five a day.

**Mr. Lane:** — When do you expect the appointment to be made?

**Mr. Romanow:** — There have been some interviews conducted now of people, both in Toronto and here in Saskatchewan. I don't anticipate a decision to be made within the next month. It might, but I don't think so.

**Mr. Lane:** — I understand one of the applicants is the press secretary to former Premier Dave Barrett of the province of British Columbia and I am wondering if that application is under serious consideration?

**Mr. Romanow:** — I don't know if, indeed, the former press secretary has applied. He would be taken with as much seriousness as any of the other applicants who come from any other area or

from any other field of activity, just depends on his qualifications and experience, and his success records.

**Mr. Lane:** — Well, then he is not a serious candidate.

One general question. You've indicated the powers that the Legislature has to review the potash corporation, and I call to your attention the very fact that, for example, on Saskoil, we didn't find out about the manner of financing of Saskoil until we got into second reading debate on Bill 1. With your statements and assurance that the Members of this Assembly would be able to get a fair understanding or a fair look at the Saskatchewan Potash Corporation. Is there any reason why you wouldn't be prepared, on behalf of the corporation, and the Government, to make a special exception and allow the Potash Corporation of Saskatchewan be brought before the Crown Corporation's Committee next year, 1977?

**Mr. Romanow:** — Mr. Chairman, I would have to give that some consideration, and announce that in due course.

**Mr. Steuart:** — Mr. Chairman, I want to raise a point here, and I am going to suggest later on, I want to bring forward a motion but it won't be until towards the end of the clause-by-clause study. But I want to raise it in a general way to get the reaction of the Attorney general, because if he agrees, there may be a better vehicle to do what I suggest here, and the amendment that I am going to propose. If there is, I would like them to work on it over the noon hour and bring it back in. One of the reasons that's given for the Government taking this fantastic gamble, and interposing themselves in this almost unprecedented way into the economy of Saskatchewan into our second most important industry, is that, as the potash industry now stands, and is now so structured, it is virtually impossible according to the critics of the private potash industry, it is virtually impossible for Saskatchewan residents to get a piece of the action, to buy shares directly in our potash development. And, this has been raised time and time again, by Members opposite and it's been raised by friends of the Government, it came up on the talk show, well even people who are close to the Government raise this over and over again, that it's frustrating for the people of Saskatchewan because in our great resource of potash, and they are frustrated from doing it. So, I'm going to suggest an amendment whereby when we do this, though we're against your takeover, but you are determined to do it, you're determined to go into the potash business. I'm going to suggest a way, whereby, the people of Saskatchewan can invest in the potash corporation, and I recognize that Crown corporations, by their nature and by their structure are not so designed, nor is the Potash Corporation of Saskatchewan, to sell shares directly to the public. But, we do have the Saskatchewan Development Fund Corporation and it spends a great deal of money advertising, I suspect it spends almost as much in advertising as it takes in from the public, telling people what's in it for them, and do you want a piece of the action and buy a part of Saskatchewan. And so, I'll read the proposed amendment, I don't know if it's in order and we won't come to it. I'm not going to suggest it now, I'm going to suggest it as an amendment to Section 23, which is the coming into force section. Section 23 of Bill 2 be amended as follows, it will be 23(a):

the Corporation shall, immediately on the coming into force of this Act, enter into such agreements, contracts or arrangements with the Saskatchewan Development Fund Corporation, or such other corporation or agency as may be necessary to permit the residents of Saskatchewan to invest directly in all potash mine ventures, acquisitions, mining ventures and other undertakings by the Corporation.

And the purpose of that should be very clear, and that is, if you do this, you intend on doing it, then let's include in the Act setting up the potash corporation, a very direct method, a very clear method, whereby the people of Saskatchewan, the residents of Saskatchewan can invest their money. Now if you believe what you say you believe, that you want to allow the people to be involved directly, then I would take it you'd either accept this amendment, or if your people, if your advisers, if your employees, and I see some of them there who are involved with the investments in the province of Saskatchewan, and who have a great deal more knowledge than I have, or with all deference than you have in this field; if they can suggest a better method, whereby the people can be involved directly, well we could, of course, welcome that. But the point I want to make, if you believe in what you say, and if you believe that the people of Saskatchewan want to be involved directly by buying shares in the development of our potash, then put your money literally where your mouth is and either support an amendment like this or agree that you will, over the noon hour, work out some better amendment, if there is a better, more direct method of doing it. Now you have said this before, we're asking you now if you mean this seriously, are you prepared to take some action?

**Mr. Romanow:** — Mr. Chairman, I certainly find the suggestion a very interesting suggestion. I think it is similar to the suggestion made by my friends, the Conservatives, who argued that we should make some forms of involvement of the public available in the form of debentures and the like. This is another way of doing it through the Saskatchewan Development Fund, and I find that a very interesting one, indeed. I will take the Leader of the Opposition's suggest to ask my officials to huddle over the noon hour while some of the rest of us play badminton, do the important things in life, and see if we can come back with some proposal on this. I don't want to be misinterpreted on this, but we are always pleased to look at positive suggestions to improve upon this Bill, from the Liberal Party, and I will be able to tell the public when I am being criticized, that the Liberals, indeed, suggested that we could improve the Bill even further by accepting this motion so, no, I'm joking, I'm making my small little debating point, which you must allow me to have a chance to do that from time to time too, and I do it so rarely. We'll look at it, we'll see if we can do it. It may not be possible now, but I see offhand that that idea has some interesting possibilities to it. So let's consider it over the noon hour and I'll be back to the House on this later.

**Mr. Steuart:** — I filed this with the Clerk, they have a copy. I hope that this isn't the usual, when we've asked the Attorney General to consider things over the evening, or over the noon hour, and he says, yes, he will huddle with officials, usually what it means, translated into plain English, usually it means I'll

huddle with my officials and find some good reason that I can't think of now, why not to do it. Another reason I want you to do this is, I would like to give those great socialists out in the country here, the A.D. McLeods of the D.A. McLeods, and all those socialist backbenchers of yours, the one from Melfort, who I understand is in a fairly good position, I'd like to give them a chance to put their money where their mouth is, and see if they really want to invest their own money, if they have any, into this venture.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — I see them all applauding, I notice all the ones applauding are the ones who have no money, I'm looking for the ones who have their money doing some applauding, like Jack Messer.

**Mr. Chairman:** — Order. Order, please. I think that it would be only proper if the Leader of the Opposition, or his representative there had a chance to look at the amendment, before we discuss it any further.

**Mr. Steuart:** — I agree, Mr. Chairman, I just want to give them some more pertinent arguments, and I notice there that Mr. Snyder, who I understand is loaded, and has his money invested in houses and other capitalistic ventures, didn't applaud. But I hope they think it over, and it would be a good criterion to see who would be the first to sign up and take a direct risk with you people, with their money, their hard-earned money, when you are going into this, what we think is risky. So I look forward to your answer later today.

**Mr. Romanow:** — Mr. Chairman, as I have said to the Leader of the Opposition, we indeed will look it over the noon hour, very carefully, and who knows, we might be able to say that this is a Liberal/NDP Bill to the people of Saskatchewan, and that, indeed, would be an interesting prospect. And I think we would want very seriously to consider the proposed amendment, and who knows, if we've got the Liberals this close to adopting part of the principles of the Bill, we might even get them to make the first investment in the Saskatchewan Potash Development Corporation. Hope springs eternal. There it is.

**Mr. Chairman:** — I recognize the Member for Wilkie.

**Miss Clifford:** — Before we get off this first clause, I'm very glad to hear that the Attorney General is considering our amendment, but when we gets done talking, I'd like to ask him a serious question. It is short, very short. This is a very serious question, and I'm glad to hear that you did say that you will consider this amendment, but I sat through Bill 1 last night not being in Committee of the Whole, and I've heard a number of suggestions made to you for change in the Bill as there have been in Bill 2, one being the spending limit, but regardless of what it was, and I would seriously ask you what the purpose and I'm glad that here again, that you said you will consider this but what the purpose of the Committee of the Whole is, is it for us to sit, I'm asking this because I'm a new Member, to sit and hear your

reasons why you put such clauses in and obviously we feel that they are not good ones, but even yourself, last night, said that you were sympathetic to some of the ideas that were put forth and you thought that they weren't all that bad, but unfortunately, it was too late at that time to do anything about it, and I would suggest, Mr. Attorney General, and I'm asking you very seriously about this that we have suggested a number of things and maybe it isn't too late to consider these things, and I'm asking why we are here in Committee of the Whole, that we are here just for political expediency and we are open for suggestions. Now maybe you don't agree with them, but I haven't heard one thing, and they can't all be bad, our suggestions can't all be bad, even I think you would not admit that, you know, that, are we here to have positive suggestions, and maybe this will help in your consideration, but I'd just like to ask you why we are here, if not to seek steps to . . .

**Mr. Romanow:** — Well, Mr. Chairman, I can appreciate the frustration that the Member for Wilkie might have in this area, because I say again, I don't want to sound like too much of grey-beard, but when I was in Opposition for four years, I shared many of the frustrations that Opposition Members always have, that is to say, why government doesn't move, and so forth. I think the basic reason why many of the amendments are not accepted, is that, I'm not saying it of this Bill, I'm talking to you generally now, the nature of the political game is to advance amendments which will be embarrassing to the Government, so that amendments which will be embarrassing to the Government, so that they can be rejected, so that then the Opposition can go out in the country and say, look, look, this reasonable provision about such and such a way and they have refused it. You see, and honestly believing that to be the case for political reasons. And, I think another problem that comes into play very often is that, for example, this amendment which is a good one, I think has a lot of merit, this last amendment that the Leader of the Opposition has talked about, which he will be proposing on Section 23 that has a lot of appeal, it is something that the government has talked about, when we decided to move with Bills 1 and 2, but very frequently, as the Member will appreciate, it's not as simple in packaging the Bill together. I have often said that in many ways, the easiest part of this whole operation of Bills 1 and 2 will be to pass the Bills, and to draft the Bills, the difficulty comes afterwards in packaging together and getting the programs running, and getting the whole thing to do. The easy thing is to adopt the amendment of the Leader of the Opposition. But there is no use adopting it unless you know that you can implement it by program, by policy. Now, you are asking me to assume that motion that is proposed to us, is put forward in sincerity, and not as the Leader of the Opposition says, because he wants to show that D.A. McLeod wants to put his money where his mouth is. One might assume from those statements that it was tendered with a view to, you know, going out to the country and saying, now, I'm not arguing that, but I'm saying one might do this, but, I'm not, I'm accepting his suggestion as a legitimate attempt to improve upon Bill 2, to make it better, and we're going to try our best to see if we can incorporate that suggestion of the Leader of the Opposition's into the Bill, because I think it will strengthen the Bill, I think it will strengthen the credibility of the Potash Corporation of Saskatchewan, I think we can go out in the country and say look, here is what the Liberals have proposed and we think it's a good idea. Let's get behind it, because they proposed it in genuineness and sincerity. We have done quite a bit



of work and thought about this already. Maybe six months from now the Liberals will have a chance to vote for it then, because they proposed it now. This is all being recorded, these proceedings, so there are a number of reasons that enter into it like that.

**Miss Clifford:** — Mr. Chairman, I should just like to say that I would hope that it wouldn't be rejected because, as I said before, there has been a suggestion that it's just too late at this period of time, but as you've said that it would be a good suggestion, could I make you a wager, if I beat you at a game of badminton, would you put the amendment in?

Section 1 agreed to.

Section 2 agreed to.

Section 3 agreed to.

Section 4 agreed to.

## **Section 5**

**Mr. Malone:** — Just a minute, Mr. Chairman, have there been any other directors appointed since your last announcement, I forget when it was, but are there any other directors appointed since then?

**Mr. Romanow:** — I'm glad the Member asked me that question, because I wanted to make a comment in response to the Member for Regina South and forgot to make this point, but his argument that this is a Cabinet dominated board, and so forth, and I think that at the present stage there is some legitimacy to that point of view, but I would point out that it is the hope of the Government that the essential character of the board will change. You will appreciate that to a large extent apart from tooling up in the administration and hiring personnel for the legal problems attached to Bills 1 and 2, there hasn't been much yet in the way of corporate activity. I hope that on passage of the Bill, this will significantly start up. I think that when that does, I suspect that composition of the board will change, to take on the more traditional roles of boards, the Crown Corporations boards. In fact, I am fully confident that that will take place, and you will see appointments from the business community, the Saskatchewan business community, Western-Canadian business community, indeed, the Canadian business community, of the highest order to this Board. We are very optimistic that some very high calibre Canadians who have business expertise and who sympathize with the basic principles behind it will serve on the board in a non-Governmental capacity. I think those announcements will be coming in due course, in the next several months, as the activities unfold with the board. Your question, specifically, have there been any new appointments, the answer is the last two appointments with Mr. Fullerton and Mr. Lisyk, my deputy Attorney General, which was at the time Mr. Fullerton's appointment was made.

**Mr. Malone:** — Well, I just want to make a comment. You said that the board of directors would, in due course, perform the traditional

functions of other Crown corporations, and I would hope that's not the case, because without condemning some of the boards of other Crown corporations, many of them are not on there for business expertise, they are there for other reasons, and in many cases act as rubber stamps of the general manager and the other officials, so you are intending on making this board up of business personnel and industry oriented personnel, are you?

**Mr. Romanow:** — Yes, we certainly intend to do that.

**Mr. MacDonald:** — One more question. It's traditional in most Crown corporations to designate in the Act the make-up of the board of directors and I notice, not only is there no number here, but what is even more important unless I've missed it somewhere, what is even more important is the designated number of government employees or Cabinet ministers and the relationship of the private business community to the total make-up of the board. In other words, that five government employees and ten outside of government. Why is this not included in the Bill? Could the Minister tell me what is the intention of the Government because if he is sincere and talking about the business flavour and some relative business independence of the board, then certainly there should be a strong majority of people outside the government or then it becomes nothing more than the arm of the Cabinet.

**Mr. Romanow:** — Mr. Chairman, the reason for the preponderance of civil servant appointees is, as I have indicated earlier, that up until now, certainly in the old potash corporation of Saskatchewan and now the sort of new Potash Corporation of Saskatchewan, the decisions with respect to Bredenbury and then later this decision on Bill 1 and 2 really weren't formulated. It was a corporation but it's activities were more of administrative than the sense of its own internal operations and the considerations of some matters as opposed to getting out there in the field as say, Sask Tel or Sask Power would be. I think the Member makes a good point. We hope to change, as I have indicated earlier, the flavour of this.

As to the section of the Bill, this varies over as to size. Some Acts do have that type of "x" number of people as the Member pointed out, civil servants and non-civil servants. Some do. Some are silent on it and we choose the silent group primarily because we wanted the maximum degree of flexibility. While civil servants might, in a sense, lack independence, although I'm not sure of that, I have found in my experience that some of them really have been invaluable in giving good hard solid advice to the politicians and to the others and to the board itself, indeed, in making these decisions. So we will be making changes in this.

**Mr. MacDonald:** — I have no argument or quarrel with a certain number of civil servants being on the board of directors. I also agree with the Minister that many of them can provide some very valuable or are valuable additions. But it is important to know whether or not it is the intention of the Government to have a majority of the members of the board from the business community. Now there is a reason I ask this because if the original board of directors of the Saskatchewan Potash Corporation had had a number of business people represented

on that board, perhaps the decision to proceed as the Government is now proceeding might have been changed and might have been different such as the feasibility study of Bredenbury. The necessity of business acumen and judgment with the experience in directorships and so forth was really something that was sadly lacking on the Potash Corporation of Saskatchewan up to this time, and here we have had a potash corporation that has been established for nearly a year now if I can remember, or over a year, with very little business representation on it, very little independent flavour, it's really been, in fact, an arm of the Cabinet and now we have an Act that does not specify just exactly what the make-up of that board will be. It doesn't indicate that there will be some representation outside other than the Attorney General's word that he is going to try and attract some outstanding individuals which, I'm certain he will, but I think it's vital that members of the board have a majority from outside the Government despite the contribution a civil servant might make and I think this is the real weakness of the Bill. A weakness that also puts some suspicion in my mind that, really, what is going to happen is it's going to be a government decision and not an independent corporation and I think this is again, is it the intention of the potash corporation to have a majority of the board of directors outside of the government and outside of the Cabinet?

**Mr. Romanow:** — Mr. Chairman, I can say, with precision, I can say that it would be, as I understand government policy, the intention to make it primarily outside the Cabinet and the civil servant sphere. It may not work out that way but that is the hope of it. I wonder if the Member for Qu'Appelle, I have the answer to his question about the director of public relations and I'm advised that it's been advertised in the Globe and Mail, in the Financial Post, in the Winnipeg Free Press, in the Star-Phoenix in the Leader-Post, in the Edmonton Journal, in the Calgary Herald and in the Vancouver Sun . . . They don't list it here but maybe we should, it's a paper of wide readership and two trade journals. One is a journal called Marketing, and another one called Advertising Aid out of Chicago, circulation in the U.S.A. and Canada, a trade journal. These two journals have had the advertisements placed. About 200 applications have been received with still more coming in on a daily basis and lots of enthusiasm out there, lots of people applying to take on jobs with the Potash Corporation of Saskatchewan and it seems as if we have an exciting era here that we're entering into.

**Mr. Bailey:** — Could the Attorney General give us an approximate number of the board as he sees it at this time, the numbers aren't mentioned.

**Mr. Romanow:** — Mr. Chairman, I can't see the . . . how many do we have on now, about seven or eight and I would think that it would be about the same number, give or take one or two, just the composition would change. You don't want to make it too big and you don't want to make it too small because you fall into the criticisms the Member for Milestone talks about. Two, three, four, five, six, seven, eight people now, it may go to ten or eleven but not any higher.

**Mr. MacDonald:** — Would the Minister mind telling me how many are outside the Government?

**Mr. Romanow:** — I will give you the names and you'll find that there's only one outside Government at the present time. The names are Mr. Elwood Cowley as Chairman, Mr. Roy J. Romanow as Vice-Chairman, Mr. John Messer, our renowned Minister of Industry and Minister in charge of SEDCO, Mr. Gary Beatty who is the deputy Minister of Finance, Mr. Roy Lloyd of the Energy Secretariat, formerly of Finance, Mr. John Burton, a very eminent person, Mr. Douglas Fullerton, we've talked about him and Mr. Ken Lisyk, the deputy Attorney General. So one person is outside of Government.

**Mr. Bailey:** — Do I hear the Minister saying in response to the Member for Indian Head, do I hear him saying that it is the intention of the Government as this thing is developed that eventually to move the Government members entirely from that board? Is that what I'm hearing?

**Mr. Romanow:** — No, I didn't say entirely, I said that the intention was to change the complexion of the board as to make it a majority non-government people. You cannot remove all government people. You'll always have one Minister or two on there and, indeed, I think you would want to have the deputy Minister of Finance and certainly if you listen to all the legal points raised by my friends opposite, I think it's even worthwhile having the deputy Attorney General there. So this will change in due course.

**Mr. Bailey:** — Mr. Chairman, the point I'm making is this. I can appreciate you, as the Minister in charge of the corporation and the deputy Minister of Finance but very obviously if the Government is going to in any way honour its commitment that it has made, the whole concepts established the independence in this board, certainly there have to be some drastic changes made and made very soon.

**Mr. Romanow:** — Again, its independence, yes, in a sense of the word and independence, no, in another sense of the word because obviously the Minister has to come to the House for the Crown Corporations Committee is going to ask questions about it. That never makes the board independent. It's always dependent upon the House.

**Mr. MacDonald:** — Mr. Attorney General, I just want, once again, to draw your attention to the point that I'm trying to make. Mr. Fullerton, the one man outside the Government, was just appointed in the month of December, in reality and he lives in Ottawa. In reality the totality of the board of directors of the Potash Corporation of Saskatchewan over the past year has been made up of entirely members of the Cabinet and members of the Government and all of the decisions in relation to entering into the potash industry directly, the feasibility of Bredenbury, the assessment, the evaluation, the business potential for Saskatchewan, the risk, the gamble and everything else has been made by no one else but the NDP Government and its employees and

if we're going to have a board of directors in a Crown corporation that is traditional with the establishment of other Crown corporations of Saskatchewan, it is absolutely vital that this policy be changed and changed as quickly as possible. I point out again, it is almost like a closed shop, this whole Bill. It doesn't designate any authority, it designates no accountability, it does not designate the members of the board, the make-up; in other words I have yet to see any Bill or any Crown corporation designed in the province of Saskatchewan the way this particular Act is designed and I point this out again that these clauses establishing the board of directors are another indication of exactly the points the Opposition has been trying to make for the past three months.

**Some Hon. Members:** — Hear, hear!

**Mr. Malone:** — Mr. Chairman, Mr. Minister, a common device used by lenders to ensure that the money they have loaned is being used properly is to insist that representatives of their company or bank or whatever be placed on the board of directors of the company that the money is loaned to, in some cases one director, in some cases more. Now, are you prepared to indicate at this time whether the Potash Corporation of Saskatchewan would be prepared to go along with something like that, that is, if you borrowed money from an institution in the United States, if they insisted that one of their representatives sit on the board of directors, would you be prepared to abide by that request from the lender?

**Mr. Romanow:** — I can't say yes or no to that at this time. We really would have to consider all the conditions, all of the request, the implications that are attached to that before deciding yes or no on that.

**Mr. Malone:** — Certainly the possibility is there that you would have members of your board of directors who could be New York based or Chicago based or Saudi Arabia based, whatever?

**Mr. Romanow:** — It's possible but I don't think that it's a very probably likelihood. As I say, it's possible but I don't think very probably.

The question put to Section 5, it was agreed to.

Section 6 agreed to.

## **Section 7**

**Mr. Chairman:** — We have an amendment to Section 7 moved by the Member for Regina South, seconded by the Member for Regina Lakeview, that Section 7 be amended by adding "thereto" after the word "shall" where such word appears in the first line the following words:

be situation in the province of Saskatchewan shall.

**Mr. Malone:** — I should like to say, Mr. Chairman, in respect to that amendment we, as the Attorney General knows, did manage to

force one amendment at least to these Bills which we considered to be such a disaster and that was the changing of the reference to the companies or the name of the Act from 1975 to 1976. This second amendment which we have some optimism about, we pointed out very early in the going that the Act itself did not require that the head office of the corporation be located in Saskatchewan. We wanted to be quite certain again that if you're going to go forward with this move to which we've objected throughout but if you're going to do it, then we ought to make certain that the corporation head office is going to be located in this province and not elsewhere.

**Mr. Romanow:** — Mr. Chairman, I can assure the Members of the House that the head office will definitely be located in Saskatchewan. I'm fighting hard to locate it in Saskatoon, for example. I'm trying to convince the Board of Trade and others that it should be . . . Thank you very much . . . I'm getting enthusiasm, I'm getting lots of support from some of the Saskatoon Members on this side. It's strangely silent from the Saskatoon Members on the opposite side. I've received many favourable comments about my colleagues' decision to locate SEDCO offices in Saskatoon and some people are greatly disappointed to see the Liberal Members oppose that . . .

**Mr. Malone:** — Who was disappointed?

**Mr. Romanow:** — Mr. Steuart when he got up yesterday he said it was a waste of money.

**An Hon. Member:** — The letters.

**Mr. Romanow:** — Oh, the letters, I'll give you the letters later. I'm sure that the Member for Eastview (Mr. Penner) and the Member for Sutherland (Mrs. Edwards) joined hands here in a non-political, non-partisan way and say we want this head office located in Saskatoon and they joined up, I'm convinced that we would locate it in Saskatoon. I just want to say that we object to the amendment for one reason only. I give the House the assurance that the head office is going to be located in Saskatchewan, it's being recorded. If it isn't, next session of the House, March, or next year of the House, you take out my words and do whatever you'd like with them but it'll be located in Saskatchewan.

Let me ask you this. If I agree to the amendment, would you agree to give me leave to read the Bill a third time later this day based on the acceptance of this amendment?

**An Hon. Member:** — Yes.

**Mr. Romanow:** — You will? If that's the case then I think we have no problems on this.

**Mr. Cameron:** — All right, if we complete clause by clause study of this Bill and you wish to have it read the third time this day, there is nothing but this amendment to stand in the way we would certainly agree with that. We're serious about putting the amendment forward. As I say we've indicated to you we don't

agree with what you are doing but we want to make certain that that head office is going to be located in the province and not elsewhere.

**Mr. Bailey:** — Yes, we would be agreed to this suggestion from the Attorney General with this particular amendment.

**Mr. Lane:** — Mr. Attorney General, I'm going to make a further amendment that this proposed amendment be further changed and it will be seconded by Mrs. Edwards that Section 7 of the printed Bill be further amended by inserting the word "Saskatoon" before the word Saskatchewan. We make it quite clear that the actions of the Government to date, Mr. Chairman, have been somewhat divisive and have created hard feelings within groups within the city of Saskatoon, with Esterhazy and with Regina and it's the Liberal Party's position that a definite stand be taken on this and although we oppose the nationalization of potash industry the Liberal Party is going to commit itself that the head office of the Potash Corporation of Saskatchewan be in Saskatoon and no other city and I'm glad that the Attorney General feels that way. Some of the comments made by some of the Saskatoon Members of the Government opposite haven't been conducive to the fair assessment of where the location should be. I can recall threats made . . .

Mr. Chairman, Mr. Minister. We had before the noon break an indication from the Attorney General that he was going to urge the Government Members on that side that the head office of the potash corporation be moved to Saskatoon. There's been an awful lot of comment and debate during the readings of both Bill 1 and Bill 2 as to the location of the head office of the Potash Corporation of Saskatchewan. I would like to make it clear that we obviously haven't changed our position on the matter that we are opposed to nationalization and the need. But now that we are faced with the inevitable, we have attempted in the past to get from the Government an indication where the head office would be located. As a Member, with part of Regina City in my constituency and being a native Saskatonian, I thought that the fair thing would be to check on the record and find out which would be the most logical or the best suited place for the potash head office. I consider that Saskatoon is noted as the potash capital city, I believe, too, and I think that the Attorney General and some of the Saskatoon Members can recall that the first mine in Saskatchewan to start off the potash industry was developed in Patience Lake and I'm sorry that the Hon. Member for Saskatoon Centre (Mr. Mostoway) shows that he's lost and doesn't really know where it is because I think the mine was at Patience Lake, now you may not know a potash mine from an office building on Second Avenue but please bear with me until I'm finished and perhaps we could even get a definite indication of that particular Saskatoon Member and what his true feelings are in this regard. I think that Saskatoon has made a pretty well-known statement that it is the potash capital of North America, that it has, in fact, a monument down on the Saskatchewan River to that effect. We note that there is some indication from Regina Members that it should be in Regina. I think that some degree of fairness should be in order that an announcement of a major development in the last couple of weeks was in Regina for which I commend the Major of Regina for his leadership in getting that particular project, but the Provincial Government has committed itself to 320,000

square feet of useable office space in the new downtown redevelopment. This would be greater than two comparative Toronto-Dominion Bank buildings in the city of Regina. Now these are being bought and paid for by the people of Saskatchewan and through the Government of Saskatchewan. The news report of that particular day also indicates that the Provincial Government may be prepared to double its original commitment of 320,000 square feet; in effect the Provincial Government may be building the equivalent of four Toronto-Dominion Bank Towers or larger building in the city of Regina. At the same time prior to the last election the city of Regina had received the announcement that there would be a major new government building on Wascana Centre Authority by the Public Health Building at the cost of some, I believe, \$25 million. Now, we also urge the Government to make its decision very soon because at the present time it is not going to be a disruptive thing to move the head office to the city of Saskatoon. Personnel are still being hired, we had the indication from the Attorney General that not too many, relatively very few people have been hired by the Potash Corporation of Saskatchewan so it will not be disruptive to move the head office at the present time. In addition, I think, Mr. Attorney General, that the practice of the Government opposite when the question has come up about location of head office of trying to keep various communities on the string is, I think, a demeaning type of government practice. In think, too, that it's divisive that Esterhazy or some other place would indicate and everybody wants the head office of the potash corporation. And seemingly from the threats made by the Saskatoon Member for Riversdale or the one from Saskatoon Centre. Threatening the Board of Trade because they went and undertook at their own expense an advertising campaign against the policy of the Government indicates that the Government was really trying to use the potash corporation head office as kind of a bribe for people to restrain themselves from using their democratic right of free speech. We think that's wrong, we think that's bad government. So, I think with all these various considerations and the fact that it is already designated as the potash capital of North America, that there really should be no question, that a firm statement should be made by the Government offices that the head offices of the Potash Corporation of Saskatchewan be located definitively in the city of Saskatoon and that the necessary arrangements be made. We know that the Government has already made arrangements for space in the city of Regina but again the number of personnel to be affected is not that great and if we are to accept the Government's position that this is going to be a great booming industry, that we have the head office personnel with their expertise here and I'm taking the Government's ads and the Government at its word. It will certainly have access to the mining section of Department of Engineering, the College of Engineering at the University of Saskatchewan in Saskatoon. So for these many reasons and the fact this would end once and for all the practice and I don't think most of the backbenchers agree with the practice, you know, of trying to mislead various communities, oh, you'll be the head office if you'll vote for us; oh, yeah, you'll be the head office if you don't say anything and keep your board of trade locked up and don't let them say anything and you could be in running for the head office. That's not good government and I know the Members opposite agree with that. So it is my intention, therefore, Mr. Chairman, to make the following motion, seconded by Mr. Penner, that Section 7 of the printed Bill be further amended by inserting the word "Saskatoon" before the word Saskatchewan in the amendment.



**Mr. Romanow:** — Mr. Chairman, I want to assure the Member for Qu'Appelle that if I was able to make that decision alone on this side, he would unqualifiedly have my vote now, but that I can't make the decision unqualifiedly by myself and, Mr. Chairman, I would simply say that there are other reasons as well. The Government is petitioned by a number of communities who want the head office located there, they're very excited about the prospects of the Potash Corporation of Saskatchewan. And we have to consider them. I'll give you an example, one is Melville. Melville writes to the Premier on December 18th, I won't read the letter in detail. It sets out 14 points, 13 points, I'm sorry, of why the head office should be located in Melville, Saskatchewan. Another one is the Moose Jaw Economic Development Commission, a letter dated December 18, 1975 by the executive director, to the Premier.

May we ask, Mr. Premier, that your office most seriously consider Moose Jaw as the most logical site for such office to be established in consideration of the short distance between Regina and Moose Jaw and the availability of temporary space as well as land for the building of permanent headquarters and the good reception of such an acquisition to our City add up commercially to the benefit of Moose Jaw.

I think that's a consideration and a matter that should be considered. I have a letter here under date of December 15, 1975 from the town of Esterhazy. The town of Esterhazy, I think is an interesting possible selection and right around IMC country and around a great deposit of potash ore. I've gotten a letter here from Mr. Fred J. Soutar, Town Administrator, he takes me to task because he says this:

The statement allegedly made by you to the news media that the headquarters of the Potash Corporation of Saskatchewan will be located in Yorkton or Moose Jaw is of great concern to this community. Apparently some Members of the Cabinet are unaware of Esterhazy's bid for the headquarters made early this spring.

And I can see that there is big interest in this, where the location is going to be. I wrote back to Mr. Soutar saying to him that I did not ignore the request personally, I was just speaking up for my own city, Saskatoon. So I'm very committed to the city of Saskatoon. The Member will agree with me, all Members will agree with me that we cannot dismiss out of hand the multitude of requests. The Mayor of Regina has made a strong submission, these letters from Melville and so forth. This is a decision which requires the most careful of considerations and reactions. I can assure you that as a Saskatoon man, I'm going to keep doing my bit to plug for Saskatoon.

**Mr. Penner:** — I wonder if I could just say a word in response to what the Attorney General has said, I'm sure he will appreciate and the other Members opposite will appreciate that it wasn't until the Attorney General implored us so vigorously this morning that he was going to support Saskatoon that we got the idea that maybe we should insert the amendment and while it may be that some Members opposite will be able to stand and vote in favour of the sub-amendment.

**Mr. Bailey:** — In speaking to the sub-amendment, it places the Conservative caucus at this time in a particularly bad position. For the simple reason, Mr. Chairman, that we are not opposed to the head office of the Saskatchewan Potash Corporation going to Saskatoon personally because of the proximity of myself and my constituency, I suppose my feelings would be that way. Our caucus is represented from across Saskatchewan and we gave our commitment that we would in fact support the original amendment but I'm afraid that when we look at the request that the Department has, when we look at possibly that there are people in Saskatchewan beyond Regina and Saskatoon. I could put in a real pitch for say, Rosetown, even though we're a few miles from a potash mine. I really think that the Government Members opposite can vote as they like to this sub-amendment, the official Opposition can vote as they like to this sub-amendment, I would think that the Conservative caucus, rather than to tie down the Government to a particular point or to play the ball game between Regina and Saskatoon at this time that we won't have any part of it.

**Mr. B. Allen** (Regina Rosemont): — Mr. Chairman, I was particularly interested in this amendment particularly from the Member for Qu'Appelle driving industry out to the city of Regina to our sister city, the city of Saskatoon. Now, it seems to me, Mr. Chairman, that a case can be made to have the head office situated in Saskatoon but I suggest an equally good case can be made to have it situated right where it is now, in the city of Regina. My question to you, Mr. Minister, is, if we defeat this amendment as I'm sure we will, will the city of Regina be given due consideration in terms of situating the head office of the potash corporation in Regina and not as the Member suggests without any study or any consultation whatsoever be situated in the city of Saskatoon. I would say, just in asking that question, that I think that in doing that you would certainly want to hear representations from different groups and I'm sure the Saskatoon Board of Trade would want to put in a proposal that the head office be in Saskatoon. I think that they should be allowed to do that, Mr. Chairman, and I wonder if you can give me that assurance, Mr. Minister?

**Mr. P.P. Mostoway** (Saskatoon Centre): — Mr. Chairman, I've listened to all the debates on Bills 1 and 2 and many times, I was almost in the arms of Morpheus, having to listen to all that. I do want to say to Opposition Members that this is one sensible amendment that they have come up with and I think it has a lot of merit and I'm willing to give you credit and say it's a sensible move on your part, I haven't made up my mind as to how I'm going to vote but . . .

**Mr. Romanow:** — That's the Party Whip speaking.

**Mr. Mostoway:** — We all know that Saskatoon is the potash capital of the world, there's no use denying that, and want to give credit to Members opposite for that stroke of brilliance that they came out with just recently.

**Mr. Steuart:** — I should like to say one word, I think this whole Bill 1 and Bill 2 in this whole move, is so stupid, so short-sighted that it's like fighting over who gets leprosy. As far as I'm concerned, no one voted for Prince Albert because it won't very long . . .

**Mr. H.H.P. Baker** (Regina Victoria): — Mr. Chairman, I don't want to speak too long on this issue but I think it's obvious that it belongs in the capital city where it is now, there's no question about it. I'm a bit surprised at the Member for Qu'Appelle to come in here, and whose vote is 70 per cent Regina, that he would bring in a motion to locate it somewhere else. If he had any aspirations for the leadership, Gary, I'm afraid you've blown the leadership and you've blown your seat as well. I'm somewhat surprised to find that the Member for Lakeview, the Member for Regina South and the Member for Wascana, a young lad from Wascana, that they would permit the Member for Qu'Appelle to bring in this sub-amendment. I understand that it was supposed to be seconded by the charming lady there for Saskatoon, but I think she was out, so Mr. Penner seconded it. I think we're getting into a lot of discussion here, unnecessary discussion, I think every community has a right to ask for it. Someone said that the first potash mine produced potash near Saskatoon, I thought it was Esterhazy that came in first. I thought they were flooded down there for about five years. But anyway, Mr. Chairman, I don't want to get into a long debate but it's obvious that the capital city should at all times get first choice . . . in every matter and I'm a little bit disappointed in my good friend, the Member for Qu'Appelle that he would do this to Regina, to the good people in Glencairn and University Park which you'll have next time. I can see just the candidate next time telling the people that he wanted to get rid of the potash centre from his own seat. I can expect that maybe from the Member for Regina South, because he's an import, he hasn't been here too long. But the Member for Lakeview who was probably born and raised here, that he doesn't get up and stand and support me on this. I feel a little bad about the Member for Wascana, I hope he still stands up and says something in my support. Anyway, I'm sure it will be in Regina, it is here and it will stay here, I think with what happened in Saskatoon, some of their people there, how they said they didn't want it, and they didn't want any part of potash, it's pretty hard to put it there now. Some of the Members supported the Board of Trade there, their aspirations in trying to get rid of Bill 1 and 2. Mr. Chairman, I know that the good sense of this House will vote that sub-amendment down and I hope to hear some no's from the other side, too.

**Mr. Lane:** — I'm glad the Mayor of Regina has made certain comments. Make no mistake, the Mayor of Regina will probably go around Glencairn and say that if Saskatoon is the head office that the right decision was made because it is the potash capital of the world, and it is well known for that and that's precisely the decision that should be made in this House. All this bickering back and forth was evidence as to which town should have it, should be ended, and I think the Government is doing itself a disservice to encourage that type of bickering between communities. That is not the object of this, and I think that I would urge the Mayor or Regina to support the sub-amendment.

**Mr. Lange:** — Mr. Chairman, in order to resolve the fracas, which obviously exists in the House right now, I should like to remind the Member that in rural Saskatchewan we have a decided problem with regard to industrial development, and particularly in the southern half of the province, and it would be interesting to have an exemplary case of a decentralized large corporation, headquartered in a small town in rural Saskatchewan. I should also like to remind Members that potash was first discovered in 1942, only 12 miles from the town of Radville in the heart of my constituency and in order to try and resolve the problems that are before the House right now, and obtain a little pacification, I would suggest that perhaps the headquarters should be in Radville.

**Mr. Chairman:** — Ready for the question? The question is on the sub-amendment, moved by the Member for Qu'Appelle, seconded by the Member for Saskatoon Eastview, will you take the sub-amendment as read? All those in favour of the sub-amendment say Aye.

**Some Hon. Members:** — Aye.

**Mr. Chairman:** — Those opposed say No.

**Some Hon. Members:** — No.

**Mr. Chairman:** — All those Members in favour of the sub-amendment, please stand.

All those who are opposed to the sub-amendment, please rise.

I declare the sub-amendment lost (14 in favour, 27 opposed).

**Mr. Romanow:** — In answer to the question called on the amendment, and on the sub-amendment, I am prepared to recommend to our side of the House that we adopt the amendment, the only concern that I have is that once the Bills comes out of Committee of the Whole, the only way we can get it read a third time is by leaving, and if I can be assured by all Members present that that leave will be granted, then as far as I am concerned we can get on with business and adopt it.

**Mr. Malone:** — I gave the assurance on behalf of the Liberal caucus, Mr. Chairman.

**Mr. Larter:** — You can have that assurance from the PCs.

**Mr. Chairman:** — Are you ready for the question? The question is on the amendment, moved by Mr. Cameron, seconded by Mr. Malone, that Section 7 will be amended by adding, thereto, after the word shall where such word appears in the first line, the following words be substituted “in the Province of Saskatchewan, and shall”. All those in favour of the sub-amendment please rise. It's agreed.

**Mr. Malone:** — Mr. Chairman, before we get off this section, I wonder if the Attorney General is prepared to let us have his answer as to the amendment proposed by the Leader of the Opposition,

you indicated you were going to consider it over lunch, lunch is now over.

**Mr. Romanow:** — I am prepared to do this now, or to do it when Section 23 arrives. I thought the Leader was going to move the amendment at Section 23.

**Mr. Malone:** — We are prepared to wait until Section 23, I just didn't want you to forget.

**Mr. Romanow:** — Oh, no, it's ever burning in my mind.

**Mr. Chairman:** — Section 7 agreed?

Section 7 agreed to.

Section 8 agreed to.

### Section 9

**Mr. Chairman:** — We have an amendment, I believe, here on . . . do you want this amendment? We have an amendment to Section 9, it's been moved by the Member for Regina South (Mr. Cameron), seconded by the Member for Saskatoon Eastview (Mr. Penner, that Section 9, subsection (3) be amended by adding thereto, after the word "Corporations" where such word appears in the third line, the following words "but not including, non-Canadian multinational corporations".

**Mr. Cameron:** — Mr. Chairman, perhaps I can speak to the amendment. You may recall during the course of the hours upon hours of debate we had in connection with this proposal, that we kept hearing from the Members opposite, one refrain. It was a refrain how nasty the multinational corporations are, how desirable it was if we drive multinational corporations from our province, and added to it always was the suggestion that we, on this side of the House, in opposing these Bills were aligned ourselves with multinational corporations. Had that point been made by Members opposite once or twice, three or four times, we may have let it go by. I attempted at one point to make a reasonable point to the Attorney General about what our policy was with regard to multinational corporations and the development of our resources, and he scoffed at it. I said that our policy was not so very much different than what their policy was, as distinct from what they say their policy is. I said that our policy was, if we found multinational corporations were a benefit to the province of Saskatchewan in terms of developing our resources, that they had money to offer, they had expertise to offer, that we couldn't otherwise have, we were prepared to welcome them to Saskatchewan.

**Some Hon. Members:** — Hear, hear!

**Mr. Cameron:** — He in return, as I say, scoffed at my motion. Speaker after speaker after speaker from the other side of the House got up and condemned out of hand multinational corporations, said that they had no place in our province, I said to them at

that time, that I was going to put them to the test, because I was going to move an amendment which would prohibit the Potash Corporation of Saskatchewan from entering into any joint venture arrangements or other associations with multinational corporations. The substance of it is, if Members opposite, so many of them who spoke about multinational corporations in the derogatory terms in which they did, if they genuinely believe in what they said, then they can rise with us and vote for this amendment. On the other hand, as we suspect what they were doing was peddling a political line, then they will be voting against the amendment. What we will do in the process, however, is smoke some of them out. What we will do is say to you, in effect, put your money where your mouth is. If you find the potash companies are such distasteful citizens in our province, then we give you an opportunity to record a vote in favour of the Potash Corporation of Saskatchewan not having any dealings with those nasty multinational corporations.

Let me make one additional point, in seriousness. As I said there were two or three of us, early in the going in this debate, who attempted to make a point of reason, in this connection. The point of reason was that the multinational corporations consisted of people. People whom we invited to our province for a specific purpose, to bring their money and their expertise to our province to develop a resource that we ourselves couldn't. Saying, as I said earlier, that our policy is that these people can be of value to us, let's deal with them and bring them in, that was the point of reason we tried to make. What we heard in response from so many of them, but as I said, if there were two or three we would have let it go, but we must have heard it from a dozen, is how we were the friends of these multinational corporations, and how they on the other side found them so distasteful. As I say, we now give you the opportunity to put your money where your mouth is, and we'll see how you vote on this one, which, as I say, would prohibit the potash corporation from dealing with multinational corporations.

**Mr. Romanow:** — Mr. Chairman, I thank the Member there and his approach on multinationals. Unfortunately, I cannot adopt that motion, I don't think the Conservatives will vote with it either. As the Member said, I believe, in second reading we were going to have some fun with the Opposition side, and I don't want to totally put this amendment in that category of fun, but I do simply say that the position that has been stated is that this amendment of Bill 2 is not moved by any blind pathological, hatred of multinational corporations, necessarily. No, we've said this, I said in my second reading speech, that we are put in a corner by this particular class of multinational corporation, the potash industry, I said that. And then I went on in my second reading speech to enumerate the timber industry, the uranium industry, the hard-rock mining industry, where we were able to work out satisfactory arrangements with corporations, multinational or otherwise. But even if there was a pathological hatred for them, what good would it do to accept this motion? The simple fact is, that we do have the Potash Corporation of Saskatchewan and it will be working on a worldwide basis and the simple fact is that there are some multinational corporations in other countries, other countries that have not seen perhaps some of the arguments that might be advanced against multinationals, how can we be blind to that fact. We must live and deal in the world in which we exist, and finally, I would say

in conclusion to the Hon. Member, this. He argued that we have said that multinational are bad, and that he wants us to put our money where our moths are. I'm Ukrainian, I sometimes get confused on these little terms, but, what does the amendment say? It says that all multinationals are bad, except Canadian multinationals. And a multinational is a multinational is a multinational., and if we said that we would have to be consistent and not accept Canadian multinationals either, because they too would have all the bad characteristics that you said we said multinationals have. So, I appreciate the point that the Members makes. I hope that he understands why we can't accept the amendment.

**Mr. Lane:** — Comments, Mr. Chairman. We have heard time after time in this House, Members opposite accuse the Liberal caucus and the Liberal Party of being defenders of the multinational, the Premier held his little finger up and said you're defending the multinational corporations, and we've heard it around the province, and we've heard press releases, we've heard it from the Minister of Consumer Affairs, and the NDP nationally, provincially, multinational corporations are a bad thing, according to the NDP. Now if you are really sincere in that belief, we know that you will join us in voting for the amendment that has been proposed by the Member for Regina South. If you are really sincere about your hatred of the multinational corporations, and if you really sincerely believe that the Liberals are the defenders of these, you have no alternative but to vote for the amendment that has been proposed and the phrase has been used by both previous speakers, put your money where your mouth is, it'll be very interesting to see how some of you who have made public statements vote on this particular amendment.

**Mr. E. Anderson** (Shaunavon): — Mr. Chairman, I should like to pass a few remarks on this amendment. I think we should understand that the amendment pertains to the potash corporation, not other corporations. We have heard in this House, repeatedly told to us and to the province, that we can't deal with the multinational corporations that control the potash industry, but this is the reason that we have to expropriate, it would seem a strange argument to say now that we can deal with them, once after expropriation, so I say, as has been said before, put your money where your mouth is. Your argument has been that you can't deal with them, so I can't see how you can vote to deal with them now.

**Mr. Chairman:** — The question before the committee is the amendment to Section 9, moved by the Member for Regina South, seconded by the Member for Saskatoon Eastview, will you take the motion as read? All those in favour of the amendment, please say Aye.

**Some Hon. Members:** — Aye.

**Mr. Chairman:** — Those opposed say No.

**Some Hon. Members:** — No.

**Mr. Chairman:** — I say the No's . . . standing vote. All those in favour of the amendment, please stand. Those opposed to the amendment, please rise. I declare that the amendment is lost.

**Mr. R.A. Larter** (Estevan): — Mr. Chairman, with regard to Section G, I wonder, Mr. Attorney General, in regard to the patent rights on some of these mines, in particular, solution mining at, say, Kalium, in light of what has happened in the last week or so on patent rights, and that the patent rights are, indeed, out of the jurisdiction of the Provincial Government, has there been any thought or planning gone into this question; what would happen in the case of purchasing mines with regard to patent rights?

**Mr. Romanow:** — Mr. Chairman, I think we dealt with this. I don't mean to negate the Member's question, but we dealt with this at length yesterday and the day before yesterday, I think. And let me just say in substance, without again regenerating the entire argument, that quite clearly in some areas of patents, the corporation might not have the power, but the corporation in other areas would have the power, for example, if a patent is held elsewhere, but there is a right conferred by the patent owner onto a lease, if I may put it that way, or a patent rights holder, we could expropriate that interest, that that recipient has in the patent, and generally speaking, this is how we think the arrangements are, so there are a number of combinations that are possible here.

Section 9 agreed to.

Section 10 agreed to.

Section 11 agreed to.

Section 12 agreed to.

Section 13 agreed to.

Section 14 agreed to.

Section 15 agreed to.

Section 16 agreed to.

Section 17 agreed to.

Section 18 agreed to.

## **Section 19**

**Mr. Malone:** — Mr. Chairman, I would, I'm sorry, it's number 20 I want to speak on.

**Mr. MacDonald:** — Mr. Attorney General, why have you selected the 30th of June. As I pointed out this morning, it means that there will be no accountability to Crown corporations to the Legislature until 1978. Why could that not be moved back to the normal fiscal year?

**Mr. Romanow:** — Mr. Chairman, the reason for the 30th, is that that is the traditional or normal fertilizer year. They go from June to June or June to July, the industry works on that basis, fertilizer year, the taxation, mineral resources, and the like, and it



seemed consistent that it should work this way with the corporation as well.

Section 19 agreed to.

## Section 20

**Mr. Malone:** — Mr. Chairman, Mr. Minister, I think I may be covering old ground, but I'm aware that on all other Crown corporations the audit is prepared by the Provincial Auditor, nobody else. This is the first Crown corporation that I am aware of where, by statute, somebody else other than the Provincial Auditor is going to be allowed to audit the books and I should like to know the reason why.

**Mr. Romanow:** — Mr. Chairman, previously we have endeavoured to give an answer to this question. Essentially, the Member will appreciate that this will likely be a very substantial undertaking, whether it be substantial, and our hope is that the Provincial Auditor will, indeed, be the individual, through his officers, who will be auditing this. We have full confidence in the Provincial Auditor, and we believe that, however, when the Bill was being drafted, it was thought that where an undertaking of this size, the magnitude and the like of the audit, might dictate that another auditor be designated fulltime to audit it, in effect, to stand in the place of the Auditor. It would have to come before the House, of course, and the whole operation, the audit report would be of such a size that the Provincial Auditor couldn't carry it out. So, as I say, we certainly hope that that is a satisfactory explanation.

**Mr. Malone:** — No, it's not to me because SPC is a substantial undertaking, Sask Tel is a substantial undertaking, all of the Crown corporations are substantial undertakings to one degree or another, the Provincial Auditor audits them. Surely the answer is to give the Provincial Auditor more staff so that he can undertake to audit the books of the Potash Corporation of Saskatchewan, rather than have an outside auditor. Now let me ask you this. As you know, on the Public Accounts Committee, one of the things that really makes that committee go, is the Provincial Auditor and his staff are available for assistance to Members of that committee. Now, in this case will the auditor, if it is not the Provincial Auditor, be available in the same way to the Public Accounts Committee?

**Mr. Romanow:** — Yes, I am sure that would be the case, because as I was saying earlier, any Crown corporation has to table a financial statement which is audited. And on Public Accounts, if the Minister of Finance has made a loan to the potash corporation, that the Minister of Finance is covered totally by the Provincial Auditor, and that's the section that Public Accounts would deal with. Handling of the Provincial Minister of Finance, and the Treasury, and the like, it would be undoubtedly within Public Accounts, because no one is even suggesting that the auditor might not be involved in that operation. So I would answer your question that, yes, both ways, or all ways.

**Mr. Malone:** — Are you suggesting though to get that other auditor, if it is not the Provincial Auditor, to appear before a Public Accounts, we would have to subpoena him, and his records.

**Mr. Romanow:** — No, I don't, I am not suggesting that at all. What I am saying of Public Accounts is this, again, maybe I'm not making myself clear, but in Public Accounts, as the Member will know, in Public Accounts we are dealing here with a check of the traditional activities of Government departments and so forth of which one department is the Ministry of Finance, and if the Ministry of Finance should advance sums to the Potash Corporation of Saskatchewan, they will have to be reported as part of the Minister of Finance operations, as I indicated in my earlier question. That is the only thing that is referred to the Public Accounts Committee, whether it's Power Corporation or otherwise, and under that type of a situation, since the Provincial Auditor is the only person who audits and controls any departmental expenditures, the answer to the Member is quite clearly and unequivocally, that in Public Accounts, it will have to be the Provincial Auditor, so that if there is any advancement of funds, the Provincial Auditor is in there, and he is making comments. Now, let's leave Public Accounts aside. Let's say, hypothetically, let's say this comes to pass, that the Provincial Auditor is not designated, another outside auditor is designated, what then happens? Well, the same thing happens there as happens when the Provincial Auditor who audits SGIO or Sask Tel or Sask Power accounts. Namely, they are attached to the annual Crown corporations' reports, tabled on the Members' desks, sent down to Crown Corporations Committee, the management has to answer the questions, together with any audit people who are there. And that will be the same situation that applies here in case the Provincial Auditor is not the one designated.

**Mr. Cameron:** — I should like to ask the Attorney General whether he can give us one single example of a Crown corporation in this province whose books are not required by law to be audited by the Auditor General.

**Mr. Romanow:** — Mr. Chairman, I am advised and I don't want to drag my officials into this particularly but I want to mention the name because hopefully it will give me some added weight to my argument. I'm advised by Mr. Holtzman and My Lisyk, Mr. Holtzman primarily who has been Legislative Counsel, that there are indeed Crown corporations which have this provision, but he says offhand he can't name them. Now maybe we can take a moment or two to find it out but I'm advised that it is the case. I would remind the Hon. Member that it wasn't too long ago that all Crown corporations all had their own audits externally done. It was a fairly recent development, I think during the Thatcher years, I could be totally off base here, but the Provincial Auditor was brought back into the operation. I think that was a good development. As the Premier indicated we fully expected that would be the case with respect to the Provincial Auditor but it might not be because as even by the Member's own admissions, you know, we're looking at a very, very large and substantial operation and it might have to make a decision either more staff for the auditor or on the alternative maybe even on his recommendation, I don't know, might have to delegate it out to somebody. That's the best answer I can give you.

**Mr. Cameron:** — Mr. Chairman, you've been making the point throughout, drawing the parallel between the Act which established Saskoil and the Act which will establish the Saskatchewan Potash

Corporation. Now the Act upon which this one is patterned, that is to say the Act establishing the Saskatchewan Oil Corporation, requires, as a matter of law, that the books be audited by the Provincial Auditor. The significance of that as I've indicated to you before is simply this. The Provincial Auditor is a unique creature in the sense that he cannot be dismissed by Government or by any Crown corporation. He can only be dismissed by the Legislature. Therefore he enjoys a level of independence which no other civil servant in my knowledge enjoys. He is answerable to the House and can only be dismissed by the House. A private auditing firm can be dismissed at any time, by the corporation or by the Cabinet. So the Provincial Auditor enjoys a measure of independence that no one else enjoys.

Now, when you make the argument that this is a very large undertaking and therefore it may be necessary for that reason to go outside the Provincial Auditor's office, I say to you that that's the very time when the Provincial Auditor is the most needed. If it was a little corporation and little expenditures it may not be necessary to have the Provincial Auditor have a look at them. The larger the enterprise the greater the necessity to have an independent audit by the Provincial Auditor.

**Some Hon. Members:** — Hear, hear!

**Mr. Romanow:** — Mr. Chairman, I don't . . . I can't find very much to disagree with the Hon. Member on in this regard. I agree about the importance of the Provincial Auditor and his independence. So I agree with this and I just simply indicate to him the reasoning that was behind that situation. No one ought to attach any greater importance to it than that.

Section 20 agreed to.

Section 21 agreed to.

Section 22 agreed to.

### **Section 23**

**Mr. Chairman:** — I have an amendment that I must put to the committee. This is moved by the Member for Prince Albert-Duck Lake (Mr. Steuart), seconded by the Member for Regina Lakeview (Mr. Malone) that Section 12 of Bill 2 be amended as follows:

Section 23(a). The Corporation shall immediately on the coming into force of this Act enter into such agreements, contracts or arrangements with the Saskatchewan Development Fund Corporation or such other corporation or agency as may be necessary to permit the residents of Saskatchewan to invest directly in all potash mine ventures, acquisitions, mining ventures and other undertakings by the Corporation.

**Mr. Steuart:** — Mr. Chairman, just speaking briefly since I outlined my reasons behind this amendment earlier, I won't belabour the point. I want to make it clear at the beginning that this amendment, whether it passes or fails, is in no way an endorsement in any manner or form of this very, very bad Bill, this very, very bad move. However, if you are determined to bulldoze this Bill through, which apparently you are in spite of

the mounting evidence in regard to markets, in regard to cost of money, in regard to the price you are going to have to pay, if you don't steal the mines, in regard to the attitude of the people of Saskatchewan, proven to you at least three times, that the vast majority who think about this and that's most of them, oppose the Bill. In spite of all the mounting evidence against what you are doing, if, which is apparent, you insist on doing it, then I want to give you the opportunity to fulfil one of the reasons that you put forward for entering into the potash industry and that's to give the people of the province a chance to invest directly in the development of this resource. So that basically is the reason. Since Crown corporations are not structured so as to have direct investment in them by the people of the province or anyone else, then we have suggested this vehicle which I said earlier may be imperfect, may not be the proper vehicle and that's why I ask the Attorney General to look into it. If he agrees with the spirit of the amendment, that he might be prepared to propose, either support this amendment or if he can think of a better way of doing with the spirit of this amendment suggest, to propose that to the House.

**Mr. Romanow:** — Mr. Chairman, I have the image in my mind of the Leader of the Opposition forwarding this amendment, not touching it himself but with about a ten foot long stick, saying, but here it is fellows, just in case. It's not really my stick and I really don't believe in it, but there it is. So, okay, if he wants to do it that way.

I take the motion as a serious motion and I would simply say this, that I've had the lawyers take a look at this and the Leader asked me before lunch to check into this. After reviewing the amendment, I've been advised by my solicitors and by people in the Department of Finance and have come to the conclusion it's a little bit hurried, that the amendment is not necessary to achieve the functions that the Leader of the Opposition would advocate.

The Bill provides that the corporation may issue and sell securities, the potash corporation that is to say. And as the Members of the House will know, the Saskatchewan Development Fund and, indeed, not only the Saskatchewan Development Fund, but individual residents will be able to purchase those securities that are issued. It is conceivable that the Corporation will give consideration to the sale of a special type of security that would be available to Saskatchewan residents only, rather than on a Canadian or a non-Canadian basis.

The proceeds from the sale of all securities authorized by the Bill of course would be used by the corporation to carry out the objectives of the corporation under its legal processes.

Now this seems to me like an easy answer to the Hon. Leader of the Opposition and I thank him for emphasizing this opportunity that's available to the Saskatchewan Development Fund and to the people of the province of Saskatchewan. As I said earlier this morning, I look forward to the day when he, too, will buy one of these security offerings by the potash corporation.

**Mr. MacDonald:** — Mr. Chairman, I just want to add a word. The real purpose behind or one of the real purposes behind this is

accountability. You know by debentures and bonds there's no vote of a shareholder. One of the things that shareholders do, is they demand that those companies and corporations where they make investments, are managed with a certain degree of efficiency or that investment will go down the drain.

One of the very things that we have been objecting about this Bill is that it's been cloaked in secrecy. There has been no information provided now as to the risk, the amount of money involved, the interest rates, where the money will be obtained. Not only that the Bill itself is cloaked in secrecy so that there will be a minimum of information provided to the public of Saskatchewan.

By permitting shareholders in the corporation, then it will force another safeguard for the taxpayers of Saskatchewan because the Government or the corporation then will be answerable to the shareholders as well. I don't think a bond holder or a debenture holder, they have no responsibility to report in that way.

I just point that out as another argument, why whatever amendment, even though this one may not be possible, but if you're going to go into this vast and risky gamble, that one of the additional safeguards would be by selling shares to the people of Saskatchewan and then they would have an opportunity to have a report from the board of directors and it would be one more safeguard.

**Mr. Steuart:** — The Attorney General directs my attention to the clause in the Bill and just repeat that portion of what he said in reply to my amendment, because I'm reading Section 22 and I don't think that can be it.

**Mr. Romanow:** — Well, under Section 15, page 8 of the Bill, subsection (3), the Corporation may, with the approval of the Lieutenant-Governor-in-Council sell or otherwise dispose of bonds, debentures, other securities, etc. hypothecate, and once they do that presumably the Saskatchewan Development Fund, like anybody else could pick those up and invest as the Member has suggested in the purport of his amendment, that through the Saskatchewan Development Fund we have these types of arrangements and dealings.

**Mr. Bailey:** — Mr. Chairman, speaking on this particular motion, it's interesting to me at least, that here we are on day 46, I believe it is and we're down to the last clause by clause study of Bill 2, that this topic should come before this House. I'm sure that all Hon. Members will remember that this particular topic or the spirit rather of this particular motion was given by the Conservative Party in his address to the Speech from the Throne. Several times during the clause by clause discussion I personally asked the Attorney General several questions in regard to this particular topic. We'll be pleased to support this amendment to clause 23.

I should like to say, Mr. Chairman, that we are in a time of using fancy phrases now and then and I'd like to recall to the Hon. Members opposite that the phrase which they used in 1971 was the phrase, The New Deal for the People., I thought of this phrase in going through these Bills in the last 46 days and in conclusion as we come to the end, the Government has a deal,

all right. They've had their own deck of cards, they have not allowed anyone to cut the deck, they call their own game. We have every reason to believe that with the amount of information that we have, they've got some aces up their sleeves besides. So really this gives the Government the opportunity and it gives the people of Saskatchewan, they seem to be very strong on this word 'people', it gives the people of Saskatchewan to be co-owners or at least part owners in this operation. It's one of the alternatives which we laid early before this House and while we oppose, we think you are wrong in passing these Bills, we think you are wrong in what you are doing, at least it will give the people of this province an opportunity, if there should be a profit in this to benefit, rather than the profits going out of the province to New York or indeed overseas.

**Mr. Cameron:** — I want to make a comment or two and then perhaps ask you a question. I don't think your referring to Section 15 and 3, it is really an answer although you may be able to correct me on this. You have two ways to raise money usually in enterprises of this kind. One is you issue shares and a shareholder participates in the profit or suffers the losses. That's an investment. The other way to raise money is to borrow it. Section 15 and 3 talks about borrowing and gives the potash corporation power to issue bonds, debentures or other securities in connection with its borrowing. Now the borrowing is guaranteed by the province. One can't really invest, as I see it, in the risk in the venture by buying a bond. The bond is guaranteed with usually a fixed rate of return. We here are talking about giving people the opportunity to invest in the venture, in the risk. If it succeeds and makes profit, they would derive some profit from it. If it failed they would lose. That's what we are talking about. A shareholding as distinct from a security or other bond being issued to them to protect the borrowing.

**Mr. Romanow:** — Mr. Chairman, the Member has added another dimension to this and I again would not disagree too much with these two divisions as I understand it, but looking at the amendment it says, the proposed amendment, and I'm not trying to stick him to the exact wording, but the import of that amendment says that the corporation shall enter into agreements with Sask Development Fund to permit investment directly. Now the Member might say that's what they meant by directly i.e. shared directly, but we interpreted that to invest directly, meaning that the Saskatchewan Development Fund, in its functions, picks up some bonds, other forms of securities or indebtedness, it's a form of investment. The Member would agree with me because he's just, well, he described two forms of investment, one being the share investment, that type of an equity investment, and the bond form of investment. So it is a form of investment. That's what would happen.

I don't think that the Saskatchewan Development Fund, I'm almost sure that it doesn't get into the type of equity financing that the Hon. Member talks about, share financing. The Saskatchewan Development Fund gets into picking up bonds. For example, the Saskatchewan Development Fund now has province of Saskatchewan bonds that it holds as an investment for its shareholders. That's a form of indebtedness by the province of Saskatchewan.

That what the amendment says and that's why I say to the Member for Else and Prince Albert-Duck Lake, that if my

interpretation is right and I think that's a reasonable interpretation, it can be done now, because the Saskatchewan Development Fund can pick up these issuances of indebtedness as they are picked up and that will thereby be a contract or an agreement which will allow people to invest, whether it's directly or not, but I say directly into the holdings of the potash operation. I hope that this would work out.

**Mr. Cameron:** — Mr. Chairman, there's a very substantial difference. I think you understand the intent of what we are suggesting. It has been suggested that there are people in this province who would like to be able to invest in a potash mine. They don't have the opportunity at the moment to do so, because they can't buy share in the companies that currently operate the mines. Shares. We think there is some merit in that, that people ought to have the opportunity to invest in the venture. Now what you are talking about here is the corporation borrowing money. I can lend the corporation some money and in turn the corporation will give back to me a bond, which is guaranteed by the province or some other security with a fixed rate of interest. I'm not there participating, either in ownership in the company, nor is my return in any way related to the risk. Either up or down. We're talking here about an ownership in the first place and then secondly having the investment tied to the success or failure of the venture. A genuine investment.

**Mr. Romanow:** — Well, Mr. Chairman, I hear what the Member says the proposal is, but again with all due respect, it's not his motion, but that's not what the black and white of the letters say. The black and white in the letters say that the corporation shall enter with the Saskatchewan Development Fund for what purpose. Now really, there would have to be a rewriting of that. But, leave that aside for the moment, because that's a bit of a side issue.

I want to say to the Members that I think a form of fixed income security, bonds or something of that nature is certainly a worthwhile consideration. It may not have to be done through the Saskatchewan Development Fund. It may be done directly. I think that's an excellent idea which has to be explored further as to variations. We think the power is there now and the law to do it, but it would probably have to be a little bit further searched out. As to the question of direct shareholder investment, that is to say floating 100,000 shares and offering them to the public at \$10 a share or whatever, that I think is a different flavour, because to do that in effect negates what you people say you are for and that is that the people of Saskatchewan should be the shareholders of the resource.

**Mr. MacDonald:** — . . . is there anything to prohibit . . .

**Mr. Romanow:** — I don't think there is, but even so, then my comments are just as valid, that we don't need the amendment. In any event I just simply say that the people of the province are the shareholders. They own the resource, they own the Potash Corporation of Saskatchewan and to offer up 100,000 shares and run the risk of Penzoil coming in and buying up 99,000 of them again, just ends up in the same, or potentially could end up in the same thing that we started to undo way back when. So I think

the question of direct share investment, directly, I think one has to be very careful of that. Direct investment through some form of bond or fixed income, that I think is one that I welcome and I think it's possible, given the current framework of the law. That's my answer to the Member.

**Mr. Cameron:** — Let me, Mr. Chairman, just perhaps explain a bit the detail of the amendment itself. Now I can't really believe, Mr. Attorney General, that you're not understanding me. I think you understand me, but you don't want to face the point that I'm trying to make to you.

A Crown corporation, of course, cannot issue shares. The potash corporation can't go out and sell shares to people . . .

**Mr. Romanow:** — Can you tell me . . . shares?

**Mr. Cameron:** — Well, listen to me and I'm about to tell you. Our suggestion is since the potash corporation cannot do that, you go to the Saskatchewan Development Fund and it establishes a fund into which people can invest. That fund in turn is given over to the potash corporation. The fund grows or shrinks according to the success or failure of the enterprise. That's where you have your shares. That's the method in which we thought you could do it. You understand my point.

The Saskatchewan Development Fund, can be believe, establish a fund for the purpose of investing in a potash venture in Saskatchewan. It can issue shares in that fund. You pay \$10 into the fund, you get a share back.

Now, the Development Fund in turn invests with the potash corporation. The fund, as I say, grows or shrinks according to the success or lack of success of the Government enterprise. That's what we are talking about. Be able to invest in the risk, not simply buying a bond. You can buy Saskatchewan Government bonds virtually any time and Government of Canada bonds. That's not what we are talking about.

That was the reason for the reference to the Saskatchewan Development Fund.

**Mr. Romanow:** — I understand the point. I ask the Hon. Member to contemplate where the logic leads him. First of all, if he argues that the Potash Corporation of Saskatchewan can't issue shares, of which I think is quite obviously the case, and even if we could, why would we for the reasons I've advocated. If they can't do that and that doesn't get you anywhere. So then he says, let the Saskatchewan Development Fund set up shares. Now obviously Saskatchewan Development Fund as a Crown corporation, by the same arguments can't set up shares or if it could in itself, conceivably somebody could come in and buy up the shares and control the Saskatchewan Development Fund.

Now, if you go one step further and the Member says don't issue shares for PCS, don't issue shares for Saskatchewan Development, just issue shares for a special fund, what does that gain you? So you issue shares for a fund, but where do you reinvest those shares? You can't invest them in Saskatchewan Development Fund and you can't invest them in the Potash



Corporation of Saskatchewan.

**An Hon. Member:** — Hear, hear!

**Mr. Romanow:** — How can you do this?

**Mr. Cameron:** — By arrangement.

**Mr. Romanow:** — By arrangement. Okay. I know the point that we're making. By arrangements and things of this nature. I just simply ask the Members to contemplate that because again, six months down the road maybe there is some way we can come up with that. I don't think we can right now. The Tories have always advocated that. They've never advocated direct shareholder interest. They've always said, can I participate. The Tories have said, I want to buy a bond or a debenture or something like that. Fixed income, financing. I've said always to them, that's an excellent idea. I interpreted the Leader of the Opposition's statements as meaning that in the same context, the Saskatchewan Development Fund. Well anyway, you made your point and I understand it. I don't think that I can agree with it. I make my point. I'm sure you understand it, you don't agree with it and it's one of those many things in this Bill that we agree to disagree on.

**Mr. Steuart:** — I don't want to belabour this, Mr. Chairman, but obviously the Minister pays lip service as he has for the last three months to something that's brought up by the Opposition, but doesn't want to do it. I want to make it very clear. If you wanted to do it, you could do it. We would feel a lot better, having got into this mess, we'd feel a lot better if you had a few sound businessmen with a few shares looking over your shoulder than . . .

Amendment not agreed to.

Section 23 agreed.

**Mr. Romanow:** — Mr. Chairman, we have, could I just ask the Conservatives and the Liberals, we have a five cent amendment which I moved and then withdrew and now I propose to move again. All that it does is that it changes . . . there are only two amendments to this Bill and I want the Liberals to know that they are responsible for both of them. The first one was the situation in Saskatchewan and the second one that I propose is change from 1975 to 1976. Can we do this, because the Bills opened up now.

**Mr. Malone:** — Mr. Chairman, the Act isn't worth anything so I suppose we agree to a five cent amendment.

**Mr. Chairman:** — Are you ready for the question? The question is on Section 1 of the printed Bill, amends Section 1 of the printed Bill by striking out 1975 in the second line and substituting 1976. Agreed?

Therefore Her Majesty by and with the advice and consent of the Legislative Assembly of Saskatchewan enacts as follows:

An Act Respecting the Potash Corporation of Saskatchewan.

The question being put on Bill No. 2 as amended, it was agreed to.

## SECOND READINGS

Hon. R. Romanow (Attorney General) moved second reading of Bill No. 19 – **An Act to provide for the Postponement of the Tabling of Certain Documents.**

He said: Mr. Speaker, I don't have the Bill in front of me, but this is a Bill that has come up on at least three or four occasions. As the Members will know the law requires that annual reports, Crown corporation reports, department reports, etc., be tabled within a certain fixed period after the session's opening. Normally it's within 15 days after the opening of the session.

Originally it was thought that the fall session would never last 15 days. We would debate the Speech from the Throne, go for four or five days on other matters and then adjourn until the spring and you would still be avoiding the 15 days.

On Bill 42, the Saskoil Bill and the Saskoil Bill in 1973, it went longer than 15 days and we had to introduce this type of a Bill. Of course, this is another session where again the 15 days are all shot.

The effect of passage of this Bill does not obviate the need to file those reports that have not yet been filed. Members will know that many reports are filed. We keep on trying to get more of them out. It does not obviate that need at all. It just means that when we reconvene they've got an additional 15 days, when we reconvene in March to get all of them out and then we get the committee started and the whole operation.

So, Mr. Speaker, with those few words I move reading of this Bill.

Motion agreed to and Bill read a second time.

## THIRD READINGS

Hon. R. Romanow (Attorney General) moved that Bill No. 2 – **An Act respecting the Potash Corporation of Saskatchewan be now read a third time.**

Motion agreed to and Bill read a third time on the following recorded division:

### YEAS — 32

Blakeney	Lange	Shillington
Pepper	Faris	Rolfes
Thibault	Robbins	Tchorzewski
Bowerman	MacMurchy	Matsalla
Smishek	Mostoway	Vickar
Romanow	Larson	Nelson (Yorkton)
Messer	Whelan	Allen
Snyder	Kaeding	Koskie
Byers	Dyck	Johnson
Kramer	McNeill	Banda
Baker	MacAuley	

## NAYS — 18

Steuart	Edwards	Larter
Lane	Nelson (Assiniboia-	Bailey
Malone	Gravelbourg	Bernston
MacDonald	Clifford	Ham
Penner	Anderson	Katzman
Cameron	Merchant	Birckbeck

Hon. R. Romanow (Attorney General) moved that Bill No. 1 – **An Act respecting the Development of Potash Resources in Saskatchewan be now read a third time.**

**Mr. R. A. Larter** (Estevan): — Mr. Speaker, I would just like to sum up and reaffirm the feelings and fears of the Progressive Conservative Party and our caucus have regarding the potash legislation.

First of all the majority of the people of this province oppose these potash Bills and the potash takeover and certainly the Government has ignored these reflections. Mr. Speaker, there is no doubt that the Liberal filibuster was caused by these two very bad pieces of legislation. This legislation is morally wrong and totally unacceptable to the democratic process which built this province.

**Some Hon. Members:** — Hear, hear!

**Mr. Larter:** — We do not deny the Liberals right to filibuster, we do, however, question its value. Mr. Speaker, many historians and parliamentarians in Canada feel that the filibuster tactics in the Canadian Parliament indeed started the erosion of parliament and took away some of the rights of the Opposition party and transferred some of these rights and infringements to Orders in Council. We wonder if the history could be repeated here in Saskatchewan in this Saskatchewan legislation. Mr. Speaker, one thing is sure that a filibuster does cost and that it does cause a longer session and it does cut down on attendance by some of the Members of the Legislature. They were elected to attend this Legislature.

The filibuster can also guarantee that people on low and medium income by this lengthy filibuster will never be able to take part in our system. We believe that the filibuster in this case did not accomplish anything, let alone change any of the Bills.

Mr. Speaker, the Progressive Conservative Party believes that the threat of expropriation was still the key to the potash takeovers and indeed the filibuster system assisted this Government in negotiations with the potash companies. Only history again will bear this out. We condemn this Government in the strongest terms for entering into this high-risk business with public funds. We continue to urge this Government not to use these vast powers contained in these Bills. Many of our MLA candidates last June out of genuine fear for the future of this province ran in this election. These potash Bills confirm their fears.

Mr. Speaker, we indeed question in no uncertain terms the

political conscience of this NDP Government. It is too late now, but we ask you again, withdraw the Bills or call an election.

**Some Hon. Members:** — Hear, hear!

**Mr. D.G. Steuart** (Leader of the Opposition): — Mr. Speaker, before I talk about the Bill itself, I should like to say a word about the rate late and, if I might call it, deathbed repentance of the Conservative Members to my left. I would point out that if we hadn't filibustered, if they want to use that word, or put up stiff and fairly long opposition to this Bill, the Conservative Party would not have been in a position after Christmas to receive the admonition of their Members and become the most vocal that they did in their whole opposition of this Bill and take a full page ad in the Leader-Post and the Star-Phoenix. I would point out to them that had we collapsed and rolled over and played dead as they wanted to, as their Leader suggested should be done in this Legislative Assembly, these two Bills would have passed, this Act would have been perpetrated well before Christmas and the opportunity for reasoned and sensible debate by thousands of people in the province of Saskatchewan would have been denied had we followed the weak . . .

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — . . . course chosen by the Conservative Party. There was some excuse for the Conservatives at the beginning, they were new and they lacked experience. Our Members, with the exception of four of us, were new and lacked experience as well, but it only took them about two or three weeks to find their feet and to recognize their democratic responsibility and play a full and competent role in this debate.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — I would remind the Members to my left that they were elected to do two things, when they think the Government is right to agree with them, and when they think the Government is wrong to do at least two things, one, to propose alternatives which is what we have done and, two, to oppose bad legislation which they seem to agree this is and which most people in the province agree this is and to oppose it with all the power, with all the strength that they have.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — And in this case they failed and failed miserably the people who elected them.

Mr. Speaker, I want to speak very briefly about this Bill because I don't think there is anything to be said about potash that hasn't been said in the last three and one-half months. But I will remind some of the Members over there who are getting vocal at this late date what was said by one or two Members on that side and all of the Members on this side. How did this Government get into this position? Well, they either got into it by painting themselves into a corner or they got into it by very devious plans, but that will be left as far as I am

concerned for the people of this province to decide.

The first thing they did was harass the potash industry, cripple them with the largest taxes that have ever been levied against any individual or any corporation in the history, not just of this province, but of this nation. That's step number one.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — After they had removed the ability of these people who came into this province at the request of a former NDP Government, a former socialist Premier, Mr. Douglas, and after they had come into this province to develop a resource that had lain for millions of years and certainly was known for a decade or two to be under four or five thousand feet of overlay, doing nobody any good, they asked them to come in with their money and their technology after they had been given the solemn word of the Premier of the province that they could develop this with a reasonable taxation load, and freedom from expropriation by the Government, and we are speaking of all governments of the province of Saskatchewan; they were turned on by the Government opposite, they removed through taxation their ability to expand and then, it was as if they cut the legs off an individual and then said, how come they can't run, how come these people can't expand. Of course they couldn't expand, and no one in their right mind paying 80 to 85 per cent free tax profit and being threatened with expropriation, being threatened with competition by the Government, being surrounded and harassed by a jungle of red tape and by constant abuse by everyone from the Premier to the lowest backbencher on that side of the House. No wonder they didn't expand, no wonder they were in a state of shock. Having set the stage the Government then moved in to take over all or part of this industry and in doing so they launched this province on the largest, riskiest gamble that has ever been launched by any government, I suggest, either provincial or national in the history of the province or this nation.

They then presented Bill 1 and Bill 2, having demanded, not asked, by demand of this Legislative Assembly that they give to that Government untold power, powers with no precedent in the history of this province. Did they then present facts, figures and studies to make the case of the Premier outside of this House, I would point out very glibly called a good business deal and self-liquidating debt? Well, we all know, Mr. Speaker, that they did not. They have presented in three and one-half months not one figure, not one study, not one shred of evidence to show that they have, in fact, any evidence to back up the statement that this is a good business deal and that it will be self-liquidating.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — We had to question, Mr. Speaker, if they had those studies at the beginning but then when we got into committee the evidence came out that they had in fact taken many studies. They had in fact done considerable research, they had in fact paid one company over \$500,000 and I estimate that they paid out well over a million, maybe as high as \$2 million already, in studies. Now why wouldn't they make those studies public? Why would they not accompany this demand for power, this demand for

the backing of this Legislative Assembly to risk \$1 to \$3 billion of the taxpayers' money, why would they not accompany that with the corresponding evidence to lay to rest the legitimate fears of a great many people that this was a very risky venture? Well, either they have total arrogance both for this Legislature and the people of this province or in fact, and this is what I suspect, the studies and their research indicated that this is indeed a very risky venture and they were afraid to table this evidence or they would stand exposed as, to say the very least, poor businessmen and to say the most, a most irresponsible Government, that in a fit of anger have launched this province and the people of this province on a very slippery road that could end up costing us billions of dollars.

Mr. Speaker, I say that the performance of the Government opposite, their irresponsibility in refusing to give this Legislative Assembly and, what's more important, the people of the province any evidence, any proof that they have carried out studies commensurate with the size of this risk indicates both their arrogance and their irresponsibility. But I think that there is something that has happened or something that has not happened in this debate which speaks even more clearly about the attitude of the Premier, the Cabinet and his supporters, their attitude about this Legislative Assembly and their attitude towards the people, and that is we have the Premier of the province of Saskatchewan who is literally forced to come into the debate at a very late date, his entry into this debate was skimpy, shallow and was without merit or without . . .

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — He went on television, paid for by the people, he commissioned ads put through the advertising agency at a good commission, spending hundreds of thousands of the taxpayers' dollars to present one side of the story, but either through contempt or fear or both, he literally refused to take any meaningful part in this debate.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — What is even more contemptible he allowed the Attorney General to pilot these two Bills through when he clearly should have absolutely nothing to do with them. They should have been either piloted through by the Minister of Finance (Mr. Smishek) but preferably by the Minister who will be in charge of the potash corporation (Mr. Cowley), the Member for Biggar, who is typically again absent today when we wind these Bills up, as he has been absent most of the time during this debate.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — I have never attended this House since 1962 when I have seen the Premier of the province of any stripe of government — CCF, Liberal or NDP — who has shown clear contempt of this House, a clear dereliction of his duties by refusing to sit in his place, not only not take part, but absolutely refusing to sit here more than at the best 5 per cent of the time. It is a disgrace and it is contemptible.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — I say that this is a bad deal. We have people ready and willing to invest their money, their skill and their know how in the potash industry. Their only sin was to come here and turn that mineral into jobs, revenue and fertilizer to serve hungry people in this world. They were ready to expand, they were ready to employ more people, all they asked, and certainly it was a minimum for anyone to ask, was fair and decent treatment from the Government opposite. This the Government consistently refused to give them.

What do we have? We have a government risking not just \$1 billion, but if they intend to expand, it could well be \$1 billion to \$3 billion. The Premier can say what he wants outside of this House, he can hire all the slick eastern advertising firms he wants to put the best face on it, you are still risking the taxpayer's money. They know it, Mr. Premier, the results of those studies that have indicated that 62 or 63 per cent of the people would like a voice in this and over half the people are opposed to it and only 21 or 22 per cent are in favour of it, show clearly that this is a major issue and it is a major concern to all thinking people in the province of Saskatchewan.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — It is a bad deal! It will have serious repercussions that will affect this province for years to come.

It has dragged once more the good reputation of Saskatchewan as a place where you can trust the Government, where you can invest your money, where you can come to make your life, it has dragged our reputation in the mud, both nationally and internationally.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — That is the legacy that is hung around the neck of Premier Blakeney for as long as he is in power and as long as he lives. That's what Mr. Blakeney, as Premier of the province of Saskatchewan, has done through this deal and other deals that he has perpetrated on the people of Saskatchewan. I say that it is a sad commentary and a serious load for him to carry.

It has done more than that, he has added to the growing power of this power hungry socialist government. It will add by a stroke of the pen anywhere from 2,000 to 3,500 to 4,000 people working directly for the Government of Saskatchewan eventually. More power to a power hungry government. What it has done to the future of investment in hard rock minerals, in the forests or anything else, what it has done to our future only time will tell. But already we know that Saskatchewan is now considered a black mark in Canada, a black mark in the western free world and a place where investors say to be avoided at all risks.

**Some Hon. Members:** — Hear, hear!

**Mr. Steuart:** — The cost in jobs and investment and the future of Saskatchewan is unbelievable.

Mr. Speaker, this is indeed a black day for the people of Saskatchewan. The Government can applaud, they can use their power to push this Bill through, but they know in their hearts that what they are doing is wrong, what they are doing is against the will of the majority of the people of Saskatchewan. They know they are using their power to ride roughshod over the democratic process, they tried to sneak it in before Christmas, they are putting it in their first term of office in what I think is a vain hope that it will be forgotten by the people of Saskatchewan. I say, Mr. Speaker, it will not be forgotten, it will haunt them in the next election. I am opposed to this as are Members on this side. We are proud of the fact that we held these two bad pieces of legislation up for at least three months and I wish we would have the strength to have held it up for at least another three months or three years.

**Some Hon. Members:** — Hear, hear!

**Mr. Romanow:** — Mr. Speaker, let me say as I have the privilege and the honour and I say that with all of the sincerity that I have in me, the privilege and the honour to have had the seconding and now the third reading of these two Bills to close with a few words on third reading.

The prediction that some of us made at the time of the second reading has indeed come true after nearly three months of debate. I said that time in second reading that this Bill would be a political milestone for the people of the province of Saskatchewan; that it would be a milestone in economic and resource development for the people of Saskatchewan, indeed, for all the people of Canada.

**Some Hon. Members:** — Hear, hear!

**Mr. Romanow:** — I didn't for one moment think that the multinational corporations of the United States or other parts of this world and their spokesmen in this House, the Liberals and the Conservatives, would let us off easily. Not one of us ever thought that the Liberals and the Conservatives who owe their allegiances, political and otherwise, to the multinational corporations would allow this Bill to go through without a fight. They can't do it, Mr. Speaker, they have fought absolutely every progressive legislation that the NDP produces.

They fought the Medicare Bill in 1962; they fought the power corporation and the SGIO in 1945; they fought hospitalization way back in 1945. They laugh because that was years ago. Well you think you can change your stripes, but you can't because a Liberal is a Liberal in 1945 and 1976.

**Some Hon. Members:** — Hear, hear!

**Mr. Romanow:** — You know, Mr. Speaker, had they been retained by the potash multinational companies and the Conservatives, been paid by the potash corporations, they could not have done a better job in advancing the interests of the multinational corporations.

**Some Hon. Members:** — Hear, hear!



**Mr. Romanow:** — Note what the Liberals are applauding. What I said they couldn't have done a better job in advancing the interests of the multinational potash corporations, mind you not the people of Saskatchewan, but the multinational potash corporations.

**Some Hon. Members:** — Hear, hear!

**Mr. Romanow:** — The Leader of the Opposition for whom I have a great deal of personal respect — I say that publicly, I have said it many times even though I disagree with his politics, I think he is a masterful debater and he articulates views — but when he gets up and tells the House that they are proud of filibustering for 45 days, who did the filibuster?

**Some Hon. Members:** — Hear, hear!

**Mr. Romanow:** — You are right they are proud of filibustering. Because the only people whom the filibuster could have benefited are the potash companies, not the people of the province of Saskatchewan.

**Some Hon. Members:** — Hear, hear!

**Mr. Romanow:** — Oh yes, they are proud of it because they are in that bag. Mr. Speaker, what you have seen in this debate from the Liberals opposite are a bunch of pocket potash lawyers in this House advocating the cause of the potash companies and not of the people of this province.

I want to say that when I said it was a political milestone, to see the Conservative Party join in hand and glove with the Liberal Party opposite to fight this Bill as strenuously as the Liberals did every step of the way, taking the position that this is a socialist sickle and all of these scare tactics that we settled now 40 years ago in Saskatchewan, it doesn't surprise me, Mr. Speaker.

The Member for Estevan (Mr. Larter) said it is wrong for democracy, it is morally wrong, this Bill. Well what is right? Is it right for the potash companies to refuse to expand, to refuse to pay the taxes or portions of their taxes, to refuse to make their financial statements, is that morally right? Is that democracy? I ask any man or woman in this Chamber or in the galleries if they defied the law as openly, what would happen to them? Is that democracy? No! But the Liberals and the Conservatives they get up and say somehow that the little guy has to pay his taxes, the little guy has to comply with the laws, but not the potash corporations, that's what you are saying.

**Some Hon. Members:** — Hear, hear!

**Mr. Romanow:** — We, the people of Saskatchewan don't know, then he says having set up the crippling taxes, they couldn't expand. I tell you, Mr. Speaker, the Leader of the Opposition says, couldn't expand. I say that the potash companies wouldn't expand, not couldn't expand. They wouldn't expand because they wanted to use that as a tool to force this Government, a

properly democratically elected government to buckle under to a tax rate that the potash companies wanted and not the people of Saskatchewan, that is why they wouldn't expand.

**Some Hon. Members:** — Hear, hear!

**Mr. Romanow:** — You know, Mr. Speaker, this debate has been a study of contradictions and confusion by the Opposition, particularly the Liberal Party, a study of contradiction. It is the same old Liberal Party that has been around for 10 or 15 years; it is the same old Liberal Party taking the same old position. I just want the Members of the House to note what the Liberals say. First of all the Members claim that they are not defending the potash companies. When I asked them through 46 days of debate — you give to us one alternative to the takeover proposal other than tax reductions which is proposed by the potash companies, they can't. They say we should sit down and work this out. If we had a little conversation somehow some wisdom would come down from on high and everything would be okay. No, no, that is not good enough. I am going to ask the Leader of the Opposition, the Liberal Party, on the hustings as we go out now to talk to the people in the country, I am going to ask them why it was that there was no other alternative put forth by the Conservatives or the Liberals to Bills 1 and 2. Except one alternative, reduce the taxation like the potash corporations want. Yet, they say they are not the spokesmen for the potash corporations of the United States and the rest of the world. Just study this contradiction, Mr. Speaker, this is another, it was even said today, the Opposition is going around the province saying that this takeover is going to bankrupt the province. The Leader of the Opposition said that this is the largest, riskiest gamble, he said so today. We are on the one hand going to bankrupt the province and then on the other hand the Member for Qu'Appelle (Mr. Lane) gets up and says we are stealing the assets.

Now, Mr. Speaker, they say on Section 45 of The Potash Valuation Bill, that that section is too loose. The Member for Wascana (Mr. Merchant) who is out of the House at the moment, gets up and says you are going to pay too much, or he is in the House, I am sorry. Then in the next breath the Member for Regina gets up and he says it's a devious section because it is too tough. Mr. Speaker, they say about the studies, show us the studies, show us at least, I recall the Leader of the Opposition telling us, tell us at least that you have carried out the studies. So I came into Committee of the Whole and told them the studies that we have carried out. Now what does he say, he says those studies aren't good enough. They want the studies, then they don't want the studies, they say the studies show the risk and then the Leader of the Opposition gets up and criticizes the Premier. Because when you are bankrupt of arguments the only thing left is a personal attack. That is the only thing left.

**Some Hon. Members:** — Hear, hear!

**Mr. Romanow:** — When you know that your party is in jeopardy, when you are fighting with every political instinct to survive and you have no arguments, you use a political personal attack.

The Premier in this debate, that is another study in contradiction. On the one hand they yell that the Premier would not take part in the debate. Then when the Premier takes part in the debate he says, oh he didn't debate at all. Mr. Speaker, the Leader of the Opposition on his attack about the Premier and about the time spent in this House is most unfair. Unfair and really an unwarranted attack and unwarranted comment. He had no right to say that. When he said the chairman of the Potash Corporation of Saskatchewan was not even here on the occasion of the third and final reading. As I have indicated, the Members opposite, maybe did not know but I have said this and it's common knowledge, the Minister is charge of the potash corporation is attending a funeral in the Cowley family now in Saskatoon. Now, I suppose what he should have done is been here. But you see, when you get so reckless, when you get so reckless that you don't care about personal reputations, when you don't want to match the argument, when all that you want to do is to destroy the personalities and not the policies behind them, you get into this sad situation that the Liberal Party is in.

**Some Hon. Members:** — Hear, hear!

**Mr. Romanow:** — Mr. Speaker, as this has been pointed out in the debate, in second reading and throughout, that the Liberals when they were in power, to give you an example of their approach and whether they said that is a red letter day. They sold, for example, the sodium sulphate for one cent a ton to corporations. You know what that is trading at today? Forty dollars a ton. Now, Mr. Speaker, that is giving away a resource not in the ownership of a corporation, not to Imperial Oil, not to Gulf, but a resource that we, the people of the province of Saskatchewan own. That we should be the beneficiaries of, that our children and their children should be the beneficiaries of, but Liberals and Conservatives would have us give it away, one cent compared to \$40. Well, I don't want to be a part of that type of red letter day.

**Some Hon. Members:** — Hear, hear!

**Mr. Romanow:** — No, Mr. Speaker, I welcome the challenge that someday soon the electorate will have a chance to voice their opinion. I am confident that this is going to be recorded electorally and beyond the electoral politics of this province as a great milestone in the history of this province and this great country of ours. Because as I have said, this Blakeney Government, the first government in Canada, if not North America, has demonstrated the courage, the wisdom and the strength to pioneer a first in our democratic system.

The control of Canadian resources, Saskatchewan resources, for Saskatchewan men and women, for Saskatchewan children right here at home, to return the decision to this province and to this country.

**Some Hon. Members:** — Hear, hear!

**Mr. Romanow:** — Not from Toronto, I am not concerned about that but to return the decision-making from wherever it is located in other parts of the world.

Mr. Speaker, I have said the authors of this Bill are the potash companies themselves, aided and abetted by the Liberals and the Conservatives, their mouthpieces and spokesmen throughout this province. I want to tell you, Mr. Speaker, that someday soon, if not now, the people of Saskatchewan will record this to be the most positive Act in the books of Saskatchewan, if indeed the country, because we will have guaranteed a fair, stable return from the resources that belong to all of us for potash which could become the basis of an even more exciting and challenging future for all the people of the province of Saskatchewan. And, Mr. Speaker, I want to tell you that I am the proudest guy in the House to be a Member of the Blakeney Government for that objective. I move third reading.

**Some Hon. Members:** — Hear, hear!

Motion agreed to and Bill read a third time on the following recorded division:

**YEAS — 32**

Blakeney	Lange	Shillington
Pepper	Faris	Rolfes
Thibault	Robbins	Tchorzewski
Bowerman	MacMurchy	Matsalla
Smishek	Mostoway	Nelson (Yorkton)
Romanow	Larson	Allen
Messer	Whelan	Koskie
Snyder	Kaeding	Johnson
Byers	Dyck	Banda
Kramer	McNeill	Koskie
Baker	MacAuley	

**NAYS — 20**

Steuart	Cameron	McMillan
Stodalka	Edwards	Bailey
Lane	Nelson (Assiniboia-	Larter
Wiebe	Gravelbourg)	Berntson
Malone	Clifford	Ham
MacDonald	Anderson	Katzman
Penner	Merchant	Birkbeck

**STATEMENT  
ANTI-INFLATION PROGRAM**

**Hon. A.E. Blakeney** (Premier): — Mr. Speaker, I am asking leave of the House to make a statement which ordinarily would be made on Orders of the Day.

Mr. Speaker, this statement concerns Saskatchewan's participation in the national Anti-Inflation Program. I would advise the House that negotiations are continuing between the Federal Government and ourselves. They are not complete. But a number of groups in the province have asked for a statement of our position because they believe it will assist them in dealing with the problems either from their vantage point as employees and unions representing those employees or from the point of view of employers or from the point of view of pricing commodities. I think it therefore appropriate to make a statement before the House adjourns. In response to a question I

believe by the Hon. Member for Wascana (Mr. Merchant) I indicated I would attempt to make a statement before the House adjourned. I am not in a position to make a complete statement but I will give a statement of the Government's position and it is as detailed as it is possible for us to make it at this time.

In October the Prime Minister announced the introduction of price and income controls and the establishment of an anti-inflation board to administer the anti-inflation guidelines. At the same time the Prime Minister asked the provinces to impose rent controls and to make the provincial public sector subject to the national guidelines.

The Saskatchewan Government expressed some serious reservations about the program, nevertheless we have consistently held that it should receive our general support. We moved quickly to rent controls. We were unable to move as quickly with respect to the guidelines because of time required for the passage of the Federal Act, and the publication of the Federal regulations.

Let me comment briefly on the federal program as it has unfolded and indicate how Saskatchewan intends to proceed. Our primary concern has been and still is that prices and profits must be effectively controlled. We are still concerned that the federal board does not require prior approval for price increases of selected key commodities. It remains to be seen whether the board system of prior notification will be workable and effective.

Similarly we are not satisfied that the limits on professional income will be fully effective. In our view an income surcharge would ensure more effective compliance. We are concerned too that the rigid application of the percentage guidelines will create special problems for the expanding Saskatchewan economy. We have raised these concerns with federal authorities. These concerns have not yet been fully met. Nevertheless we believe that it would not be in the best interests of Canada if Saskatchewan failed to give its co-operation and support to the national effort to curb inflation. Furthermore, it would be unfair if workers in private industry in Saskatchewan had their wages and salaries subject to the guidelines while the wages of public sector employees were not. Similarly it would be unfair if private firms were constrained by the price and profit guidelines while commercial public enterprises were not.

For these reasons, the Government of Saskatchewan has decided to support the national effort by establishing the Saskatchewan Public Sector Price and Compensation Board. It will be established pursuant to the provisions of The Executive Council Act. The board will be chaired by Judge Ernest Boychuk, Chief Magistrate of the province. Mr. Boychuk will continue to function in his capacity as Chief Judge of the Magistrates Court. The other board members will be Mr. Jim Maher, a businessman, former Member of the Legislative Assembly, and former alderman and mayor of North Battleford; Mr. Everett Wood, former Minister of Municipal Affairs. We are very fortunate in being able to attract such a well respected group of individuals to serve on our board. They will be asked to administer a complex set of regulations in a manner which requires the utmost in discretion and wisdom.

The board's area of jurisdiction will be the provincial public sector. In consultation with the Federal Government we have defined the public sector. I may digress by saying it is necessary that this definition be a joint definition since the federal guidelines apply in the private sector and the federal board and the provincial board applies in the public sector.

We have set accordingly to define this and it will be defined as including provincial and local governments themselves, and their agencies plus other institutions which depend to a substantial degree on public financial support.

Specifically the provincial public sector will include: provincial government departments; provincial Crown corporations; provincial boards, commissions and special funds; cities, towns, villages, rural municipalities and local improvement districts, municipal sewer and water works, electric light and power systems and transit systems; police commissions; school boards; universities; institutes of applied arts and technology; community colleges and including private and affiliated colleges receiving provincial financial support; public art galleries and museums; archives and libraries; hospitals, psychiatric facilities and sanatoriums; community health centres and home care programs; alcohol and drug rehabilitation facilities; sheltered work shops and special care homes with six patients or more and correctional centres.

The board will have two main responsibilities, (1) to ensure that all commercially oriented public sector enterprises follow the pricing guidelines and, (2) to ensure that all labour settlements follow the compensation guidelines. In addition the board will monitor increases in user charges and fees. Crown corporations, municipalities and other bodies in the public sector will be asked to increase user charges and fees only by an amount sufficient to cover increased costs, unless the increases are otherwise justified by program objectives or fiscal requirements.

Federal and provincial governments have agreed that tax and revenue sharing mechanisms at all levels of government, and this includes provincial liquor boards, will not be subject to the price guidelines. It will be outside the jurisdiction of the federal and provincial boards.

The provincial board will be given the power to require that any public sector body give 30 days notice and receive the board's prior approval for any price or compensation increase. In cases where the board has not required private approval the board may review any increase after it has been implemented and making a ruling within 30 days of the increase. The board may reduce any intended increase or rollback and increase already in place.

The board will be guided by the national percentage guidelines, taking into account modifications, exceptions and qualifications as they apply to Saskatchewan. The application of the national guidelines will be retroactive for any price increases announced and implemented after October 13, 1975 and for any pay increase announced and implemented after October 13, 1975, except where the pay increase is substantially the same as an offer made by the employer prior to October 14, 1975. In these cases it is proposed that regard would be had to the

ceilings on pay increases provided for in the national guidelines.

All public sector bodies are expected to give their full co-operation to the board and to comply with its requirements for prior approval and with its rulings. The Government is committed to take whatever steps are necessary to ensure compliance in any case where the board has indicated that there is a failure to comply. Such steps could include asking the Legislative Assembly to roll back a particular price or compensation increase or reducing the provincial government's financial support to the public sector body involved.

We are counting on co-operation but if that fails the Government will act.

During the next week or so the board will begin its job. It will have a small support staff, drawn partly from the existing Public Service. The Government will notify those public sector bodies which will be within the board's jurisdiction. The board will then meet with these bodies either individually or in groups.

I may digress by saying that while the board will undoubtedly commence its activities in the next week or so, it is possible that there might be delays in getting all aspects of the guidelines completed if negotiations with the Federal Government do not proceed as we hope they will. We are in the process of negotiating with the Federal Government the terms of a formal agreement so that Saskatchewan is officially part of the national anti-inflation program. The negotiations are still in progress and the position of the Federal Government on several important matters is not yet known.

While our arrangements may be somewhat different from that of some other provinces, we intend to follow the national guidelines. We are confident that our board will play its full part in striving to reach national objectives while maintaining a special sensitivity to Saskatchewan and its particular situation.

**Mr. Steuart:** — Mr. Speaker, let me say to begin with that we welcome this statement from the Premier and my first recollection, what I heard on the news at noon was to chide him for announcing it to another body and not this House. It may well be that he just gave them an announcement that he was going to make an announcement here and he's made the full text of his announcement here. However, that's a small point and I think that the pertinent thing is that the Premier has announced, in a very general way, the intentions of the Government. Now while I welcome this and it may go some way to clear the air there are almost as many questions unanswered by this announcement as there are answers.

For example, I hope that what the Premier is not saying in effect, we will tip our hat to the federal guidelines, to the federal fight against inflation but in fact, where it involves our jurisdiction, jurisdiction of local government, jurisdiction of Crown corporations, jurisdiction of those bodies that we in part or in whole, fund, nursing homes, local government and so on, that we will be prepared to set our own guidelines irrespective of the national guidelines and it would appear that

this is possibly setting the stage for a double standard in the province of Saskatchewan. One group, private employees and private firms will come under by national law, the national guidelines. All other groups outlined in this statement, and they are a host, there are a tremendous number of people and agencies involved, will come under the provincial board. This could set the stage for two sets of guidelines and for some serious inequities.

The composition of the board we welcome. It looks like a strong board and I am pleased that these people in our province, Mr. Boychuk, Mr. Maher and Mr. Everett Wood have agreed to take on what will, I am sure, prove a very grave responsibility and very onerous task and I say, immediately, inasmuch as we are able, we will give them our full co-operation.

I notice that there are conditions for rollbacks and we welcome this. I am sure and I hope that the board will immediately look at the serious price increases placed on the public by some of the Crown corporations, notably, power, telephones and SGIO.

I am concerned about the teeth, I am concerned about the administration of the provincial guidelines. One of the complaints of the Government opposite, and with some justification, was the question of prices, relative to straightforward controlling of wages. It is relatively straightforward, they ask for so much and you say these are the guidelines and use the power of the Federal or Provincial Government to institute the guidelines whether they are fair or unfair.

In the question in the case of prices it is more difficult and in the case of incomes it is more difficult. The complaint of the Government opposite has been that there appears to be one set of standards for working people, one set of standards for wage earners and one set of standards for price and income increase. And as I say, to some extent they may be right. However, they have also talked about the massive red tape and the inability of the anti-inflation board to react quickly to price increases.

Now, here they are setting up, and I quote from page six from the Premier's statement:

The Government is committed to take whatever steps are necessary to ensure compliance. In any case where the Board has indicated there is a failure to comply, such steps could include asking the Legislative Assembly to rollback particular price or compensation increases or reduce the provincial government's financial support to the public sector bodies involved.

Now this may call for legislation and we are talking, now, of about maybe another two or three months before such legislation could be in place. I think this could be slow, it without a doubt will be cumbersome and I would hope the Government would reconsider and find some mechanism whereby the board would have the very direct power and a very clear responsibility and right to take decisive action when there is non-compliance with their ruling. This may not turn out and my fears may be unfounded, I hope they are. But on the surface, at first glance, it appears to be slow and it could be cumbersome and there could be a long delay. We already have price increases and wage



increases that appear to be above the guidelines. And so this has happened already, by the time you set the board up, write the regulations, give them the ground rules and give them their staff, another two months will probably have gone by and this situation may even be worse.

However, let me say this, that having stated those concerns I am sure they are concerns of the Government as well, I hope they are, that we don't want two sets of standards in the province which will make for great inequities and we want this board to work. I would rather have hoped that the Government would have followed the lead of the province of Manitoba and said, all right, we will have one set of guidelines and they will be the federal guidelines so everybody is treated with the same justice and the same equity. However, having decided to go down this course, I hope that they will do everything in their power to see that there is equity in the wage settlements, income settlements and price levels set by this board and as quickly as possible give this board the teeth and the power they need to do the job, the very serious job, that you have asked them to do on behalf of the people of Saskatchewan.

In summing up my feelings I want to say that I welcome, again, the statement by the Government. Although I have some concerns I want to say that I wish the board and the Government good luck and they will – as we have said from the beginning of this session – they will have the full support of the Liberal Members of this Legislative Assembly in their legitimate and reasonable and sound efforts to join with Canadians from all other provinces in what must be a national fight to attempt to control inflation both in this province and in this country.

**Mr. C.P. MacDonald** (Indian Head-Wolseley): — Mr. Speaker, with your permission and I believe the arrangement was that we would be permitted a series of questions, brief questions.

**Mr. R.H. Bailey** (Rosetown-Elrose): — Mr. Speaker, I should like to congratulate the Premier, as the Leader of the Opposition (Mr. Steuart) did. I was a little surprised in that the Premier must feel goodness within, I think it was on Monday that I asked him the question and he referred that it would be within the next ten days and it is 48 hours later and we have before the House the Provincial Anti-Inflation Program.

I can assure you, Mr. Premier, that Members of the Conservative caucus will co-operate with the Government and we certainly welcome this announcement this afternoon. I am sure, too, that the Government, when we reconvene, will provide plenty of time to the Members in the Opposition to discuss fully the points that the Premier has raised and I am sure, too, that they will welcome and encourage any suggestions that the Opposition may have.

There are many areas of concern that I have and I am not going to disturb the House at this time in talking about those concerns. I think that the people of the province of Saskatchewan will, first of all, place their outmost trust in the members of the board, people who are well known in Saskatchewan, and of course are trusted in Saskatchewan.

So we welcome the opportunity to have this announced and we will welcome the opportunity to contribute to assist the Government in the way of an opposition to carry out to the people and for the people of the province in the fight against inflation.

**Mr. MacDonald:** — Mr. Speaker, I should like to direct a question, a series of questions, very brief, a couple of supplementaries.

First of all I am afraid, Mr. Premier, that I don't share the optimism of my colleagues on this side of the House and it would appear to me and would the Premier agree, that it appears to me that this set of rules has left the door open for the provincial NDP Government to do whatever they so desire?

For example, just exactly what do you mean? The board will be guided by the national percentage guidelines taking into account modifications, exceptions and qualifications as they apply to Saskatchewan.

Let me ask, does that mean that these guidelines apply to contracts that have now been signed, for example, the liquor board contract.

Second, are they going to apply to negotiations at the present or currently now being taken under negotiations. I refer, of course, to the school teachers and the Saskatchewan Power Corporation employees.

Third, if these are going to be exempt, who else is going to be exempt and who is not going to be exempt? Because I am sure that every wage earner in the province of Saskatchewan considers that he, too, has a modification, a qualification and an exception. I suggest for the general tone, the wide openness of this, that you are placing an almost impossible task on the shoulders of Mr. Boychuk, Mr. Maher and Mr. Wood, because there is no specific here. Is it the intention to, would you indicate, for example, those three groups that I named?

Would you also explain to me if you are going to clearly outline who is exempt and who is not, which group of employees will and will not. Perhaps I could start with that question.

**Mr. Blakeney:** — I think the Hon. Member raises good points because that language is wide. It is really designed to describe the federal guidelines as we understand them. What I am saying is the federal guidelines consist of the percentage guidelines, together with certain modifications, exceptions and qualifications. Perhaps those are too many words, but the percentage guidelines do not apply where there is a historic relationship. We are attempting to define what we call a regional equity comparison and I can read the guidelines to permit that if you wish to read them, because that is a historic relationship across the Prairies, for certain groups. And there is also another exemption in the guidelines dealing with instances where you simply cannot get people at that price where there has been a vacancy over a period of three months, I believe, is the figure in the guidelines. That is what we are attempting to describe by that phrase. We will in due course and I hope before long be able to lay before the board and this Assembly a list of rules and regulations which will be just the federal guidelines virtually, there will be very, very few modifications

thereon.

The transition question which you ask, first nobody is exempt as such, nobody is exempt from the guidelines but from the purview of the board, but the board is asked to deal with contract settlements as well. If the price increase was announced and implemented after October 15 it is caught, if it was not, if it was either announced or implemented prior to that it is not caught.

With respect to pay increase the same thing except that where there was an employer's offer on the table we intend to honour it. That is what I call the postal situation. They had an offer on the table, the offer was accepted after the guidelines but the offer was on the table before the guidelines and I think the Federal Government felt that they couldn't renege on that. Now that situation of the offer on the table before the guidelines covers the situation of the liquor board employees and the settlement was virtually the offer. There may be some argument about that but substantially the offer. It really was and I will debate that with the Hon. Member if he likes. The situation with the public service is very similar and to these people we had made an offer which was virtually the equivalent to the settlement with the labour service employees with whom we had just settled after the work stoppage in August. We worked out a pattern, that pattern we virtually offered to the regular public service and to the liquor board and that one was virtually on the table. There are some modifications and I don't want to get into just what is on the table because some of those negotiations are not over. But we feel honour bound to implement the offers which were on the table. That does not include some others, it does not include, for example, the teachers where there was, as it happened, no offer on the table. This is with respect to people like the teachers, nurses and some other groups, we have to look to historic comparisons at what we have called the prairie region in a general way, what I've called a region equity approach. That is the approach that we are addressing ourselves to, we are not suggesting that there are going to be 14 per cent guidelines in Saskatchewan or anything like that. The arithmetic guidelines will be the same. The only argument will come about whether or not the historic comparisons and the shortages of employees and the like would make a difference. That is our policy and it's not easy to state but I think it will seem to be not unreasonable. I think I'll not say anything further and it may be that other questions will elicit further . . .

**Mr. MacDonald:** — It doesn't really give me any more assurance, the Premier's response. However, we'll wait and see and I'm looking forward and I'm sure all Members of the House and the public to the regulations.

The second question. Certainly one of the biggest disappointments I have . . .

**Mr. Speaker:** — Order! I think in order to have some order in the questions there may be some other Members who wish to question. If the Member has a supplementary, fell free to go ahead. If he has another question and no one else has a question, then

the Member may go ahead.

**Mr. MacDonald:** — Mr. Speaker, I'll try and make it brief. Why has the Premier not only penalized wage earners and workers and makes no effort to indicate reduction in public spending of the public purse? In other words, I've heard him, is it not a fact he criticized the Federal Government for really having difficulty controlling price freezes and price increase yet here we find in this anti-inflation program of the Provincial Government and they are saying that they're going to hold down the wages of workers and the lower paid people in the province of Saskatchewan and absolutely no indication as to the Government's spending in relation to their own spending.

**Mr. Blakeney:** — I have two things there. I think the statement primarily was designed to deal with price restraint and income restraint. I am not nearly as convinced as other people are that the restrictions of government expenditures brings beneficial results, particularly to low-income people. This is not, however, to suggest that the Government is not pursuing a policy of restraint and we believe that rather than make some announcements with all the efforts some other governments have made, I think largely for cosmetic effect, I think the proper course of action for us to follow is to indicate that we are following a program of restraint and to indicate that much more fully when we present to the Legislature our budget in approximately six weeks time.

**Mr. MacDonald:** — The board may reduce any intended increase or rollback an increase already in place and of course we are referring to the public sector. One of the things it does indicate that there is no intention, it leaves the government an escape clause, that they do not have to review Crown corporation increases in the province of Saskatchewan that were prior to October 13. Of course I refer to Saskatchewan Power, Saskatchewan Telephones, SGIO and so forth. Is it the Government's intention to have the board that you have duly constituted, Judge Boychuk and the other two members, review the increase of the Crown corporations in Saskatchewan which I'm sure the Premier will admit contributed more to the inflationary costs of Saskatchewan in the past year than any other single factor?

**Mr. Blakeney:** — Basically I don't admit what the Hon. Member bases his question that these contributed more to inflation than any other factor, I think that they were cost pass through proposals. I don't mean to detail them here now but the Hon. Member will know that in the last two years the cost of natural gas to the Saskatchewan Power Corporation has gone up 400 per cent and I think that from about an average of 21 per cent in Alberta to about 86 per cent; 86 cents, 21 cents to 86 cents as an example and while that undoubtedly may contribute to inflation it is not something that is outside any federal guidelines. I think the question of whether or not the board is going to review increases either of prices or of compensation wages which took place prior to the effective date of October 13th. We simply haven't decided all of those matters yet and I wouldn't be able to state a government's position on that.

**Mr. Lane:** — Mr. Speaker, I suppose I could ask the obvious question, are liquor prices now going down, but I have a general question.

You have indicated that the term or the phrase “historical relationship” will take into account your phrase “the regional equity relationship” and I am inclined to agree with you. It does obviously extend wage settlements in other provinces as a guideline back into our province and brings the relationships that way. But has your definition of regional equity relationship been accepted by the federal board or have discussions gone on with that particular phrase?

**Mr. Blakeney:** — The short answer to that is that it has not been accepted nor has it been rejected. I don't know whether it needs to be accepted or rejected because it is part of the Federal Government guidelines and it is a matter of who interprets it. But we don't want an interpretation which is sharply at variance with the federal interpretation. We can have an interpretation which is modestly at variance, but we don't want one which is sharply at variance because this is undoubtedly going to produce difficulties as between the public sector and the private sector in Saskatchewan. These finer points are in a sense what are under discussion now between our officials and the Federal Government officials and I know that the Minister of Finance has had some correspondence with the Hon. Mr. Macdonald on two or three key points.

**Mr. Lane:** — I wasn't being argumentative on that, I was attempting to find out the status of any discussions.

I note, from my recollection of the remarks, that you expressed concern at the outset about whether the professional income surcharge was an adequate measure of restraining professional incomes and you expressed some doubt as to that. You also expressed some doubt as to the effectiveness of the anti-inflation board program or the failure to demand prior notice. You did deal with the prior notice under our board, but seemingly unless I missed it, didn't deal with the question of professional incomes.

Are we to expect a professional income either, special program for Saskatchewan, an income surcharge and I suppose by the same token are we to expect in Saskatchewan a special corporate tax surcharge or income surcharge?

**Mr. Blakeney:** — Certainly if we moved in that direction we could not confine it to professionals. I think there is no way that we, in the province of Saskatchewan, could apply an income surcharge based upon professions, nor perhaps, do I think we should. Whether or not there will be an income surcharge on people of higher incomes is something that I cannot now indicate simply because no decision has been made, but I think it is fair to say that it is something that we are considering and which, whatever decision we make, will be part of the budget.

With respect to any corporate one, I suppose the same can be said, although again, if I be frank with the House, that we are not considering that as actively as the other alternative.

**Mr. Lane:** — My second supplementary deals with the question of local governments.

At the SUMA convention yesterday, and I stand to be corrected, the Minister indicated that grant restraint will be asked for by local governments and that the grants would take into account basically, the impression that I was left with, last year's term, plus an inflation factor. I could have misinterpreted that. Would you give your thinking as to how this particular program is to apply to grants to go to local governments as opposed to their services supplied.

**Mr. Blakeney:** — The program as such has no application to grants. It has no application to taxes, and I refer the Hon. Member to the top of page five of my statement where I specifically say that taxes includes those charges and imposts levied by the liquor board. So that there is no restraint on the amount to which we can gouge those consumers of liquor.

Having said that, the program is not designed to apply at all either to taxes or to grant transfers. We will be asking, as I did this morning, asking local governments to restrain their expenditures as we will be restraining ours, but I know they will have some real problems in cutting, effectively cutting programs, and so will we.

**Mr. Merchant:** — Mr. Speaker, I wonder if the Premier is aware, first I wonder if you are aware and, second, is it true, we are told by the teacher negotiating team and confirm whether you are aware of this, that they have been told in their negotiations that they can't settle anything because, indeed, they are afraid of what the Liberal Party would say if a settlement were made above the guidelines; that you have been holding out the bogeyman of the Liberal Party as though we are running the Government now — and we would be proud to do that. I wonder if that is true if that illusion has in fact been created. That is what the teachers believe and I wonder if that were true in your negotiations with other bodies such as the nurses and the hospital workers, whether you have been hiding behind the Liberal skirts, if you like, in failing to settle.

**Mr. Blakeney:** — Mr. Speaker, I would be amazed if the teachers believe that. I wouldn't be amazed if certain Liberals tried to make the teachers believe that, but I have a fairly higher regard for the intelligence of the teachers in this province and, therefore, I am sure that they would unlikely succumb to the blandishments of the Member for Wascana.

The answer is, so far as I am aware — and obviously I am not at the bargaining table — but so far as I am aware there is absolutely no truth or no substance to the proposition put forward by the Member for Wascana.

**Mr. Merchant:** — I wonder, Mr. Speaker, if the Premier was here when both I and the Member for Saskatoon Eastview (Mr. Penner) spoke and indicated that as far as this party was concerned we thought that teachers were one of the exceptions to the ordinary guidelines.

**Mr. Blakeney:** — Mr. Speaker, I think there will be no exceptions to the guidelines. What there will be will be an application of the guidelines and the guidelines permit a consideration of historical relationships. In our judgment in approaching the problem of teachers' salaries, you cannot take teachers' salaries in Saskatchewan in isolation from historic relationships at least across the Prairies. This is not to suggest that we are talking about equality of salaries, but it is to suggest that we are talking about a general relationship of salaries across the Prairies. This has been the case over the years. There have been occasionally one group who have been a little ahead of the other, but there have never been wide variances over any substantial period of time. We have to take into account that we are talking about a three-year program.

If we were talking about a one-year program we could, with some fairness, say to employee groups, well, you just got caught and tough luck. But for a three-year program that, I think, is not an appropriate stance for a government.

The teachers in this province have had a two-year contract and as a result thereof have reached the position where the historic relationships between Manitoba and Alberta is not what it has been for the most part. Accordingly, I would think that an appropriate application of the guidelines would take into account historic relationships and our negotiators at the negotiating table are negotiating on that basis. Any contract arrived at will be subject to the review of the board, but we will be wishing to say to the board, we hope we can reach an agreement with the teachers and we hope that we would be able to say to the board in our judgment this increase is within the guidelines because there is the arithmetic guidelines and then there is that additional amount which is necessary in order to restore, in a general way, historic relationships among teacher groups in this area of Canada.

**Mr. Merchant:** — I wonder if the Premier would indicate whether the settlements, the teachers' settlements, nurses, the hospital workers have been delayed awaiting these announcements and, secondly, do the announcements, I gather they have no requirement for legislation or will we be delayed again for a further six weeks before Saskatchewan finally gets into the inflation battle?

**Mr. Blakeney:** — Well, I think there have been no significant delays although I think it is fair to say that all parties in negotiations in the last few weeks have not pursued them with all the vigour that they may have, and I think that is both true on the employee and the employer side, simply because we were not sure what the federal guidelines meant. We were reasonably sure that the federal guidelines would be applied in a general way here in Saskatchewan, but we had to figure out what we thought the federal guidelines meant.

Anyone can calculate, they are arithmetic guidelines, but we are only now finding out what all of these regional comparisons and that sort of thing means, as we see instance after instance being adjudged by the federal board. We will find the same thing out in Saskatchewan as we have a Saskatchewan board.

We do not anticipate the need for legislation under this

program. It is possible that it may be necessary. It is not clear. The merits of legislation are far from self-evidence. There is legislation in Canada. I am told that Ontario is covered by the federal legislation on the public sector. But that didn't solve the teacher-trustee dispute there. I am told, although I don't know this, because I don't know whether Manitoba has signed an agreement with the Federal Government, that the public sector in Manitoba is covered by the federal guidelines and the federal legislation. But there is a work stoppage there in the transit system in Winnipeg. So it is not immediately clear the benefits of legislation, but there may be. That, time will tell.

I think that it is worthwhile to point out that I think the most successful anti-inflation program on the go at the moment is the one in Britain which has reduced the rate of inflation from about 25 per cent to about 14 per cent over a period of ten months. There is no legislation there.

**Mr. Romanow:** — Mr. Speaker, I want to thank the Members of the House for having allowed the Premier to make the announcement. I think we are finished with this portion of the proceedings. So that we could move onto another matter, I should like to ask leave of the Speaker and the Assembly for two or three minutes, if I can.

## STATEMENT

## PROROGATION

**Mr. Blakeney:** — Mr. Speaker, I rise to make a statement and I hope it will not be considered to be incongruous with the remarks that we were just addressing to this House a few moments ago.

Mr. Speaker, I wish to address to the House some remarks with respect to the way we should proceed during the next six or eight weeks. The current legislative sitting has proceeded now for 46 days. If one considers the number of days in which we have sat mornings and evenings, that would be equivalent, I suppose, to a 60 or 70 day session. It has been a long session with few breaks. The question, therefore, arises as to whether or not we should not prorogue this House and reassemble with a new session.

I may say that I have looked at some material and I see that this session is 46 days long, since 1900 there have only been eight sessions with have been longer. A standard session is running now, if you take the last few and a couple of those in the last two or three years, but if one takes from 1964 which was 29 days; 1965 it was 52; 1966 – 44 days; 1967 – 40 days; 1968 – 48 days; 1969 – 44 days; 1970 – 45 days; 1971 – 44 days; 1972 – 51 days and so on. I think you can see that in many ways 46 days is a fairly standard session. While we should not take credit, I suppose, for sitting mornings it has been a tough session also.

I am, therefore, going to suggest to the House, if there is general agreement and no disagreement, that the House prorogue rather than adjourn. There are some problems – two private Bills on the Order Paper would die, would need to be reintroduced, other Bills, of course, would need to be reintroduced, but with respect to the private Bills, some people who put out some



money on advertising might have a sense of grievance and I think we would be able to reimburse those organizations. There are just two.

I understand that the Attorney General has consulted with representatives of the two parties opposite and I understand that they are in agreement with the proposal to prorogue. This would give us all a complete break and would provide Members with the opportunity to come back to a new and fresh session.

I want to make this clear, it would have the effect of having an extra sessional indemnity. I don't want anyone to misunderstand that aspect of it because of the sessional indemnity it should be understood is \$2,500, not \$12,500 but \$2,500. And no one should think it will be more than that. I think in all justice having regard to the fact that the session is likely to be 75 days, maybe more than that, that would only leave 29 days and I am not sure we will complete our business in 29 days. Likely, perhaps, to be considerably longer than that if we proceeded as one session. I think it is not unreasonable to put this proposal before the House.

I think we are all aware of the problems for private Members that this lengthy and unexpected lengthy session has caused. The problems are not nearly as obvious for Cabinet Ministers, and I am the first to concede that. But I think considering all of the equities, it is not unreasonable for us to propose to prorogue the House and reassemble in a new session.

I believe that the House Leader has had an opportunity to consult with the two parties and we believe that an arrangements could be arrived at whereby we would not have a long Throne Speech to debate again, but we could proceed with the business. There would be a Throne Speech, of course, but the debate would be shortened and we would proceed, primarily, I think with the budget and thereafter the legislation.

I want to put forward this proposal without any feeling that we are firmly committed to it if there is a feeling that it is inappropriate. I put it forward and if there is no general objection to it, then we will be proceeding on those basis.

**Mr. Steuart:** — Mr. Speaker, if I may reply to the Premier, I think that 46 days – and the morning sittings – it didn't start out this way to be a session anywhere this length, but it turned out to be this length. I think if you add up the hours, I'd have to agree with the Premier that the hours have been extremely long. There is no question in my mind that for the Members who come from outside Regina, which is most of the Members, the expenses for this session are comparable to the expenses of a session. I have no hesitation at all in supporting the idea that this be considered a session. If it is a session then the sessional indemnity is reasonable and I think that the proposition is equally reasonable.

**Mr. Romanow:** — Mr. Speaker, there being no further comments or no objection on this I think that matter can be put aside. On that basis then I should like to tell the House that what we will be doing next is of course calling in His Honour or asking His Honour to grace us with his presence and give Royal Assents and thereafter there will be a short prorogation address by His

Honour and that will be it as the Premier has outlined.

### **ROYAL ASSENT AND PROROGATION**

At 5:25 o'clock p.m. His Honour the Lieutenant-Governor having entered the Chamber, took his seat upon the Throne and gave Royal Assent to the Bills presented to him.

His Honour the Lieutenant-Government was pleased to deliver the following speech:

Mr. Speaker, Members of the Legislative Assembly:

It is my duty to relieve you of further attendance at the Legislative Assembly. In doing so, I wish to thank you and congratulate you on the work you have done.

After full and extensive debate, you have given approval to The Potash Development Act, 1975 – a measure which will assure for this and future generations of Saskatchewan people orderly development of this valuable resource in the public interest.

You have also provided a solid base in law for the public instrument of potash development, the Potash Corporation of Saskatchewan.

In amendment The Residential Tenancies Act, 1973, you have taken an important step toward controlling inflation by limiting increases in rents within a framework which protects the legitimate interests of both landlord and tenant.

In taking leave of you, I wish to express my personal appreciation to the many Members on all sides of the House who have extended so many courtesies and good wishes as I approach the end of my term in this office.

I thank you for the manner in which you have devoted your energies to the activities of the session and wish you the full blessing of Providence.

The Hon. Mr. Romanow, Acting Provincial Secretary, then said:

Mr. Speaker, and Members of the Legislative Assembly:

It is the will and pleasure of His honour the Lieutenant-Governor that this Legislative Assembly be prorogued until it pleases His Honour to summon the same for the dispatch of business and the Legislative Assembly is accordingly prorogued.